

trader**x**lab

**BEST INTEREST & ORDER EXECUTION POLICY**



## 1. Introduction

- 1.1. Camaroz Group LTD (**hereafter “the Company”**) is a company incorporated under the laws of Saint Vincent and the Grenadines that owns and operates the brand “**TraderXlab**” and the domain [www.traderXlab.com](http://www.traderXlab.com).
- 1.2. This Best Interest and Order Execution Policy (hereafter “the Policy”) is provided to you (our Client or prospective Client) as a general overview on the how trade orders are executed and the various factors that can affect the execution of the financial instruments offered by TraderXlab.

## 2. Scope

- 2.1. **Client Specific Instructions:** This Policy sets out how the Company will execute orders on terms most favourable to its Clients and applies when the client does not give specific instructions on the execution method. Hence, when the Client requests for an order to be executed with specific instructions, the Company will execute the Client’s Order in line with those instructions – to the extent possible - and will consider that it has discharged its best execution obligations.

**WARNING:** It is noted that any specific instructions from a Client may prevent the Company from implementing this Policy and obtaining the best possible result for the execution of those particular orders in respect of the elements covered by those instructions. However, it shall be considered that the Company satisfies its obligation to take all reasonable steps to obtain the best possible result for the Client. Moreover, trading rules for specific markets or market conditions may prevent the Company from following certain of the Client's instructions.

- 2.3. This Policy applies when receiving and transmitting Client Orders or executing Orders for the Client for all the types of Forex or Contracts for Difference (“CFDs”) in stocks, commodities, indices and currency pairs or any other financial instruments offered by the Company. The types of financial instruments available as well as the prices at which can be traded can be found on the Company’s website and/or trading platform(s). The Company will provide the client with live streaming quotes during trading hours.

## 3. Types of Order(s) and Definitions

The particular characterising of an Order may affect the execution of the Client’s Order. Please see below the different types of Orders that a Client can be placed:

### **(a) Buy Limit**

A Buy Limit Order is an order to buy a Forex/CFD at a specific price (or a better one). It can only be executed at or below the current market price. However, although the price / or better is guaranteed, the execution of the order is not, because if the specified price is never met the order is not filled. A limit order can only be filled if the market price reaches the limit price. It ensures that negative slippage does not occur.



### **(b) Buy Stop**

A Buy Stop Order is an order to buy a Forex/CFD if it trades at or above the current market price. In other words, the Buy Stop Order is not executed if the price of the Forex/CFD remains below the requested price. A Buy Stop Order is only executed if the market price of the instrument equals or trades above the specified price of the Buy Stop Order. In such a case, the Buy Stop Order becomes a Market Order to buy.

### **(c) Instant Order**

An Instant Order is an Order to buy or sell a Forex/CFD to the most recently available price. In Instant Execution if the requested price is not available, the current available price will be sent to the Client to confirm execution (re-quote).

### **(d) Market Order**

A market order is an order to buy or sell a Forex/CFD as promptly as possible at the best price that is currently available. Typically, this type of order will be executed immediately, when placed, because it does not contain any price or timeframe restrictions. Execution of this Order results in opening a trade position. Stop Loss and Take Profit orders can be attached to a market order. Market Orders are offered for all type of accounts.

### **(e) Pending Order(s)**

This is an Order to buy or sell a Forex/CFD in the future at the best available price once a certain price is reached. The Company offers the following types of Pending Orders: Buy Limit, Buy Stop, Sell Limit or Sell Stop Orders.

A Pending Order is an Order that allows the trader to buy or sell a Forex/CFD at a pre-defined price in the future. These Pending Orders are executed once the price reaches the requested level. However, it is noted that under certain trading conditions it may be impossible to execute these Orders at the Client's requested price. In this case, the Company has the right to execute the Order at the first available price. This may occur, for example, at times of rapid price fluctuations of the price, rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is lack of liquidity, or this may occur at the opening of trading sessions.

It is noted that Stop Loss and Take Profit may be attached to a Pending Order. Also, pending Orders are good until cancelled.

