

# BEST EXECUTION POLICY FOR TRADING ACCOUNTS



This Best Execution Policy (the “Policy”) describes how Swissquote Bank Ltd (the “Bank”, “us” or “we”) handles orders instructed by holders of trading accounts (the “Accounts”) for the purchase or sale of financial instruments.

## 1. SCOPE

**1.1.** When you give us an instruction for the purchase or disposal of financial instruments relating to your Account (which we refer to as an “order”), we will process such order in accordance with this Policy.

**1.2.** This Policy does not apply to transactions in financial instruments where we act as your counterparty. We are your counterparty when we are the seller if you are the buyer, and vice versa. We will indicate when we are your counterparty in the terms that apply to the relevant transactions and/or in any other manner that we chose. Notwithstanding the foregoing, we are always your counterparty in spot foreign exchange transactions, except if we indicate otherwise.

**1.3.** This Policy does not apply to clients that are categorized as institutional clients under the Financial Services Act.

**1.4.** Furthermore, this Policy does not apply to:

- (A) cash and securities transfers in or out of Accounts;
- (B) transactions entered into through accounts that are held with us but are not trading accounts (e.g. forex accounts), unless we indicate otherwise;
- (C) transactions executed through Swiss DOTS (as in such a case you are trading directly with the issuer of the relevant financial instrument);
- (D) transactions involving cryptocurrencies; and
- (E) primary market transactions.

**1.5.** You acknowledge that, in circumstances where this Policy is not applicable, **we have no duty to ensure that your order is executed at conditions reflecting the best possible outcome in terms of cost, timing and quality.**

## 2. EXECUTION CRITERIA

**2.1.** As a securities firm, when we execute client orders in accordance with this Policy, we are bound by a duty to provide “best execution”. This means that we seek to achieve the best possible result for our clients. In doing so, we are however balancing a number of criteria, such as:

- the price;
- the execution costs;
- the execution speed; and
- the likelihood of execution and settlement.

**2.2.** Our services are designed to democratize trading. In this context, we generally consider execution price and costs to be the most important criteria when processing your orders. There might be circumstances in which we may not be able to consider price and costs as primary execution criteria, such as in illiquid markets, where execution speed or likelihood of execution might become more important. When determining how to execute your order, we also take into account other aspects, such as:

- the size of the order and its expected impact on the market;
- the type of order you have submitted;
- client categories;
- the characteristics of the financial instrument being traded; or
- market conditions.

## 3. ORDER PROCESSING

**3.1.** On business days, during the relevant market’s opening hours, we will process all orders as soon as we receive them. If you place an order by phone, by email or through any other channel that is not a dedicated trading tool made available by the Bank, in each case if you are permitted to do so under the relevant agreements between yourself and the Bank, we will consider that we have received such order when we have reproduced it into our internal trading systems. We may process your order outside a business day, but are under no obligation to do so.

**3.2.** A “business day” is a day, other than a Saturday or a Sunday, on which (a) banks are opened for general business in the canton of Vaud, Switzerland, and (b) the trading venue on which the relevant financial instruments are traded is opened.

**3.3.** To execute an order (i.e. to allow you to enter into a transaction on the terms of your order), we “process” it by taking measures we deem appropriate in accordance with this Policy.

3.4. Notwithstanding Article 3.1, we may decide to delay the processing of your order, or to process it in steps, if we determine that doing so is either necessary or desirable in light of the type of order you have submitted (e.g. a limit order) or market conditions, or to protect your interests.

## 4. YOUR INSTRUCTIONS

4.1. To the extent we are able and permitted to do so, we will act in accordance with order execution procedures agreed upon between you and us or with specific instructions regarding the execution of an order (together, the “**Client Parameters**”), even if doing so contradicts our usual order processing procedures.

