



IGM FX

Trace Success

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**EQSS 2022 –
Execution Quality
Summary Statement**

For the year 2022

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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 business and registered address is at Agias Zonis 1, No. 504, Block B, 5th floor, Nikolaou Pentadromos Center Building, 3026 Limassol, Cyprus.

2. Purpose

The Execution Quality Summary Statement for the year 2022 (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 2022 (the “**year under review**” or “**2022**”). The Statement is annually reviewed and updated reflecting all relevant data of the previous year.

For questions concerning this Statement, please contact our Compliance Department at 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 on markets in financial instruments, as amended from time to time (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**”) relating to the provision of CFDs and other speculative products to retail investors under MiFID (ESMA35-36-794); and
- Section 1 of the of the Questions and Answers of ESMA on MiFID II and MiFIR 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) and Virtual Currencies (Cryptocurrencies).

4.1 Best Execution Factors

When executing clients’ orders, the Company will take all sufficient steps to achieve/obtain the best possible outcome/result by taking into account price, costs, speed, likelihood of execution and settlement, size, nature 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 www.igmforexLtd.com (the “Website”).

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;
- c. The characteristics of the Financial Instruments that are the subject of that order;
- 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 Website.

FACTOR	IMPORTANCE LEVEL	REMARKS
Price	High	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.
Cost	High	We take all sufficient steps to keep the costs of your transactions as low and competitive, to the extent possible.

FACTOR	IMPORTANCE LEVEL	REMARKS
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.
Likelihood of Execution	High	Even though we reserve the right to decline a client order we aim 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 they are not settled physically. All CFDs are cash settled.
Size of Order	Medium	The minimum size of an order is 0.01 lots. The maximum order size varies depending on the underlying asset.
Market Impact	Medium	Some 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.

Table 1: Relative Importance Assigned to Order Execution Factors

It is clarified that, any specific instructions from a Client may prevent the Company from taking the steps it designed and implemented, as included within its Order Execution Policy, to obtain the best possible result for the execution of orders. Thus, in the event of any specific Client's instructions, the Company will execute the order in accordance with the instructions received and in doing so, it will have complied with its obligation to provide the best possible result.

4.3 Client Categorisation

The Company provides investment services to both Retail and Professional Clients; nevertheless, the Company's services are mainly provided to Retail Clients. It should be stated that the Company's Order Execution Policy, available within its Website, 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.

4.4 List of Execution Venues

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, during 2022, the Company maintained a business relationship with the following third-party liquidity providers, acting as the Company's Execution Venues:

No.	Name	Country
1.	Ktrade (Pty) Ltd	South Africa
2.	AC Markets (Europe) Limited	Cyprus
3.	GBE Brokers Ltd	Cyprus

Table 2: List of Execution Venues during 2022

Based on the provisions of the Company's Order Execution Policy, available on the Company's Website, the aforesaid Execution Venues were evaluated and selected based on several 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.

❖ **Change in the list of Execution Venues:**

It is important to be mentioned that, in comparison to the list of Execution Venues of the year 2021, it was decided to proceed with the termination of the business relationship with OM Bridge (PTY) LTD on the 24th of September 2021, as part of the Company's due diligence on Execution Venues and the eventual cessation of the former's operations. Even though the business relationship was terminated in 2021, there were few open positions of clients that were closed during the year under review.

Due to the aforesaid change in the list of Execution Venues during 2021, within the year under review, the Company was actively looking to enter into a business relationship with at least another Execution Venue for best execution purposes. As such, during September 2022, the Company also engaged with AC Markets

(Europe) Limited and GBE Brokers Ltd; nevertheless, no orders were executed by the said Execution Venues during the year under review.

4.5 Other important information

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

- No transactions in Securities Financing Transactions (“SFTs”) were executed;
- No output of consolidated tape providers 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 Website, identifies circumstances which may give rise to a conflict of interest as well as, the procedures, practices and controls in place to prevent this.

❖ Close links:

With respect to the disclosure requirements under RTS 28, it is important to be clarified that the Company does not maintain any close links and/or common ownership structures with any of the Execution Venues listed in **Table 2** above.

❖ Payments made or received, discounts, rebates or non-monetary benefits received:

During the year 2022, the Company has not received any discount or non-monetary benefit for routing clients’ orders to a particular Execution Venue. Additionally, it is important to be mentioned that the Company’s remuneration has been designed in such a manner so as not to infringe the requirements of conflicts of interest under the Law.

6. Monitoring of Best Execution

For the purposes of best execution monitoring, the Company maintains a business relationship with 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 also monitors, daily, every transaction to ensure best execution and keeps relevant records thereof, which are sent to the Head of the Compliance Department at the end of each month to initiate and conduct further monitoring. If deemed necessary, the said monitoring checks and records are sent and reported to the Executive Directors to inform them about their findings and recommendations, at least on annual basis.

As far as concerns the result of the monitoring checks and the conclusions made for the quality of execution of orders during 2022, no significant issues were identified.

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 contractual relationship with three (3) Execution Venues, whereas few open positions from the previous year were closed within 2022 by OM Bridge (PTY) LTD, the contractual relationship with whom was terminated on the 24th of September 2021,. Additionally, the Company's services were offered to both Retail and Professional Clients and the financial instrument offered was Contracts for Differences (CFDs). In this respect, the relevant information can be found within the Company's Website (i.e. <https://www.igmf.com/en/legal.php>) under the naming "EQSS2022". It is also noted that no directed orders were executed during 2022.



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IGM Forex Ltd.

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