

# ORDER EXECUTION POLICY

VERSION 1 –JUNE 2022

Ayomi Financial Services Limited is a Cyprus Investment Firm (CIF) regulated and supervised by the Cyprus Securities and Exchange Commission (CySEC) with Licence No. 402/21. 171, Arch. Makariou III, Vanezis Business Center, 4th floor, Office 401C, 3027 Limassol, Cyprus. [Info@ayomi.pro](mailto:Info@ayomi.pro).

## **INTRODUCTION**

This Order Execution Policy (the “Policy”) is issued pursuant to, and in compliance with, Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MiFID II), other relevant regulations and guidelines issued by the European Securities and Markets Authority (“ESMA”), and the Cyprus Securities and Exchange Commission legislation implementing MiFID II (hereinafter collectively referred to as the “MiFID II Framework”) that applies to Ayomi Financial Services Limited ( “Ayomi Financial Services” and / or the “Company”).

Ayomi Financial Services Limited is authorised and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under licence number 402/21. The Company operates through an online trading platform available on its website [www.ayomi.fr/cy](http://www.ayomi.fr/cy) and offers its services under the brand name “Ayomi Financial Services “.

This Policy provides an overview of how Ayomi Financial Services executes orders on behalf of clients, the factors that can affect the timing of execution and the way in which market volatility plays a part in handling orders when buying or selling a financial instrument.

Ayomi Financial Services shall review this Policy at least annually and shall update it whenever any material change in the Company’s execution processes is taking place. Material change includes changes to instruments in the scope of this Policy and changes to the importance of Execution Factors. The Company shall notify its Clients of any material changes to this Policy.

## **PURPOSE**

The purpose of this Policy is to establish effective arrangements for obtaining the best possible result for the Company’s clients taking into account execution factors. The execution factors to be taken into account are price, cost, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order. More specifically, the Policy will describe procedures and practices established by the Company on identifying and utilizing execution factors and criteria and considering their relative importance upon execution of Clients’ orders.

Furthermore, the Policy sets out the monitoring and review processes established in order to review the quality and appropriateness of the Company’s execution arrangements and policies established with the aim to secure best execution.

This Policy shall be read alongside the Company’s Client Agreement and contains further details on the services and activities the Company offers to its Clients. Furthermore, this Policy is intended to explain clearly and in sufficient detail how Clients’ orders will be executed when Clients are dealing with the Company.

## **SCOPE**

When dealing with clients, Ayomi Financial Services has a general duty to act honestly, fairly, professionally and in the best interest of the client. Ayomi Financial Services is required to take all sufficient steps to obtain the best possible results on a consistent basis in relation to the investment services it offers to its Clients in the financial services and products it makes available through its trading platform.

## **CLIENTS**

The provisions of this Policy apply to all Clients of the Company classified as Retail or Professional Clients as these are defined under the MiFID II Framework. It is noted that the Policy does not apply to Clients classified as Eligible Counterparties

## **FINANCIAL INSTRUMENTS AND PRODUCTS**

The Policy applies to Client orders for the Financial Instruments which the Company is authorized to provide, being as follows:

(1) Transferable securities;

## **SERVICES**

Under the MiFID II Framework, the Company is obliged to offer best execution in regards to the below investment services offered to the Company's Clients under the its license:

### **Reception and transmission of orders in relation to one or more financial instruments**

The Company has a duty to act honestly, fairly and professionally in accordance with the best interest of its Clients when receiving and transmitting Client orders to other entities for execution (the "best interest obligation").

### **Execution of orders on behalf of clients**

The Company has an obligation to execute orders on terms most favourable to the Client when executing orders on behalf of Clients (the "best execution obligation").

### **Execution Factors**

Under the provisions of the MiFID II Framework, the Company shall take all sufficient steps to obtain, when executing orders, the best possible results for its clients taking into account the execution factors.

The execution factors the Company considered in this regard, include but are not limited to:

- Price
- Costs
- Speed of execution
- Likelihood of execution

- Likelihood of settlement
- Size
- Slippage
- Aggregation
- Client Categorization
- Nature or any other consideration relevant to the execution of an order.

Details of the above factors and how the Company interprets them are presented below:

### **Price**

The Company's execution price for a given share or bond is established and fixed to the price offered by the third-party corporate entity issuing the product, which the Company obtains through its agreement with the third-party corporate entity. The Company's post trade prices can be found on the reporting system the Client is using. Pre-trade indicative prices are streamed by the Company's technology directly to the Client's trading platform.

### **Cost**

For opening an order, the Client will not be required to pay any commission, or a spread or financing fees.

Should this change it will be reflected here and information on the costs and associated charges will be available on the Trading Conditions page of the Company's website.

