



# IGM FX

Trace Success

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## **EQSS 2021 – Execution Quality Summary Statement**

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**For the year 2021**

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## 1. Introduction

IGM Forex Ltd (the “**Company**”) is a limited liability Company incorporated in the Republic of Cyprus with registration number HE346738. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (the “**CySEC**”) as a Cyprus Investment Firm (the “**CIF**”) under the CIF license number [309/16](#). The Company’s head office address is at 1 Agias Zonis, No. 504, Block B, 5th Floor, Nikolaou Pentadromos Center Building, 3026 Limassol, Cyprus

## 2. Purpose

The Execution Quality Summary Statement for the year 2021 (the “**EQSS**” or “**Statement**”) has been issued by the Company pursuant to Article 28(6) of the Law 87(I)/2017 and the Commission Delegated Regulation (EU) 2017/576 with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

The Statement is a summary of the analysis and conclusions drawn by the Company from the detailed monitoring of the quality of execution obtained on the execution venues where the Company executed all client orders in 2021 (the “**year under review**” or “**2021**”).

The “Statement” shall be reviewed and updated accordingly on an annual basis reflecting all the previous year data.

For questions concerning this Statement, please contact our Compliance Department at [compliance@igmfx.com](mailto:compliance@igmfx.com).

## 3. Regulatory Framework

The Statement is issued pursuant to, and in compliance with following regulatory requirements:

- ✦ **Law 87(I)/2017** regarding the provision of investment services, the exercise of investment activities, the operation of regulated markets and other related matters, as amended from time to time (the “**Law**”);
- ✦ **Directive 2014/65/EU** of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, (the “**MiFID II**”);
- ✦ **Commission Delegated Regulation (EU) 2017/576** with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution (the “**RTS 28**”);

- ✦ **Section 9 of the Questions and Answers of the European Securities and Markets Authority** (the “ESMA”) issued on 11 October 2016, relating to the provision of CFDs and other speculative products to retail investors under MiFID (ESMA35-36-794);
- ✦ **Section 1 of the of the Questions and Answers of ESMA on MiFID II and MiFIR** issued on 19 November 2021 investor protection and intermediaries’ topics (ESMA35-43-349).

#### **4. Order Execution Arrangements**

The Company executes clients’ orders in relation to Contracts for Differences (the “CFDs”) across a range of underlying asset classes: stocks, commodities, indices, currency pairs (FX), metals, and Virtual Currencies (Cryptocurrencies).

##### **4.1 Best Execution Factors**

When executing clients’ orders, the Company takes all sufficient steps to achieve/obtain the best possible outcome/result by taking into account the following factors: price, costs, speed, likelihood of execution and settlement, size, market impact or any other consideration relevant to the execution of the order, as these are further explained within the Company’s Order Execution Policy, available within its website <https://www.igmfx.com/en/legal>.

##### **4.2 Best Execution Criteria**

The Company, when executing clients’ orders, takes into consideration the following criteria in order to determine the relative importance of the execution factors specified above:

- a. The characteristics of the client including their respective categorization as retail or professional.
- b. The characteristics of the client order; (i.e., market, limit);
- c. The characteristics of the Financial Instruments that are the subject of that order; (i.e., currency, commodity, indices).
- d. The characteristics of the execution venue to which that order is directed.

The relative importance assigned to each of the aforesaid execution factor and remarks are presented in the below table, which can also be found within the Company’s [Order Execution Policy](#), available on the Company’s Websites.

