



## Execution Quality Summary Statement of 2022

## 1. Introduction

Vstar& Soho Markets Limited (hereinafter "the Company"), is authorized and regulated by the Cyprus Securities and Exchange Commission ("CySEC") to act as a Cyprus Investment Firm ("CIF") with License Number 409/22.

This document is issued pursuant to, and in compliance with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ('**MiFID II**') and the investment services Law of CySEC (**87(I)/2017-2021**).

The purpose of this Document is to ensure the Company's Compliance with the Commission's Delegated Regulation (EU) 2017/576 ('**RTS 28**') as well as Section 9 of the Questions and Answers Document of the European Securities and Markets Authority ('ESMA') issued on 11 October 2016 with reference ESMA/2016/1454 with respect to the provision of CFDs and other speculative products to retail investors. In this Document, we collectively refer to all the above legislations, regulations, and guidelines as '**Regulations**'

The Company is required to inform all its Retail and Professional Clients about all sufficient steps taken to obtain the best possible result for its Clients ("best execution") either when executing Client orders or receiving orders for execution in relation to financial instruments.

This Statement is a summary of those steps taken by the Company in addition to those referred in the Order Execution Policy of the Company, as well as analysis and conclusions derived by the monitoring undertaken with respect to Clients orders' execution on the execution venues utilized by the Company within 2022.

## 2. Application

This Policy applies to Retail and Professional Clients of the Company. In the case of Retail Clients, in applying the best execution in the normal course of business, we determine the best possible result in terms of total consideration. Total consideration is the price of the financial instrument concerned and the costs payable by the retail Client as a result of execution. These costs include all expenses incurred that are directly related to the execution of the order (such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order). These

costs do not include our own commission, spread or margin. We may take the other execution factors into account where they are instrumental in delivering the best possible result (in terms of total consideration) for the retail Client. In the case of Professional Clients, in applying the overarching principle in the normal course of business, price merits a high relative importance. In considering price, we also consider the steps that we may reasonably take to minimize the market impact of execution. The application of the best execution is subject to prevailing market conditions and our understanding of the professional Client's preferences. Therefore, there may be circumstances in which we conclude that other execution factors are as important, or more important, than price in applying the best execution

The application of the best execution is neither a guarantee that the best price will be obtained nor a guarantee that the transaction will be executed in full.

This Document called Execution Quality Summary Statement (hereinafter the EQSS) sets out the technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

The EQSS is a summary of the analysis and conclusions the Company drew from its detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed during the year 2022, covering a full year cycle (the year under review). This Document shall be reviewed and accordingly updated on an annual basis and shall reflect the data of the previous year.

### **3. Best Execution Factors and Criteria**

The Company takes all sufficient steps to act in the best interest of its customers when executing Customer's Orders and obtain the best possible result for Customers considering the following factors when dealing with Customers Orders: price, cost, speed, likelihood of execution and settlement, size, market impact or any other consideration relevant to the execution of an order. The Company does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor.

The Company when executing Clients' Orders is required under the relevant regulatory framework to assign a relative importance on the following execution factors:

**4.1. Price:** For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD. Collectively, the ASK and BID prices are referred to as the Company's price. The difference between the lower and the higher price of a given CFD is the spread. 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. The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources. 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 reviews its third party external reference sources in frequent periods to ensure that the data obtained continues to remain competitive.

**4.2. Costs:** For opening a position in some types of CFDs the Client may be required to pay commission and/or financing fees, the amount of which will be communicated to all clients by email. Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amounts. In the case of financing fees, the value of opened positions in some types of CFDs is increased or reduced by a daily financing fee "swap rate" throughout the life of the contract. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are communicated to all clients by email. For all types of CFDs 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.

**4.3. Speed of Execution:** 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 communication links.

**4.4. Likelihood of Execution:** 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 Order Execution Policy. Although the Company strives to execute all orders placed by the clients, it reserves the right to decline an order of any type or execute the order at the first available market price.

**4.5. Likelihood of Settlement:** The CFDs offered by the Company do not involve the delivery of the underlying asset, so there is no settlement as there would be for example if the Customer had bought shares.

**4.6. Size of Order:** The minimum size of an order may be different for each asset type and/or financial instrument. A Lot is the unit measuring the transaction amount and it is different for each type of Financial Instrument. Please refer to the website for the value of minimum size of an order or minimum Lot for a given CFD type. The Company reserves the right to decline an order as explained in the Client Agreement entered with the Client.

**4.7. Market Impact:** Some market factors may affect rapidly the Company's quoted price of the Financial Instruments. These factors may, in turn, affect some of the other execution factors listed above. The Company takes all reasonable steps to obtain the best possible result for its Clients.

For details on how each factor is assessed ex ante when executing clients' orders please refer to the Company's **Order Execution Policy**.

