

Order Execution Policy

Introduction

In accordance with the Markets in Financial Instruments Directive (MiFID) this document sets out the steps that ProSpreads will take to obtain the best possible result as consistently as possible when executing your orders. It should be read in conjunction with our Terms and Conditions, Conflicts of Interest Policy and Risk Warning Notice.

Scope

The Execution Policy applies when orders are executed by ProSpreads on your behalf relating to financial spread betting transactions. In all circumstances, we will be acting as principal and as such; we are your order execution venue. All spread bets are executed on an 'OTC' basis rather than through a regulated market or multilateral trading facility (MTF).

Should you execute your order through our online trading platform, we shall assume that you have provided us with specific instructions and in these circumstances; ProSpreads will have complied with our obligation to take all reasonable steps to obtain the best possible result when executing an order on your behalf.

Should you execute your order through our trading desk and in the absence of a specific instruction, we will usually follow our Order Execution Policy for those relevant parts of the order not covered by your instructions. Our Order Execution Policy has been determined taking into consideration various execution factors and criteria relevant to your order with the intention of obtaining the best possible result on a consistent basis.

Execution factors and criteria

The execution factors and criteria are an important aspect of the process to ensure that the best possible result is obtained. These factors and criteria have been considered in order of the relevant importance we place on them as part of the decision making process and are as follows:

Price and cost

The relative importance we attached to these factors is high.

The spread bet price is determined by the price we are able to obtain for the underlying instrument and the 'Spread Charge', which is defined as the spread which is added to the underlying market price, resulting in the spread bet price. We ensure complete transparency by providing you with access to both the spread bet price and the price of the underlying when executing your orders. The Spread charge that is applied to the underlying price can be viewed on the spread card under the "Spreads" tab on the home page.

Size of the order and likelihood of execution

The relative importance we attach to these factors is high.

When we accept an instruction from you regarding a spread bet, we may only accept the spread bet on the basis that we would be able to fill at least the equivalent hedge as a proprietary trade in the underlying market.

Circumstances may arise in which we may only be able to 'partially fill' your order due to the liquidity of the marketplace.

Speed of execution

The relative importance we attach to this factor is medium.

In most circumstances, spread bets requested by you will be processed immediately. However, occasionally situations may occur that prevent instant execution. For example, there may be a delay in execution should lack of liquidity in the underlying market prevent instant execution of our hedge, against your spread bet.

ProSpreads will endeavour to fulfill your instructions within a timely manner wherever the market conditions permit.

Other factors

Your spread bet becomes effective as soon as you receive confirmation from us that your spread bet has been 'filled' or 'part filled'.

It is important to note that we cannot guarantee the execution price of orders. We do, of course, make every effort to execute orders at or very close to the specified order. However, due to price movements in the underlying, it is possible that our price may move quickly or erratically causing market slippage when we execute your orders on your behalf.

With our discretion, it is possible to execute trades through the trading platform outside our trading hours but during the relevant exchange's opening period. Your orders will not be monitored outside our trading hours and consequently the maximum margin available during this period is equivalent to 100% of our margin requirement.

Dealing with your orders

You may request for your position to be altered on certain triggers such as an adverse market move to prevent significant losses or if our offer price exceeds a specified order price to consolidate profits. In most cases when a 'stop order' is triggered, it will be executed at or very close to the specified price. However, this is not guaranteed. In extreme market conditions where our price may need to change quickly due to changes in the underlying investment, the 'stop order' would be filled as soon as possible but in these circumstances and you would only be eligible for our price at the time the order was filled.

Execution factors and criteria

This policy will be reviewed at least annually. As part of that process we will review the external execution venues we use when proprietary trading which also provide our external reference for pricing purposes.

Should we decide to change this policy, we will provide you with at least fourteen days notice.