FACTOR	IMPORTANCE LEVEL	REMARKS
Price	High	Price is the most important factor for the Company when considering best execution. For this reason, we give strong emphasis on the quality and level of the price data that we receive from external sources (i.e., Execution Venue) in order to provide our clients with competitive price quotes. The prices can be found on the Company's website and/or trading platforms. The Company reviews its third-party external reference sources in frequent periods to ensure that the data obtained continues to remain competitive.
Cost	High	We take all sufficient steps to keep the costs of your transactions as low and competitive, to the extent possible. Regularly the Company assess its execution venues and data providers proceeding to relevant changes in the execution arrangements which leads to better value for our clients.
Speed of Execution	High	Execution speed and the opportunity for price improvement are critical to every trader and we repeatedly monitor this factor to ensure we maintain our high execution standards.
FACTOR	IMPORTANCE LEVEL	REMARKS
Likelihood of Execution	High	The Company may not be able to execute the order at the best available price or the transaction may fail to complete as stated in our <a href="#">Order Execution Policy</a> . Even though we reserve the right to decline a client order, our aim is to execute all clients' orders to the extent possible.
Likelihood of Settlement	Medium	CFDs offered by the Company do not involve the physical delivery of the underlying asset, so there is no settlement as there would be for example if the customer had bought shares.
Size of Order	Medium	The minimum size of an order is 0.01 lots. The maximum order size varies depending on the underlying asset.

<b>Market Impact</b>	Medium	Some market factors may rapidly affect the price of the underlying instruments/products from which the Company’s quoted price is derived and may also affect other factors listed within the Company’s Order Execution Policy. The Company will take all sufficient steps to obtain the best possible result for its clients.
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**Table 1: Relative Importance Assigned to Order Execution Factors**

As a general note, when the client provides the Company with a specific instruction in relation to his/her/it order or any part of it, including selection of execution venues, the Company will execute that order in accordance with those specific instructions and, in doing so, it will have complied with its obligations to provide the best possible results to the extent that those instructions are followed.

#### **4.3 Close Links**

With respect to the disclosure requirements under RTS 28, it is important to be clarified that the Company does maintain any close links and/or common ownership structures with any of the Execution Venues listed in **Table 2** below.

#### **4.4 Payments made or received, discounts, rebates or non-monetary benefits received.**

During 2021, the Company has not received any discount or non-monetary benefit for routing clients’ orders to a particular Execution Venue, which would infringe the requirements of conflicts of interest under the Law. With respect to the Company’s remuneration, it should be stated that it has been designed in such a manner as to not incentivize the routing of trades to a specific liquidity provider.

#### **4.5 Change in the list of execution venues listed in the firm’s execution policy,**

During the year under review and precisely in September 2021, the Company following management decision has proceeded in business relationship with only one Execution Venue (**KTrade (Pty) Ltd**)

#### **4.6 Client Categorisation**

The Company as stated in the “Client Categorization Policy”, prior to engage in business relationship with its potential clients, notifies the potential clients of the clients’ classification in use by the Company, and informs them about the category in which they are initially classified. The Company treat its clients as “Retail Clients” in providing its services.

Nevertheless, it should be stated that the Company’s Order Execution Policy, available within its websites, applies to both Retail and Professional Clients. The Company, although it considers the characteristics of the clients, including their categorization as retail or professional, it does not treat differently retail and professional clients. As a result, the order execution arrangements, including the important assigned to each factor, are not affected by the client categorisation as retail or professional.

The Company’s Order Execution Policy does not apply to Eligible Counterparties; accordingly, the Company does not have the obligation to ensure best execution when entering transactions with Eligible Counterparties. However, this does not diminish the Company’s obligation to act honestly, fairly and professionally and to communicate in a way that is fair, clear and not misleading when dealing with Eligible Counterparties.

**4.7 Other criteria were given precedence over immediate price and cost**

During the year under review no criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

**4.8 List of Execution Venues**

Execution Venues are the entities with which the Orders in Financial Instruments are placed and executed. The Company does not execute clients’ orders in financial instruments on an own account basis, as principal to principal against each client. In this respect, following the re-commencement of the Company’s business activities in 2021, a business relationship with the following third-party liquidity providers, acting as Execution Venues, was established:

No.	Name	Country
1.	<i>KTrade (Pty) Ltd</i>	South Africa
2.	<i>OM BRIDGE (PTY) LTD</i>	South Africa

**Table 2: List of Execution Venues during 2021**

Based on the provisions of the Company's Order Execution Policy, available on the Company's Websites, the aforesaid Execution Venues were evaluated and selected based on a number of criteria including but not limited to their regulatory status, ability to deal with large volume of orders, speed of execution, competitiveness of commission rates and spreads as well as other business strategic reasons.