### **(f) Take Profit**

A Take Profit Order automatically closes an open position when the financial instrument's price reaches the specified threshold. It is intended for securing/locking-in the profits. Execution of



this Order results in complete closing of the whole position. The Order can be requested only together with an open market or a pending Order and it is also executed at stated prices.

This type of Order is set above the current Bid price in case of long positions and below the opening price in case of short positions. The Company's trading platform closes a long position at Bid Price, and a short position at Ask Price.

#### **(g) Sell Limit**

A Sell Limit Order is an order to sell a financial instrument at or above the current market price. Until these conditions are met, the order is considered a Pending Order. It will be automatically executed when the financial instrument's price reaches a certain level.

#### **(h) Sell Stop**

A Sell Stop Order is an order to sell a financial instrument at or below the current market price. The same rules with Sell Limit Order apply.

#### **(i) Stop Loss**

Stop Loss Order is a defensive mechanism, used for minimising of losses if the Forex/CFD's price has started to move in an unprofitable direction. If the Forex/CFD's price reaches the stop loss level, the whole position will be closed automatically, thus eliminating the incurrence of additional losses. Such Orders are always connected to an open position or a pending Order. They can be requested only together with a market or a pending Order. Under this type of orders, for long positions the order is set below the opening price whereas for short positions the order is set above the opening price.

#### **(j) Trailing Stop**

A Trailing Stop Order is a type of Stop Loss Order which is set at a defined percentage away from the financial instruments' current market price. It is designed to protect/lock-in profits by enabling a trade to remain open and continue to profit as long as the market price moves in the right direction, while minimizing the risk of losses by automatically closing the trade if the market moves in an unfavourable direction by a specified percentage.

### **4. Execution Practices Financial Instruments**

#### **(a) Slippage**

You are warned that Slippage may occur when trading in Forex/CFDs. This is the situation when at the time that an Order is presented for execution, the specific price showed to the Client may not be available; therefore, the Order will be executed close to or a number of pips away from the Client's requested price. Slippage is the difference between the expected price of a trade, and the price at which the trade is actually executed at. There are two kinds of



slippage, positive and negative. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage. Please be advised that Slippage is a normal element when trading in Forex/CFDs. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors) making an Order at a specific price impossible to execute. In other words, your Orders may not be executed at declared prices.

It is noted that Slippage can occur also during Stop Loss, Take Profit and other types of Orders. We do not guarantee the execution of your Pending Orders at the price specified. However, we confirm that your Order will be executed at the next best available market price from the price you have specified under your pending Order.

### **(b) Re-quotes**

Requote occurs when the order requested by a client, with regards to price or size, is not available for execution at the time the request is made. The client's order may be rejected or partially filled. In such a case, the Company will provide the client with another quote. This occurs when the markets are especially volatile or when the requested trade is large in size. The Client must explicitly accept or decline the new quote before execution.

## **5. Best Execution Criteria**

When executing client orders, the Company takes into account the following criteria for determining the relative importance of the Best Execution Factors referred in paragraph 7 below:

- (a) The characteristics of the Client including the categorization of the Client 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 Company determines the relative importance it assigns, in accordance with the abovementioned criteria, to the Best Execution Factors by using its commercial judgment and experience in light of the information available on the market and taking into account the remarks included in paragraph 7. For Forex/CFDs, the Company assigns the following importance level to the Best Execution Factors:



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 in order to provide our clients with competitive price quotes. We do not however guarantee that our quoted prices will be at a price which is as good, or better, than one might have been available elsewhere.
Costs	High	We take all reasonable steps to keep the costs of your transactions as low and competitive, to the extent possible.
Speed of Execution	High	Execution speed and the opportunity for price improvement are critical to every trader and we repeatedly monitor these factors 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	See relevant description in Best Execution Factors
Size of order	Medium	See relevant description in Best Execution Factors
Market Impact	Medium	See relevant description in Best Execution Factors

Where the Company executes or receives and transmits an order on behalf of a Retail Client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution and/or reception and transmission, which shall include all expenses incurred by the Client which are directly related to the execution of the Order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order.