### **Speed**

As long as there is no interruption to internet connections, unintentional or otherwise, then the Client should get a fast and seamless execution of their order. If, however there is delay in that connection causing latency or erroneous availability of the financial instrument, then the order may be rejected and the client will be notified accordingly.

### **Size**

Depending on the size of the trade there may be restrictions on the Company's ability to fill an order or trade subject to the remaining available volume of the particular financial instrument. Under normal circumstances the Company will not issue partial fills and instead offer its Clients the opportunity to replace the order with a deal size capped at the available volume at that instant.

### **Likelihood of execution**

The Company relies on the available volume of the financial instruments offered through its trading platform. Therefore, the execution of Clients' orders will depend on whether there are financial instruments available at the time these orders are received. In some cases it may not be possible to execute an order, such as: where there is insufficient liquidity for the execution of the specific volume at the declared price, when a force majeure event has

occurred etc. In the event that the Company is unable to proceed with an order with regard to price or size or other reason, the Company will not send a re-quote to the Client with the price it is willing to deal, so the order will not be executed.

In certain instances, the Company may have a choice in the way in which it chooses to fill a Client's order or trade. Where possible, the Company will always choose a way which is of benefit to the Client.

### **Likelihood of settlement**

The Company shall proceed with the settlement of all transactions upon the execution of the specific transaction.

### **Slippage**

Slippage cannot occur at any time, as the price offered for the financial instruments offered by the Company is stipulated by the third-party corporate entity and remains fixed.

### **Aggregation**

The Company will never execute any orders on its own account in aggregation with a Client order.

### **Client Categorization**

The Company will take into account the characteristics and expectations of the Client and whether they are categorized as Retail or Professional.

### **Nature or any other consideration relevant to the execution of an order**

The Company's quoted prices and available volume which are derived from its third-party corporate entities may be affected by various factors which could also affect the abovementioned factors. The Company will take all reasonable steps to ensure the best possible result for its clients.

### **Determination of Relative Importance of the Best Execution Factors**

The Company has the responsibility for assessing the relative importance of the best execution factors specified in Section IV above. When executing Client orders, the Company shall take into account the following criteria for determining the relative importance of the factors referred to in Article 27(1) of Directive 2014/65/EU:

- the characteristics of the client including the categorisation of the client as Retail or Professional;
- the characteristics of the Client order;
- the characteristics of financial instruments that are the subject of that order;

- the characteristics of the execution venues to which that order can be directed.

For Retail clients, the best possible result is determined in terms of the total consideration, where total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by the Client which 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.

The other execution factors of speed, likelihood of execution size, nature or any other relevant consideration will, in most case, be secondary to price and cost considerations, unless they would deliver the best possible result for the Client in terms of total consideration.

For Clients classified as Professional Clients, total consideration may not be an appropriate guide for execution in all cases, for example, speed of execution may take precedence in lessliquid instruments.

### **Best Execution and Best Interest per Class of Financial Instrument**

The obligation to deliver the best possible result when executing Client orders applies in

relation to all types of financial instruments which the Company is authorised to offer. However, given the fact that the Company is currently offering to its Clients solely shares and bonds, details are presented below on how best execution and best interest are addressed among those financial instruments only.

### **Products in scope**

This section provides further details regarding the application of best execution requirements in relation to shares and bonds.

### **How Ayomi Financial Services applies best execution**

The Company executes Clients' orders on a matched principal basis.

### **Relative Importance of Execution Factors**

In shares and bonds orders for Retail Clients and Professional Clients and in the absence of any specific instructions, given the Company's aforesaid specifications in the Execution Factors, it will prioritize the execution factors as specified below.

<b>Factor Importance</b>	<b>Price</b>	<b>Cost</b>	<b>Speed</b>	<b>Likelihood</b>	<b>Size</b>	<b>Slippage</b>	<b>Other</b>
	Low	Low	High	High	High	Low	Medium

### **The order handling process**

Orders are transmitted for execution in the Ayomi Platform, where Clients open their trades in the platform themselves. Instructions given by the Clients to the dealing desk on the

Company's recorded telephone line will not be accepted as the Client is required to be available online at the platform to complete the transaction by paying the required amount into the designated payment account.

### **Execution venues and brokers**

The Company acts as a matched principal and therefore it is the sole execution venue for the execution of the Clients' orders.

### **Benchmarking and monitoring**

Best execution obligations apply to all financial instruments, irrespective of whether they are traded on trading venues or over the counter (OTC). Therefore, the Company has the obligation to gather relevant market data, if available, in order to check whether the price offered for a Client is fair and delivers on the best execution obligation. Monitoring of execution quality in shares and bonds is based on transactions analysis and the agreements with the third-party corporate entities issuing the shares and bonds.