4.2. When agreeing on or submitting Client Parameters, you agree that – if we accept those Client Parameters – we will have fulfilled our obligations under this Policy if we use our best efforts to act in accordance with such Client Parameters. **We will not be liable if you suffer damages as a result of your order being processed in accordance with Client Parameters.** In this respect, you accept that adhering to Client Parameters may prevent us from taking steps we would otherwise deem necessary to ensure the proper execution of your order. Further, **we do not undertake to inform you of the possible (negative) consequences of Client Parameters on the execution of your order.**

4.3. We may refuse any instruction you submit in our sole discretion and have no obligation to give any explanation as to why an instruction has been rejected. Further, we do not undertake to provide tools or means to submit specific instructions. In particular, we do not undertake to give you the possibility to:

- select the execution venue on which an order is to be executed;
- choose any order type that may be available on venues on which the relevant financial instrument is traded;
- instruct us to execute an order as an “**over-the-counter**” trade; or
- give instructions as to which execution criteria you would like us to prioritize.

## 5. EXECUTION VENUES / THIRD PARTY BROKERS

5.1. We execute orders through regulated or unregulated venues and counterparties we select. We may decide to act as the counterparty to the transaction, or otherwise internalize your order. We may also decide to route your order to one or more execution venues immediately or work your order over some period of time. Unless otherwise indicated in your Account,

you will not be able to direct us to choose a particular venue or counterparty to enter into a transaction.

5.2. We may execute orders through venues or counterparties who have (or have granted to other market participants) the discretion to decide that a particular order will ultimately not be executed. You acknowledge that the venues or counterparties we have selected may reject an order that would have been executed on a different venue.

5.3. As set forth in Article 2.2, execution price and costs are generally considered the most important execution criteria. Considering that securing multiple access to execution venues and third party brokers may result in additional direct and indirect costs, we may rely on a single broker, counterparty or venue for a given financial instrument. We have no obligation to have access (through a membership, a third party broker or otherwise) to any particular venue or counterparty, or to request more than one quote from our counterparties.

5.4. We may rely on third party brokers to execute orders. If we do so, we will consider that we have processed your orders in accordance with Article 2 when we send your order to a third party broker. When sending orders to third party brokers, we are entitled to rely on such brokers’ execution policies, which may differ materially from this Policy.

5.5. When you submit an order for a financial instrument traded exclusively or predominantly by a market maker, we are entitled to consider that the relevant market maker is quoting prices that correspond to the market price of the relevant financial instrument. We are in particular not required to perform our own calculations of the price of such financial instrument.

## 6. ORDER GROUPING AND SPLITTING

We may group comparable orders if doing so would enable us to reduce execution costs and would otherwise comply with this Policy. We may therefore group your orders with orders of other clients, or orders we send for our own account. When grouping orders, we will perform an allocation of the proceeds obtained or securities acquired upon execution of the aggregated order(s). When performing this allocation, we will apply to all fully executed orders the average price we obtained for the grouped orders. We will take reasonable steps to prevent orders from being partially executed and will also generally seek to minimize execution costs. In case one or several aggregated order(s) are only partially executed, we will determine which of our clients’ orders are executed by prioritizing the full execution of larger orders. We may also proceed differently using a methodology we deem appropriate to protect our clients.

## 7. NO GUARANTEED ORDER PROCESSING, NO GUARANTEED RESULTS

- 7.1. We are under no obligation to accept your orders. We may in particular refuse to execute orders if we consider that such orders are illegal, in breach of applicable market rules or of your obligations towards us. We may also be prevented from processing or executing your order because a third party broker is unwilling or unable to process it, or because a venue operator, market maker or other counterparty decided to exercise its discretionary power to reject the order. We will notify you in a manner we deem appropriate that your order could not be executed, but we are under no obligation to disclose why your order was not executed.
- 7.2. Even if we agree to process your order in accordance with this Policy, there is no assurance that your order will be executed within a specific timeframe or at all. Further, even if your order is executed, **there is no assurance that the price at which your order is executed will be the best price available at that time on the market.**

## 8. BINDING EFFECT, AMENDMENTS AND AVAILABILITY

When submitting an order through your Account, you acknowledge and agree that we are entitled to process it in accordance with this Policy.

We may amend this Policy at any time and without notice. You are responsible for reviewing this Policy, which is made available on the Bank's website, before submitting orders.