



FINANCIAL TRADING DIMENSIONS

FTD LIMITED

ORDER EXECUTION POLICY

EFFECTIVE JANUARY 2020

FTD LIMITED - VOL 1

FTD Limited is licensed and regulated by the BVI Financial Services Commission under Investment Business License number SIBA/L/19/1123



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FTD LIMITED

British Virgin Islands, Company Registration no: 1944994

Registered address: Kingston Chambers, PO Box 173, Road Town, Tortola, BVI

Authorized and regulated by the BVI Financial Services Commissions,

License: SIBA/L/19/1123



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1. INTRODUCTION

Under the rules of the BVI Financial Services Commission, this policy provides information on the Order Execution Policy for FTD Limited (together referred as “FTD”, “we”, “our” or “us”) (the “Order Execution Policy”).

The Order Execution Policy forms part of our Customer Agreement and will have the same meaning as the definitions provided within FTD’s Terms of Business for Customers and Eligible Counterparties.

This policy sets out our designated and required steps for carrying out the Customer Orders from origination to execution with the best possible results. This is referred to as executing customer orders with “best execution”. FTD executes customer orders in accordance with this Policy.

All liquidity offered by us is determined on the basis of prices provided to FTD from the selected number of Liquidity Providers and/or Executing Brokers. All Customer Orders are executed by FTD using the MT5 trading platform, FIX API and other third-party trading platforms.

2. SCOPE AND APPLICATION

This Order Execution Policy is applicable to all of our retail and professional customers, without making a distinction on whether the customer is resident and/or regardless of where the transaction is executed.

The financial instruments we offer as FX Contracts, Commodities Contracts and CFDs are margin traded products that carry a high degree of risk. They are not suitable for everyone who does not understand the nature of the transaction and the possibility of losing invested capital.

FTD applies this Policy upon acceptance of Trades and Orders to obtain the best result for the customer. We will act as a Matched Principal or as an Agent when executing the customer trades.

3. PRICING AND EXECUTION PRINCIPLES

We offer trading services for our customers with access to prices displayed on our trading platforms. Customers decide to deal at the prices displayed and responsible for achieving their own Best Execution.

FTD will pass customer orders to a third party (which may be a Liquidity Provider or a Broker) to complete the order execution process. We have internal processes and procedures to review our choice of third-party Liquidity Providers and Brokers. FTD manages those Liquidity Providers to provide the best current price quotation for customer orders on a consistent basis.



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4. RELEVANT FACTORS AND EXECUTION CRITERIA

FTD will take into consideration the Execution Factors when executing customer orders. In determining the relative importance of the Execution Factors, we will consider the following criterias listed below;

- **PRICE;**

The best bid and ask prices that FTD displays in the trading platforms which we apply an algorithm to achieve our own market price. The underlying feed that we use may be from one source or exchange or from several Liquidity Providers.

- **CUSTOMER CLASSIFICATION;**

Categorizing the customer as a retail or professional. Professional customers may have different needs than retail customers.

- **TYPE OF CUSTOMER ORDER;**

The characteristics of the customer order, such as market, limit, stop, etc.

- **TIME OF SUBMISSION OF THE ORDER;**

All orders are executed at the prevailing price(s) at the time the order is received by FTD price server.

- **SPEED;**

The time it takes to execute a customer transaction. The speed of customer internet connection and the performance of trading platforms may have an impact on execution time.

- **TYPE OF FINANCIAL INSTRUMENT;**

The type of instruments available on our platforms may change from time to time but the main products we offer are FX pairs, CFDs, Metals and Commodities. An instrument from one of these product groups will be the subject of customer order.

- **LIKELIHOOD OF EXECUTION;**

All trades, Orders and margin closeouts are executed on an automated basis. As long as the customer has sufficient margin available on his/her account for the trade and so long as the trade size requested is equal to or under the maximum size permissible, customer trade will be executed at the level requested depending on liquidity in the particular market.

- **LIQUIDITY OF THE MARKET;**

The depth of market customer receive from us will depend on the liquidity offered to us by Execution Venues at the time that the transaction is executed.



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- **LIQUIDITY PROVIDERS TO WHICH CUSTOMER ORDERS CAN BE DIRECTED;**

The characteristics of the Liquidity Provider.

- **COSTS;**

The transaction charges relating to execution.

- **SIZE OF THE ORDER;**

The size of the transaction which can affect the price of execution. If the requested trade size is larger than FTD is able to fill in the “trading venues” then our execution methodology may differ from the way we execute a standard order.

- **PRICE LIMITS AND RESTRICTIONS;**

As a part of the customer order acceptance process, we may apply a number of automatic controls, such as price check, limits on counterparty exposure, credit checks, availability of currency pairs, and other controls.

- **OTHER RELEVANT CIRCUMSTANCES (AS APPLICABLE);**

Any special objectives customer may have in relation to the execution of the order.

5. EXECUTING ORDERS ON BEHALF OF CUSTOMERS / ACTING AS AGENT OR AS MATCHED PRINCIPAL

FTD executes orders on behalf of the customers either by acting as an agent or matched principal trading. We act as an agent for the customer either explicitly or implicitly. We receive an order from the customer and then work in the market on a matched principal basis.

