



EQSS 2019

Execution Quality Summary Statement of 2019

MOUNT NICCO



Execution Quality Summary Statement (EQSS) presenting information on the quality of execution obtained for client orders in 2019

Retail Clients (as per Annex II, table 1 of the RTS 28) per each class of instrument for the top 5 execution venues ranked in terms of trading volumes (descending order):

Class of Instrument		Contracts for difference (CFDs)				
Notification if < 1 average trade per business day in the previous year		NO				
No.	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
1	OM Bridge (pty) LTD LEI: 213800TZFERSO9YZVG80	85%	81%	None	100%	None
2	GBE brokers Ltd Lei: 213800GTHAE44SHT4L77	15%	19%	None	100%	None

Professional Clients (as per Annex II, table 1 of the RTS 28) per each class of instrument for the top 5 execution venues ranked in terms of trading volumes (descending order):

Class of Instrument		Contracts for difference (CFDs)				
Notification if < 1 average trade per business day in the previous year		NO				
No.	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
1	OM Bridge (pty) LTD LEI: 213800TZFERSO9YZVG80	98%	69%	None	100%	None
2	GBE brokers Ltd Lei: 213800GTHAE44SHT4L77	2%	31%	None	100%	None



1. Introduction

Mount Nico Corp Ltd (hereinafter referred to as the 'Company') is incorporated in the Republic of Cyprus with Certificate of Incorporation No. HE 307717. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission ('CySEC'), with a licence No. 226/14 and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017, as subsequently amended from time to time (the Law). The Company's office is located at Andrea Zappa & Makedonon 4, Honey Court V, 1st floor, Office 11A, 4040 Limassol, Cyprus.

The information above contains a summary of the analysis and conclusions that the company has drawn from its monitoring of the quality of execution obtained on the execution venues where it has executed client orders in 2019.

2. Purpose

This Document which 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 it executed all client orders during the year 2019, 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. Applicable Regulations

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)/2007).

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.

4. Information required to be disclosed under Regulatory Technical Standard 28 of MiFID II

- a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.**

We have a number of processes and reports in place, run in real time, daily and monthly, to monitor the quality of execution we deliver to our clients. These assess factors relevant in the fulfilment of best execution, including:

- available price in the market;



- transaction costs (including commission, execution, clearing and settlement costs);
- speed of execution;
- the likelihood of execution and settlement (depending on liquidity in the particular market);
- the size and nature of the transaction; and
- Any other consideration that the company deems to be relevant to the execution of that transaction.

The Company takes into account the following criteria when determining the relative importance of the above-mentioned execution factors:

- characteristics of the client;
- characteristics of the client's order (e.g. market, limit, stop);
- characteristics of the financial instrument(s) (e.g. commodity, currency, indices);
- characteristics of the Execution Venues to which the order can be directed.

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

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 website and/or 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.

Costs: Keeping transaction costs low for our clients is intrinsic to our execution approach – sourcing the best available price from multiple liquidity venues. We regularly assess our execution venues, brokers and data providers, and make changes to our execution arrangements where we deem the change leads to better value for our clients. Details of trading costs can be found on the Company's website and/or trading platform.

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. Also, because time is critical in rapidly moving markets, the Company processes 100% of orders instructed over the platforms we use automatically without any manual intervention, which maximises the speed of execution.

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. In addition, the Company monitors rejection rates of client orders on a daily basis in order to investigate and resolve failures or inadequacies.

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.

Size of Order: The minimum size of an order may be different for each asset type and/or financial instrument. A Lot is unit measuring the transaction amount and it is different for each type of Financial Instrument. Please refer to the website and/or platform 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.

Other Factors:

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.

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

In general, the Company regards price, speed and likelihood of execution as being the most important execution factors when seeking to obtain the best possible outcome for clients and has put in place sufficient steps to achieve this. However, in certain circumstances the Company may decide in its absolute discretion that the other factors mentioned above are more important.

b) A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

The Company does not have any close links with respect to any external execution venues.