## 6. **Best Execution Factors**

The Company shall take all reasonable steps to obtain, when executing or receiving and transmitting orders, the best possible result for its Clients taking into account the following factors when executing Clients' Orders against the Company's quoted prices and provided that there is no specific instruction from the client regarding the method of order execution:



#### a) Price:

- i. The Company generates its own tradable prices based on price feeds received from its Market Maker/Liquidity Provider. The price quoted for a given Forex/CFD is calculated by reference to the price of the relevant underlying asset, which the Company's Execution Venues obtains from third party reputable external reference sources (i.e. price feeders). The Company's prices can be found on the Company's trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow. The Company will not quote any price outside the Company's operations time; therefore, no orders can be placed by the Client during that time.
- ii. For any given Forex/CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that Forex/CFD, and the lower price (BID) at which the Client can sell (go short) that Forex/CFD. Collectively, the ASK and BID prices are referred to as the Company's price. The difference between the lower and the higher price (ASK-BID) of a given financial instrument is the Spread.
- iii. Such Orders as Buy Limit, Buy Stop and Stop Loss, Take profit for opened short position are executed at ASK price. Such Orders as Sell Limit, Sell Stop and Stop Loss, Take profit for opened long position are executed at BID price.
- iv. **If the price reaches an Order set by you such as:** Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, these Orders are instantly executed. However, under certain trading conditions it may not be possible to execute Orders at the Client's requested price. In this case, the Company has the right to execute the Order at the first available price. This may occur, for example, at times of rapid price fluctuations, if the price rises or falls in one trading sessions to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or this may occur at the opening of trading sessions.

#### b) Costs:

- i. In order to place a trade in Forex, CFDs and/or any other financial instrument the Client may be required to pay commission or financing fees, the amount of which is disclosed on the Company's website.
- ii. Commissions: may be charged either in the form of a fixed percentage of the overall value of the trade or as fixed amounts.
- iii. Financing Fee: In the case of financing fees, the value of opened/pending orders in some types of financial instruments is increased or reduced by a daily financing fee "swap rate" throughout the life of the Forex/CFD (i.e. until the position is closed). Financing fees are based on prevailing market interest rates, which may vary over time.



- iv. For all types of Forex, CFDs or other financial instruments that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged explicitly to the Client account.

**c) Speed of Execution:**

The Company acts as principal counterparty for the execution of clients' orders. The Company places a significant importance when executing Client's Orders and strives to offer high speed of execution within the limitations of technology and communications links. Therefore, the frequency with which the prices change varies with different financial instruments, market conditions and communication links. For instance, in cases where Clients are using a wireless connection or a dial up connection or any other unstable communication link, this may result in poor or interrupted internet connection or lack of signal strength causing unstable connectivity between the client with the Company's trading platform resulting to the Client placing his/her Orders at a delay, and hence the Orders to be executed at better or worst prevailing market price offered by the Company, or resulting to the Client placing his/her Orders on old market prices, which the Company may decline and provide the client with a requote.

**(d) Likelihood of Execution:**

- i. The Company will enter into transactions with the client as principal and not as an agent; even though the Company may transmit the client's orders to the Liquidity Providers for execution, the Company will still be contractually counterparty to the client and act as the sole Execution Venue for client's orders. It is clarified that the Company relies on its Liquidity Providers for prices and available liquidity.
- ii. The Company strives to execute all client orders as per this Policy however in some cases, it may not be possible to arrange an Order for execution, or the price at which the trade is executed at, may vary significantly from the original requested, including but not limited, in the following cases:
  - During market opening,
  - during news times,
  - during trading session start moments,
  - during volatile markets where prices may move significantly up or down and away from declared prices,
  - where there is rapid price movement,
  - where there is insufficient liquidity for the execution of the specific volume at the declared price,
  - a force majeure event has occurred.
- iii. The Company reserves the right to execute the client order at the best available price given the market depth and volatility for the given financial instrument at that point in time.



