

EXECUTION QUALITY SUMMARY  
STATEMENT  
APRIL 2019

YEAR ENDED 2018

## Execution Quality Summary Statement

### 1. Introduction

- 1.1. Squared Financial (CY) Limited (ex. Aspide Financial Ltd. and hereinafter, the “SquaredDirect”) is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 355968. SquaredDirect is authorised and regulated by the Cyprus Securities and Exchange Commission (hereafter the “CySEC”) under the license number 329/17.
- 1.2. This is the Execution Quality Summary Statement (hereinafter, the “Statement”) of SquaredDirect, with the application of the Investment Services and Activities and Regulated Markets Law of 2017, pursuant to the requirement of disclosure of such information under Regulation EU 2017/576 supplementing MiFID II. MiFID II is the European Parliament and Council’s Directive 2014/65/EC.
- 1.3. SquaredDirect 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 sufficient steps taken by SquaredDirect in addition to those referred in the [Best Interest and Order Execution Policy](#) of SquaredDirect, as well as analysis and conclusions derived by the monitoring undertaken with respect to Clients orders’ execution on the execution venues utilized by SquaredDirect within 2018.
- 1.4. This Statement provides information on the Best Execution Policy. If you have any questions about this Statement or the Best Execution Policy, please contact us at [support@SquaredDirect.com](mailto:support@SquaredDirect.com).

### 2. Application

- 2.1. This Policy applies to Retail and Professional Clients of SquaredDirect
- 2.2. 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.
- 2.3. 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.

- 2.4. 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.

### 3. Relative Importance of Execution Factors during 2018

- 3.1. For the assessment of execution of Clients' Orders, SquaredDirect takes into consideration the following factors:

- (a) Price
- (b) Cost
- (c) Speed
- (d) Likelihood of execution
- (e) Likelihood of settlement
- (f) Size of order
- (g) Market Impact
- (h) Nature of order.

- 3.2. You may refer to the [Best Execution Policy](#) of SquaredDirect for further details on the above.

### 4. Execution Venues used by SquaredDirect

- 4.1. SquaredDirect during 2018 cooperated and routed orders to the execution venue(s) listed below:

No.	Name of the Execution Venue	Country of Origin	Commencement date of routing orders for execution	End date in the event of termination
1	Squared Financial Services Limited	Ireland	23/06/2017	N/A
2	ADS Securities L.L.C.	United Arab Emirates	01/01/2018	31/12/2019

- 4.2. In selecting an execution venue for the execution of a transaction, SquaredDirect considers the following in respect of the venue concerned:

- price
- cost of execution
- liquidity available for the financial instruments concerned
- speed of execution

- reliability of the venue
  - continuity of trading
  - creditworthiness – good standing of the venue
  - quality of any related clearing and settlement facilities, and
  - such other factors as we consider relevant to the application of the overarching principle.
- 4.3. SquaredDirect during the year under review, evaluated the pricing of various execution venues and it considers that the pricing provided through the utilized execution venues throughout 2018 as competitive and in accordance to the best interest of its clients.

## 5. Conflicts of Interest

- 5.1. SquaredDirect maintains close links and common ownership structures with the execution venue Squared Financial Limited established in Ireland.
- 5.2. SquaredDirect implements and has in place sufficient measures to mitigate such conflicts. For additional information please refer to the [Summary of Conflicts of Interests Policy](#) disclosed in SquaredDirect's website.

## 6. Payments or non-monetary benefits between SquaredDirect and its Execution Venues

- 6.1. SquaredDirect, adds a mark-up on the spread of the underlying CFD as received from its execution venues prior to offer it to its Clients on Classic Accounts. For the rest of the account types offered to Clients, SquaredDirect adds a mark-up on the commissions.
- 6.2. The quoted price includes any spread and/or margin above the price at which SquaredDirect 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 SquaredDirect 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.
- 6.3. 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.

6.4. Moreover, SquaredDirect receives monthly commissions from its execution venue calculated as a percentage of the volume of Orders sent for execution every month. Provided paragraph 5.1. above, there are obvious capital and financial connections between the two parties however, the intergroup settlements have a pure market character.

## 7. Changes to the list of Execution Venues

7.1. In late 2018, and further to CySEC's requirements in respect to Risk Transferring Arrangements and Negative Balance Protection, SquaredDirect ceased its co-operation with third-country execution venues.

## 8. Order Execution based on client categorisation

8.1. SquaredDirect's [Best Execution Policy](#) does not apply to Eligible Counterparties. In respect to Retail and Professional clients, please refer to section 2. above.

## 9. Other Criteria in respect to Execution of Orders

9.1. There are no other criteria that are being taken into account when executing trades with SquaredDirect and its execution venues mentioned above.

## 10. Ongoing Monitoring

- 10.1. SquaredDirect monitors the arrangements described in this Statement in order to identify any deficiencies and to assess whether we need to make any changes. This monitoring includes the monitoring of the performance of connected parties and other third parties to whom we may engage in the future to transmit Client orders to.
- 10.2. SquaredDirect monitors on an ongoing basis its execution arrangements by checking the orders executed and evaluates them taking into consideration the below:
- Price updates (ticks per minute)
  - Latency (speed of execution – time from reception to execution)
  - Market depth of its venues with respect to all CFDs offered
  - Price freezing or halts
  - Spreads widening
  - Any possibility of wrongly matched orders
  - Technology – connectivity of platforms with the execution venues
  - Comparison of pricing (for the quotes provided pre-execution and the price obtained post execution) with independent price data providers such as Bloomberg, Thomson Reuters etc.
  - Slippage monitoring (where occurs to be balanced and reasonably justified)

- 10.3. SquaredDirect's Brokerage Department is monitoring the above in coordination with the IT Department and reports to the Senior Management of SquaredDirect at least on a weekly basis.
- 10.4. Finally, the above monitoring procedure is under the review of the Control functions of SquaredDirect, namely the Compliance and Internal Audit functions which report directly to the Board of Directors of SquaredDirect their findings and recommendations on an annual basis at least.