The Company does have a 9.9% Common ownership with one of the Company's External Executive Venues, OM Bridge, a South African Broker, regulated by the FSB, with which it clears and executes clients' orders.

c) A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

Under the Company's Order Execution Policy, it must not receive any remuneration, discount or non-monetary benefit for routing orders to a particular Execution Venue as this could give rise to a conflict of interest between the benefit received by the company and its obligation to achieve the most favourable terms for the client.

d) An explanation of the factors that led to a change in the list of execution venues, if such a change occurred.

As the Company only had 1 active Liquidity provider it decided to onboard an additional provider. Following a review, the Company commenced a business relationship with OMBridge (pty) LTD in October 2019.



- e) **An explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements.**

The Company provides investment services mostly to retail clients. The Company will apply Best Execution to transactions with Retail and Professional Clients dealing in Financial Instruments where it accepts an order or where it has expressly agreed to provide Best Execution. The Company's Order Execution Policy does not apply to Eligible Counterparties; accordingly, we will not owe Best Execution in transactions entered into 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.

- f) **An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.**

Speed of Execution:

The Company acts as principal and not as agent on the Customer's behalf; therefore, the Company is the sole Execution Venue for the execution of the Customer's orders for the Financial Instruments provided by the Company. The Company places a significant importance when executing Customer's orders and strives to offer a high speed of execution within the limitations of technology and communication links. The use of wireless connection or dial-up connection or any other form of unstable connection at the Customer's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the Customer and the Company when using the Company's electronic trading platform. This may result in the placement of the Customer's order at an out of date price, which the Company might decline.

Likelihood of Execution:

The Company acts as principal and not as an agent on the Customer's behalf; therefore, the Company is the sole Execution Venue for the execution of the Customer's orders for the Financial Instruments provided by the Company. However, the Company relies on third party liquidity providers for prices and available liquidity. Although the Company executes all orders placed by the Customers, it reserves the right to decline an order of any type. The Company shall proceed to a settlement of all transactions upon execution of such transactions.

Size of Order:

All orders are placed in lot sizes. A lot is a unit measuring the transaction amount and it is different for each Financial Instrument. Details of the lot sizes are available on the Contract Specifications in the Company's website along with the maximum order size that the Customer can place for each instrument. Please note however that the Company reserves the right to decline an order as explained in the agreement entered into with the Customer.

The Company makes every effort to fill the order of the Customer irrespective of the volume. But, if this is achieved, it may be at the best available price as the market liquidity may allow at the time of execution.

Client Specific instruction:



Where the client provides the Company with a specific instruction in relation to his/her order or any part of it, including but not limited to selection of execution venues, specifying the price of a CFD contract, specifying the price at which a CFD contract is to be closed, 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.

g) An explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27.

In order to effectively implement a robust Best Execution compliance program, the Company monitors the quality of execution of client orders through various data and tools. 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 has implemented the following execution quality process:

- Real time monitoring of execution and Execution Venue performance through a bridge provider which monitors the following:
 - Pricing frequency – real time price updates
 - Speed of execution
 - Price freezing or latency if any
 - Depth of liquidity
 - Re-quotes
 - Order rejections
- Price Feed Monitoring against Market standards such as other Brokers and Liquidity Providers
- Regular independent reviews of execution quality arrangements and operating effectiveness of the monitoring.
- Periodic internal audit of the execution quality arrangements under Stage 1 and Stage 2 that aims to enhance the oversight of the Company's control environment.
- Evaluating the technological capabilities of the Company's systems (i.e. responsiveness of interface, lag, integration with liquidity providers, internet connections, etc.)
- Slippage monitoring

The goal is to ensure that clients are provided with the best possible results for their orders. To this end, the Company conducts, monthly and semi-annual reviews of the fairness of the price provided to the client by gathering market data used in the estimation of the price of the products and comparing with similar or comparable products. A summary of the analysis and conclusions which the Company draw from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client's orders during 2019 are indicated below.

h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Not applicable.



Mount Nico Corp Ltd

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