### **Specific Instructions**

In circumstances where the Client provides the Company with a specific instruction as to how to execute an order and the Company has accepted this instruction, then the Company will execute the order in accordance with that specific instruction and the Company's obligation to

provide best execution/best interest will be considered to be discharged by virtue of the fact it is following the Client's specific instruction.

Where a Client provides specific instructions that only cover a part of their order, the Company will apply the provisions of this Policy to the remainder of the order that is not affected by this instruction. It needs to be noted that by following the Client's specific instruction, the Company may be prevented from taking the steps designed and implemented as described in this Policy to obtain the best possible result for the entirety of the order. In this situation, the Company can only guarantee that the best execution obligations will be adhered to when executing the parts of the order that are not affected by the Client's specific instruction.

### **Types of Orders**

Given the nature of the financial instruments the Company offers and the risk and volatility involved, the Client will only be able to place Market Orders.

**Market order:** With a market order, the Client instructs the Company to execute an order of a certain size as quickly as possible at the current market price. The Company is required to execute market orders at the fixed price at offer. Therefore, since the market price of the shares and bonds does not move during the time it takes to fill a Client's order, the order will most likely be executed at the price requested or rejected if volume is not enough.

## **Execution Venues**

The Company acts as a matched principal and therefore it is the sole execution venue for the execution of the Clients' orders.

## **OTC Execution**

The Company will not execute or transmit Client orders over the counter (OTC).

## **Trading obligation**

In instrument classes subject to trading obligations under MiFID II, the Company will ensure orders are not executed OTC, but instead processed on a trading venue in accordance with the specific requirements.

## **Monitoring of execution quality**

As part of the Company's efforts to deliver the best possible execution for Clients at all times, the Company has implemented a range of initiatives to monitor execution quality.

For all Financial Instruments, pre-trade processes in the form of internal policies have been designed and implemented. Furthermore, real time monitoring (limit warnings) are applied for all Client orders. In addition, post-trade monitoring of execution quality based on sample testing, price comparison, benchmarking, review of execution quality statistics related to frequency of rejections, re-quotes, symmetry and etc. is performed periodically and results of the monitoring are reported to the Senior Management at least monthly.

## **Execution process control**

The Investment Committee in Ayomi Financial Services is overall responsible for the best execution process of the Company. This includes the responsibility to continuously monitor and review execution quality and the appropriateness of existing execution procedures. The Committee is further responsible for improving execution procedures where possible.

## **Prohibited Practices**

With respect to the trading procedures in regard to best execution and best interest and the execution venues/brokers engaged in the process, the Company prohibits the below listed practices:

- the Company may not direct orders to brokers in return for any gifts or entertainment;
- the Company may not direct orders to brokers if any conflict of interest exists which cannot be mitigated;
- the Company may not receive any remuneration, discount or non-monetary benefit for routing client orders to brokers or execution venues which would infringe the requirements on conflict of interest or inducements.

- The Company may not structure or charge commissions in such a way as to discriminate unfairly between execution venues.

### **Public Reporting Requirements**

In accordance with the MiFID II framework, the Company is required to make public on an annual basis, for each class of financial instruments, the top five investment firms in terms of trading volumes where it transmitted or placed Client orders for execution in the preceding year and information on the quality of execution obtained. This information shall be presented separately for Retail and Professional Clients.

Such information is published on the Company's website, and is available for downloading by the public.

Similar information will be reported with respect to the top five investment firms (ewhere they transmitted or placed Client orders for execution in the preceding year and is available for downloading by the public from the Website.

In addition, best execution monitoring summary analysis is made available to the public on the Company's website.

### **Information on the quality of execution of transactions**

The MiFID II framework requires that for Financial Instruments subject to the trading obligation, each trading venue and systematic internalize, and for other Financial Instruments each execution venue, makes available to the public, data relating to the quality of execution of transactions.

Such information shall be published (on a quarterly basis) for each trading day, in a machine-readable electronic format, available for downloading by the public. The Company will publish such information on the Company's website where this obligation is relevant to the Company.

Furthermore, Ayomi Financial Services Clients may make a reasonable and proportionate request for information to the Company about its execution policies and instructions and how these are reviewed. Clients may ask the Company to demonstrate that the Client's order has been executed in accordance with this Policy.

### **Definitions**

**MTF:** Multilateral Trading Facility. A multi-lateral system, operated by an investment firm or market operator, which brings together multiple third-party buying and selling interests in financial instruments in a way that results in a contract in accordance with the provisions of Title II of MiFID II.

**OTF:** Organized Trading Facility. A multi-lateral system which is not a Regulated Market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in a system in a way that results in a contract in accordance with Title II of MiFID II