‘Matched principal trading’ means a transaction where FTD interpose itself between the buyer and the seller to the transaction in such a way that the Company is never exposed to market risk throughout the execution of the transaction, with both sides executed simultaneously, and where the transaction is concluded at a price where the Company makes no profit or loss, other than a previously disclosed commission, fee or charge for the transaction.

When FTD executes orders on behalf of the customers, we deploy procedures and arrangements which provide for the prompt, fair and expeditious of the customer orders and will be prioritized in accordance with the time of their reception by FTD order management (Bridge) technology.

Where accessing markets electronically, FTD’s routing decisions, including those processed within our algorithms, are made by our Bridge technology. Orders which are routed through FTD’s bridge are managed by FTD algorithms, are considered agency trades and best execution will be provided accordingly. The primary objective of the FTD Bridge is to achieve the best possible outcome for our customers. FTD’s interactions with execution venues are guided by objectively observed and calculated parameters. The execution decision as to which order books, price levels or participation sizes to target will be taken based upon both the explicit instructions accompanying the relevant order from the customer and the Bridge’s programmed parameters. The FTD Bridge may break the customer orders into multiple “child orders” and send them to one or many execution venues, either in parallel or in sequence. Best execution obligations will be applicable to the child orders as well as on the overall original customer order.



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6. ORDER TYPES AVAILABLE FOR THE TRADING PLATFORM

FTD trading technology allows the customers to reach deep liquidity pools by using MT5 trading platform. Main order types of the trading platform are as follows;

MARKET ORDER

Market orders will be executed at the best market price of the liquidity providers once the order reaches the electronic trading system where it will be executed at the FTD technology. Thus, it may slip between the price that you see in the terminal and the price of execution. Moreover, such slippage can also be in your favour. Since the system can provide you with high liquidity, this slippage, under normal conditions, either does not exist at all or is immaterial. Under low liquidity or explosive volatility conditions, the slippage is generally higher than on a quiet market.

STOP ORDER

Once the price reaches the stop order level in the trading platform, a request for an order execution would be transmitted via the bridge to the trading system, where the order would be executed at the best market price of the liquidity providers at the moment the order reaches the system. Thus, in case of stop orders, as well as in case of execution of market orders, slippage between the stop price and price of an execution may occur.

LIMIT ORDER

Once the price reaches the limit order level in the trading platform, a request for the order execution is transmitted via the bridge to the trading system. Please note that a partial execution of the order is possible. Obviously, customers are likely to encounter partial execution only when dealing with the large volume transactions. Also, please note that if you use a limit order facility, you will never get a price worse than the one that was stated in your order. Customer will either get his/her order executed at the requested price or at a better price.

7. TRADE INTEGRITY / SLIPPAGE

Customer orders are executed at the prevailing prices at the time the order is received by our price server. We may cancel or change the price of your executed order where technical problems with our trading platform or similar circumstances occur beyond our control and are unrelated to market price movements. Furthermore, as we exclusively utilize straight-through order processing (STP), we may cancel or adjust the price of your executed order where we entered into an identical but opposite transaction with a counterparty (creating an offsetting position for us), and this counterparty cancels or adjusts the price at which their order was executed with us.

We do not re-quote prices, nor does our pricing system have detrimental asymmetrical slippage parameters. It is designed to ensure that any slippage is based on real market conditions only.



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8. EXECUTION VENUES

FTD executes orders in Financial Instruments, we may use one or more of the following execution venues to enable us to obtain the best possible result on a consistent basis when executing an order on the customer's behalf:

- Third-party brokers who may interact with us in a principal or agency capacity, including investment firms, market makers & liquidity providers, direct electronic access providers, or equivalent entities performing similar functions.
- Regulated Markets.
- Other exchanges that are not Regulated Markets.
- Internal sources of liquidity (matching customer orders).

FTD regularly and independently review the execution venues in order to provide our customers with an additional and independent monitoring process to help ensure that we are taking all sufficient steps to deliver the best possible result for our customers.

The execution venues used by FTD Limited include the following;

- CFH Clearing Limited;
- Succden Financial Limited;
- LMAX Limited;
- Swissquote Group Holding Limited; and
- Gain Capital.

9. NO FIDUCIARY DUTY

Our commitment to providing you with a competitive execution price does not mean that we owe you any additional responsibilities in respect of order execution over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.



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10. MONITORING AND REVIEW

FTD will regularly monitor compliance and effectiveness of the Policy for relevant order execution arrangements to assess whether it enables us to continuously provide the best possible result for our customers. We will provide the details in relation to our execution practices via our website in accordance with the applicable regulation. If necessary, we will amend our policy and order execution arrangements. We will notify you in advance of any material changes.

Please note that this policy applies to all financial instruments offered by FTD. We are committed to acting honestly, fairly and professionally in accordance with the best interests of our customers in relation to all the business we conduct.

FTD LIMITED

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FTD Limited is incorporated under the laws of the British Virgin Islands as a BVI BUSINESS COMPANY with registration number 1944994, licensed and regulated by the **BVI Financial Services Commission (FSC)** under **Investment Business License number SIBA/L/19/1123**.