



# ORDER EXECUTION POLICY

## 1. Introduction

FSMSmart (hereinafter to be identified as “Company”), takes all coherent steps to acquire optimum result (or execution) for its Clients when fulfilling, accepting, and forwarding orders for execution. These regulations call for investment firms to prime an execution policy which describes how they will achieve the execution for the Client and to present accurate details to the Client on the Order Execution Policy.

The Company executes Trades with the Client on a principal to principal basis and sees to the Client as the counter-party. The Company derivative trades and other Trades with the Client associated including a broad range of Underlying Markets

Derivative trades and FX Contracts are leveraged products that hold a high level of risk, which do not suit everyone. The Client must not trade with the Company unless the Client knows the nature of the transaction he/she is involved with and the amount of his/her potential loss from a trade. The Client must find what fits his/her circumstances, financial resources and investment objectives.

## 2. Scope of the Policy

**2.1.** This Order Execution Policy expounds the Company’s execution structure for fulfilling Orders from the beginning to actual execution. The venue the Company uses and details concerning how the different factors affect the Company’s manner of execution.

**2.2.** This Policy applies to retail and professional Clients. This Policy will not be applied if the Company identified the Client as an eligible counter-party. This Policy pertains to when performing transactions with the Client for the financial instruments.

**2.3.** This Policy applies to Clients when carrying out transactions for the financial instruments offered by the Company. The Company is always the counter-party to every trade; hence the Client chooses to open a position in a financial instrument with the Company, then that open position can only be closed with the Company.

**2.4.** This Policy is pertinent to each time the Company carries out orders for the Client according to the Client’s classification (retail, professional, and eligible). It is hereby acknowledged that while fulfilling the Client’s order, the Company will always be the counter-party and does not assure that the Client’s price will be more favorable than one which can be offered elsewhere.

**2.5.** If the Client continues to place an order with the Company, it will be considered as the Client’s approval for the Company performing that order in line with this Policy.

**2.6.** This Policy applies when the Company carries out a client's order given that the following conditions are fulfilled:

- The client has not been deemed as “eligible counter-party” for the said service or transaction.
- The client is dealing with means of financial instruments covered by Company's licence.
- Precise directives provided by the client do not prevent the Company from presenting this Policy to the client.
- The Company did not grant the client direct market access using electronic interface which connects only to a specific execution venue.

### **3. Execution Factors**

#### **3.1. Price**

**3.1.1.** The Client acknowledges and accepts that, regardless of any information which may be offered by the Company, the price of investments may rise, fall, or less likely may become of no value.

**3.1.2.** The Company estimates its prices based on the price of the appropriate financial instrument, which it acquired from third party external reference sources.

**3.1.3.** The Company assesses its third party to guarantee that the data acquired continues to be competitive.

**3.1.4.** The Company revises its prices as often as possible through technological means.

**3.1.5.** The Company will not quote any price outside the Company's operation time, hence no orders can be placed by the Client during that time.

**3.1.6.** The Client may acquire good profit if the primary instrument's movement is in the Client's favor, but might lose amounts in surplus of the Capital invested within the Company; Therefore the Client must not enter into a transaction with the Company unless he/she is prepared to take the risks of losing amounts higher than all the money which he/she has invested and also be liable to additional commissions and other expenses acquired.

**3.1.7.** In the event that the price touches an order, it is immediately carried out. However, under certain trading situations, it may not be viable to perform orders at the price stated by the Client; therefore the Company may execute the order at the first presented price on the market. When an order is executed, real market prices may vary from the prices displayed on the client's terminal.

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**3.1.8.** When the underlying market is volatile and its price is changing rapidly, the Company cannot assure that every price movement will result in a change to the estimated price of the market. The rate of updates of the Company's market price depends on the technical boundaries of computer hardware, software and data, and communication links.

**3.1.9.** The Company has the right not to execute the Client's order in the event that there may be no performing market or exchange opened for trading on which the primary product is traded. At such time the market may be illiquid, trade closed down or suspended and other factors may change the price.

**3.1.10.** The Client agrees and accepts that if an order has been carried out at a specific price on the system, this does not suggest it was executed correctly, and that the executed price may not be changed afterwards in the event an error is identified.

**3.1.11.** In trading situations, such as over the counter (OTC) markets, there may not be a corresponding open available market price for the instrument being traded. In such conditions, the Company will use its experience and commercial judgment to consider all pertinent data presented to it and apply this to execute the order with the intention of accomplishing the best possible result.

### **3.2. Costs**

**3.2.1.** The Client is required to pay corresponding commission or financing fees when he/she decides to open a position on any type of financial instruments.