- iv. In addition, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any Order or Request or Instruction of the Client in circumstances explained under paragraph 13 of the Client Agreement.
- v. Due to the fact that transactions are undertaken on an electronic system, the client may be exposed to technical risks such as system, hardware or software failure which may result in client orders not to be executed according to the client's order or may not be executed at all. The Company does not accept any liability in such a failure. For more details please read the Company's Risk Disclosure Notice which can be found on the Company's website.

**e) Likelihood of settlement:**

The Financial Instruments (i.e. Forex/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 Client had bought shares. The Company shall proceed to a settlement of all transactions upon execution of such transactions and/or time of expiration of the specific financial instrument.

**f) Size of Order:**

There is a maximum and minimum size of orders based on the financial instrument selected. The actual minimum and maximum size of an Order may be different for each type of Trading Account. A lot is a unit measuring the transaction amount and it is different for each type of CFD. Please refer to the Company's Website and/or Trading Platform for the value of minimum/maximum size of an Order and each lot for a given CFD type. The Company reserves the right to decline an Order due to its size as explained in the Client Agreement. If the Client wishes to execute a large size Order, in some cases the price may become less favourable considering the liquidity in the market. The Company reserves the right not to accept a Client's Order, in case the size of the Order is large and cannot be filled by the Company.

*The Company does not consider the above factors to be exhaustive and the order in which the above factors are presented shall not be taken as priority factor.*

**7. Reporting to the Client**

The Company will provide its clients with a notification confirming the execution of their order as soon as possible and no later than the first business day following execution, and if the confirmation is received by the Company from a third party, no later than the first business day following receipt of the confirmation from the third party.

**8. Client's Consent and Acknowledgements**



- 9.1. The Company is required when establishing a business relationship with the client to obtain his/her prior consent to this Policy.
- 9.2. This Policy forms part of the Client Agreement between the Client and the Company. Consequently, when opening a trading account, the Client must accept, understand and agree with the provisions of this Policy without modifications. If the client does not agree with this Policy he/she should terminate the Client Agreement immediately.
- 9.3. In addition, by opening a trading account (Client Account) with the Company, the Client agrees/consents to the fact that his Orders will be executed outside Regulated Market (e.g. Licensed European Stock Exchange) or a Multilateral Trading Facility (MTF) (e.g. European Financial Trading System).
- 9.4. Moreover, the client acknowledges and accepts that he/she is informed that the Company acts as the principal (counterparty) for the placement of client orders in relation to the financial instruments offered by the Company and the Company is the sole Execution Venue for client orders which is non-regulated market.

#### **9. Amendment of the Policy and Additional Information**

- 10.1. The Company reviews this Policy on an annual basis and/or when a material change occurs that impacts the offering of best execution or whenever it deems this appropriate according to the terms of the Client Agreement between the Client and the Company.
- 10.2. In addition, the Company will monitor and assess on a regular basis the effectiveness of this Policy, its order execution arrangements and the quality of the procedures in order to deliver the best possible result, and where necessary, the Company reserves the right to correct any deficiencies in its Policy and make relevant improvements.
- 10.3. The Company will promptly notify its affected Clients of any material changes in its Policy or order execution arrangements.

#### **10. Important Information**

- 11.1. Some Forex, CFDs or other financial instruments traded in by the Company are not eligible for sale in certain jurisdictions or countries. The Policy is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations, including the United States of America.
- 11.2. The Policy does not constitute an offer, invitation or solicitation to buy or sell these financial instruments. It may not be reproduced or disclosed (in whole or in part) to any other person without prior written permission. The Policy is not intended to constitute the sole basis for the evaluation of the Client's decision to trade in the above-mentioned Forex, CFDs or other financial instruments offered by the Company and the Client



acknowledges and accepts that he/she has read and understood the documents that constitute the Client Agreement and General Terms & Conditions of Business as well as all the necessary information presented on the Company's official website(s).

#### 11. FAQs

Should you require any further information and/or have any questions about this Policy please direct your request and/or questions to [compliance@traderxlab.com](mailto:compliance@traderxlab.com).