Where the client provides the Company with a specific instruction in relation to his/her 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. Conflicts of Interest**

Execution Venues are the entities with which the orders are placed or to which the Company transmits orders for execution. For the purposes of the orders submitted to the Company by the client, as mentioned above, the Company acts as Principal on the client's behalf at all times. Even where the Company transmits the orders for execution to third party liquidity providers, the Company remains the sole counterparty to your trades. Should the client decide to open a position in a financial instrument with the Company, then that open position may only be closed with the Company. The Company implements and has in place sufficient measures to manage and/or mitigate such conflicts. For additional information please refer to the **Company's Conflict of Interest Policy**.

#### **5. Payments or Non-Monetary Benefits Between the Company and its Execution Venues**

As previously stated, the Company is the sole execution venue for the client's orders and, therefore it does not have any specific arrangement with other execution venues regarding payments, discounts, rebates, or other non-monetary benefits.

The Company adds a mark-up on the spread of the underlying CFD as received from its execution venues prior to offering it to its Clients.

The quoted price includes any spread and/or margin above the price at which the Company

may be able to transact in the market. We may take into account a number of factors in quoting a price, including the following:

- the risk that the Company assumes under the transaction
- operational costs
- counterparty, capital, and funding related costs
- fees and costs that arise during the execution and lifetime of the transaction
- the level of service provided to the Client
- other factors specific to the Client, and
- any pre-agreed fee/spread charges.

The relative contribution of each of these factors may vary from transaction to transaction. It is the responsibility of the Client to determine whether or not to accept the quoted all-in price.

## 6. Report on Execution Venues

The Company, during the year under review didn't have any changes in regards to its Liquidity Providers, and collaborated with the following execution venues: Broctagon Prime Ltd. and AC Markets (Europe) Ltd. The Company is in constant search of better execution venues in order to provide the best possible outcome to its clients.

The Company's execution venues during 2022 were:

No.	Execution Venue	Country of Establishment	Commencement of the relationship with the Company
1	AC Markets (Europe) Limited	Cyprus	04 March 2022
2	Broctagon Prime Ltd	Cyprus	28 March 2022

**Based on Annex II of the Commission Delegated Regulation (EU) 2017/576**

Information on the top five execution venues during 2022						
Class of Instrument	Contracts for Differences (CFDs)					
Notification if <1 average trade per business day in the previous year	N					
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
AC Markets (Europe) Limited	100%	100%	0%	100%	0%	
Broctagon Prime Ltd	0%	0%	0%	0%	0%	

## 7. Ongoing monitoring

The Company monitored the effectiveness of its Order Execution Policy during the year under review and relevant order execution arrangements in order to identify and implement, where necessary, appropriate measures. The Company, in a constant basis, reviews its order execution arrangements so as to provide best execution for its clients on a continuous basis.

The Company takes into account several factors when executing client's orders such as, but not limited to, the price, costs, speed of execution. The Company monitors its execution arrangements on an ongoing basis by selecting appropriate samples of orders executed and evaluating the samples as described below:

- a) Evaluation of Execution Quality:
- Price Latency
  - Speed of Execution
  - Frequency and Duration of Price Freezing
  - Depth of Liquidity
  - Price Transparency

- Re-quotes
- b) Comparing prices relayed by price feed providers with the prices quoted by the Company
- c) Monitor Slippage on a regular basis to identify whether is asymmetric or not
- d) Monitor IT infrastructure (responsiveness of interfaces used, adequate integration with data providers, etc.)

The Company's control functions (compliance function and internal audit) scrutinize the monitoring procedure and the actions taken by the Company's senior management. The Company's control functions present any findings to the Company's Board of Directors, at least annually, for further actions that may be necessary to be implemented.

From the monitoring conducted when comparing instruments throughout the year we have concluded that 'pricing' had been consistent throughout the reporting period. Pricing had also been consistent when compared with instruments of other financial institutions which offer CFDs and the trading costs that the clients suffered were considered low and closed to the standard market charges. Periodic reviews have also shown an 'Average execution time' of 3.59 ms which is considered adequate and low and an overall Zero Slippage of 16.66%. Total percentage of trades with slippage was 83.42%; 31.28% being positive; 52.14% being negative which is considered adequate, fair and almost symmetric. Additionally, the likelihood of execution has shown a value of 100% with no rejection of orders.

The Company considers that the execution quality obtained on the venues where it executed its client's orders in 2022 has been adequate and in high standard. In case a deviation occurs, which can be identified as a result of a continuous basis assessments and monitoring, regarding the execution quality obtained from the execution venues used, the Company will immediately rectify the issue and take the necessary steps in order to provide the best possible result to its clients, thus achieve best execution to its clients.