**3.2.2.** Commissions may be priced either in a percentage of the total value of the trade or as a set amount.

**3.2.3.** For financing fees, the cost of open positions in some types of derivatives is raised or lessened by a regular financing fee "swap rate" all through the existence of the Agreement. Financing fees are established from existing market interest rates, which may differ over time.

### **3.3. Size of the Order**

**3.3.1.** Orders will be placed in lot sizes, which measure the amount of the transaction, wherein it varies for each financial instrument.

**3.3.2.** The Company has the right to refuse a Client's order if it is too big and cannot be filled by the Company. It is acknowledged that the Company may limit the maximum volume of the single transaction.

**3.3.3.** The Company shall automatically execute the order through its trading platform, provided the execution will not be generally affected by trade sizes where the order is within any pre-determined minimum and maximum limits.

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**3.3.4.** When the Company executes an unusual order, such as one that is bigger than the average market size or one that an extended or shortened settlement period, the manner it performs a standard order may vary.

### **3.4. Financial Instruments**

**3.4.1.** The Company performs orders in line with one or more trading instruments (Forex, Spot Metals, Commodities, and Indices) in derivatives that the Client is using to give orders.

**3.4.2.** The Company acts as principal on behalf of the Client, hence the Company is the main execution venue for performing the Client's orders for the financial instruments offered by the Company.

**3.4.3.** When executing orders using special financial instruments that are not included for trading on controlled or other organized markets and not negotiated through issues, redemptions, and repurchases, the Company will be deemed as the buyer or seller.

**3.4.4.** The Company's prices are similar to the prices, which it can acquire, in terms of time, size, and trading conditions. The Company establishes the price of unit trust certificates based on the information from the issuer regarding net asset value and available market data on trading prices.

**3.4.5.** The Client agrees that the online trading system is another solution for executing the orders.

**3.4.6.** The Company carries on with its trading system on concurrent bases during the trading hours of the financial instruments provided by the Company to its Clients.

**3.4.7.** The Client should carefully take into account whether trading in the financial instruments of the Company fits him/her considering his/her status and financial resources.

### **3.5. Speed**

**3.5.1.** The Company prioritizes executing the Client's Orders and aims to offer immediate execution within the confines of technology and communication means.

**3.5.2.** The Company has the right to hold the order being processed until the market situation gets clarified, therefore the Client may experience a slow progress of order execution in the event that he/she places an order for opening a position the same time the news is published.

**3.5.3.** The Company cannot be held accountable for the poor performance of the Client's technology or any other means that may result in the Client's delay in the communication of the order between the Client and the Company.

### **3.6. Execution Venue**

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**3.6.1.** The Company shall act as a primary execution venue when performing the Client's orders for the financial instrument offered by the Company.

**3.6.2.** The Company can use one or more of the following venue types when executing the Client's order:

- Regulated Markets
- Other exchanges that are not Regulated Markets
- Multilateral Trading Facilities (MTFs)
- The Company's trading desks' primary positions
- Third party investment firms, such as brokers, and/or associates acting as a Market Maker or other liquidity providers
- Other internal sources of liquidity

**3.6.3.** The Client accepts and agrees that the orders transmitted to the Company for the financial instrument provided by the Company are carried out using the trading platform of the Company.

**3.6.4.** The Company will maintain access to a variety of execution venues and liquidity providers to acquire the best possible result for the execution of the Client's orders.

**3.6.5.** The Client acknowledges that the venues could have a particular way of execution, which may not grant the Company the flexibility to execute the orders using a specific approach.

**3.6.6.** The Company will exercise rational procedures to avoid unfair selection of execution venues.

**3.6.7.** In the event the nature of the product or instrument being traded, or the nature of the Client's order for the Company, the Company as a venue may be incapable of being compared to other venues on a like-for-like basis.

**3.6.8.** The Company will not unfairly differentiate between execution venues or types (Brokers) but will settle on an execution venue according to the considered execution factors.

**3.6.9.** Execution venues will be undergoing evaluation concerning suitability, so as to help the Company meet its execution responsibility.

**3.6.10.** Execution venues may be removed and/or added if necessary.

### **3.7. Client Consent**

**3.7.1.** The Company is obliged to acquire the Client's prior consent to this Policy when starting a business relationship with the Client.

**3.7.2.** The Company requires the client's prior approval in the event that their orders will be carried out or sent for execution outside of a regulated market or multilateral trading facility (MTF).

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**3.7.3.** The Clients who have either received the Policy or agreed to accept it in any electronic means or through the internet, and have acknowledged the Terms of Business of the Company will be considered as Clients who have granted permission to the Policy and has authorized the Company to perform or accept and send an order for execution outside a regulated market or MTF.

**3.7.4.** The Company may acquire the above consents in the form of a general agree