The Execution Venue may be changed at the Company's discretion by giving at least one (1) business day prior notice to the Clients on the Website.

#### **4.9 Other important information**

The following should be noted with respect to the period under review:

- ✦ No transactions in Securities Financing Transactions ("SFTs") were executed.
- ✦ No output of consolidated tape providers established under Article 65 of Directive 2014/65/EU in 2020. was used; and
- ✦ No other criteria were given precedence over immediate price and cost when executing retail client orders.

#### **5. Conflicts of Interest**

The Company is taking all reasonable steps to detect and avoid conflicts of interest, which may arise during the course of its normal business of activities. The Company is committed to acting honestly, fairly, and professionally and in the best interests of its clients and to complying, in particular, with the principles set out in the relevant legislation when providing investment services and other ancillary services related to such services. The Company's Conflict of Interest Policy, available on the Company's Websites, identifies circumstances which may give rise to a conflict of interest as well as, the procedures, practices, and controls in place to prevent this.

#### **6. Monitoring of Best Execution**

For the purposes of best execution monitoring, the Company has engaged a third-party technology provider so as to have the ability to monitor best execution on a daily basis. In essence, through the technology offered by the said provider (the "system"), the Company is in a position to monitor on a daily basis all executed trades. Executed trades are analysed for price, latency and slippage per day. The trades are checked against pre-set parameters and any trades that do not fall within the pre-set parameters are evaluated further by the Dealing Department.

Regarding the fairness of the price, the system checks the difference between the executed price of the trades and the best bid on offer (the “**BBO**”) price in addition to the specified spread for the respective asset class. It is noted that the BBO price is also received from an independent provider. When it comes to latency, the system calculates and monitors how much time passed between the order marketable time and the actual execution time (in milliseconds), and whether the said latency falls within the minimum pre-specified latency.

Additionally, the Company monitors all types of slippages, i.e. positive, neutral and negative. Specifically, the system monitors the difference between the quoted price of a trade and the price which the trade was executed in basis points. Slippage is checked in relation to each individual order, per value of order as well as per asset class and type of order.

The Company has the ability to export all trades (compliant/non-compliant) which have already been checked in relation to the price, latency, and slippage in order to perform, where deemed necessary, any further independent reviews and, thus, adhere to the objectives of this Statement. Specifically, the Company’s Dealing Department is responsible to monitor the above and report to the Senior Management. Additionally, the above monitoring procedure is under the review of the Company’s Control Functions, namely the Compliance and Internal Audit Functions which report directly to the Board of Directors of the Company their findings and recommendations on an annual basis at least.

On the basis of the assessments conducted, the Company may consider amending the aforesaid procedure and /or the content of the Order Execution Policy. It shall be clarified that irrespective of the results of such assessments, the Company’s Order Execution Policy is subject to a review, at least on annual basis or whenever a material change occurs that affect the Company’s ability to obtain the best possible result for the execution of clients’ orders.

## **7. Information on the top five Execution Venues**

The Company publishes on an annual basis information about the top five (5) Execution Venues in terms of trading volumes for all executed clients’ orders per class of financial instruments offered. Information about retail and professional clients’ orders are presented separately.



During the year under review and as previously mentioned, the Company had two (2) Execution Venues. Additionally, the Company's services were offered **only** to Retail Clients and the financial instrument offered were Contracts for Differences (CFDs). In this respect, the relevant information can be found within the Company's Websites (i.e. <https://www.igmfx.com/en/legal>), under the naming "**EQSS2021**".

Taking into consideration that the Company is a receiver and transmitted of orders, it should be noted that, as per the ESMA, the distinction between passive and aggressive orders as defined in Article 2 of RTS 28 is likely not relevant and therefore, is not disclosed in the Company's publication. It is also noted that no directed orders were executed during 2021.



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**IGM Forex Ltd.**

Registered in Cyprus under the Companies  
Law (Registration No. HE 346738)

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