



## **BEST CLIENT INTEREST & ORDER EXECUTION POLICY**

**Last Updated on 09/11/2021**

### **1. Introduction**

1.1. This Summary of the Act in the Best Interest of the Client Policy (“the Policy”) is provided to you (our Client or prospective Client) in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time (“the Law”). Pursuant to the Law, Alma Europe Ltd (“the Company”, “we”) is required to take all sufficient steps to obtain the best possible result (Best Execution) on behalf of its Clients either when executing Client orders or receiving and transmitting orders for execution.

### **2. Scope**

2.1. This Policy applies to both Retail and Professional Clients (as defined in the Company’s Client Categorisation Policy found on the Company’s website at [www.almaeurope.finance](http://www.almaeurope.finance)). If the Company classifies a Client as an Eligible Counterparty, this Policy does not apply to such a Client.

2.2. In case you have been categorised as an Eligible Counterparty, although this policy does not apply to you, in our relationship with you, we will act honestly, fairly, and professionally and communicate in a way which is fair, clear, and not misleading, considering the nature of you as a Client and of our business.

2.3. This policy is also applicable when providing the service of Portfolio Management.

### **3. Best Execution Factors:**

3.1. When the Company transmits client orders for execution, it shall take all sufficient steps to obtain the best possible result (“Best Execution”) for its Clients, taking into account price, costs, speed, likelihood of execution and settlement, size, market impact or any other consideration relevant to the execution of the Order (“Best Execution Factors”).

When the Company transmits client orders for execution, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs relating to execution, which shall include all expenses incurred by the Client

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which directly relate to the execution of the order. For determining the relative importance of the execution factors, the following criteria are considered:

1. The characteristics of the Client including the classification of the Client as Retail or Professional;
2. The characteristics of the Client order;
3. The characteristics of Financial Instruments that are the subject of that order;
4. The characteristics of the Execution Venues to which that order can be directed.

The Company considers price and costs as the most important execution factors, followed by speed, likelihood of execution and settlement, size and nature, and market impact.

**(a) Price – Highest Importance:**

For any given financial instrument it provides, the Company will quote two prices: the higher price (ASK) at which the Client can buy, and the lower price (BID) at which the Client can sell. Collectively, the ASK and BID prices are referred to as the Company's prices.

The Company will quote to Clients the prices provided by the Execution Venue (see Section 7 below). The Execution Venue calculates and provides its own tradable prices for a given financial instrument by reference to the prices of the relevant underlying asset, which the Execution Venue may obtain (depending on the type of financial instrument) from a regulated market, a reputable third-party external reference source (e.g. price feeders), etc.

For any Structured Product it offers (whether ready-made or tailor-made product), the Company will quote the Client at least two (2) prices. These prices will be obtained from external reputable third parties (banks/issuers/brokers) and represent the actual price at which the Client will invest.

The Company reviews (by means of periodic ex-ante and ex-post quality checks) the prices provided by Execution Venues from time to time to ensure that these remain competitive. The Company will not quote any price outside the Company's business hours therefore shall not be able to place orders outside its business hours.

Despite the fact the Company takes every sufficient step to obtain the best possible result for its Clients, it does not guarantee that when transmitting an Order its price will be more favourable than one which might be available elsewhere.

**(b) Costs - Highest Importance:**

For any financial instrument the Client will be required to pay commission/fee, the amount of which is disclosed in the signed Client Agreement. Commissions/fees may be charged either in the form of a percentage of the overall value of the trade or as fixed amounts. More information on commissions/fees can be found on the Company's website.

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Where the Company transmits orders for execution to another third party, the Client may be required to pay additional costs (whether Execution Venue fees or other fees paid to a third party involved in the transaction), the amount of which is disclosed on the signed Client Agreement.

**(c) Speed of Execution - Highest Importance:**

The Company places a significant importance when transmitting Client Orders for execution and strives to offer high speed of execution within the limitations of technology and communications links. For instance, when selecting execution venues, the Company assesses connectivity with the venues' systems to minimise occurrences of delays in the transmission of orders. As the Company's communication channels are mainly phone, email, and fax, Clients acknowledge that market orders shall not be executed at prices observed at the time of reception (by the Company) and that the Company shall transmit the orders as soon as possible on a first in first out basis (on a best effort basis). Resulting delays shall cause orders to be executed at better or worst prevailing prices.

**(d) Likelihood of Execution - Medium Importance:**

The Company arranges for the transmission of execution of Client Orders with third party(ies) (i.e. Execution Venue); hence, execution may sometimes be difficult. The likelihood of execution depends on the availability of prices of the Execution Venue(s). In some cases, it may not be possible to arrange an order for execution, for example, but not limited to, in the following cases: during news times, trading session start moments, volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, a force majeure event has occurred.

In the event that the Company is unable to proceed with an order regarding price or size or other reason, the order will not be executed. In addition, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any order or request or instruction of the Client in circumstances explained in the Client Agreement found at [www.almaeurope.finance](http://www.almaeurope.finance).

Where the Company may transmit orders for execution to a third party (another Execution Venue), the likelihood of execution depends on the pricing and available liquidity of such other third party.

In order to improve speed and likelihood of execution the Company carries out certain ex-ante and ex-post quality checks. Such checks include, but not limited to, symmetric slippage checks, number of trades subject to slippage and comparing our average speed of execution with industry standards.

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**(e) Likelihood of settlement – Low Importance:**

The Company will ensure that all transactions will be settled upon execution by monitoring the process done by the depositary banks in client bank accounts.

**(f) Size of Order – Low Importance:**

The actual size of Client orders acceptable depends not on the Company's policies but on the internal business parameters of the depositary bank where the Client's account is maintained. These parameters might in turn depend on size of Client account, type of instrument, market liquidity, etc. The Company will act as per the depositary bank's limitations and thus may be forced to refuse executing a trade if any of these parameters are not met.

**(g) Market Impact / Conditions – Medium Importance:**

Some factors may rapidly affect the price of the underlying instruments/products from which the Company's quoted price is derived and may also affect other factors listed herein. The Company will take all sufficient steps to obtain the best possible result for its Clients.

The Company does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor. Nevertheless, whenever there is a specific instruction from the Client, the Company shall make sure that the Client's order shall be transmitted following the specific instruction.

3.2. Types of Order(s) in Trading in Financial instruments:

The particular characteristics of an Order may affect the execution of the Client's Order. Please see below the different types of Orders that a Client can be placed:

Market Order(s)

A Market Order is an Order to buy or sell a financial instrument as promptly as possible at the prevailing market price. Execution of this Order results in opening a trade position. Financial instruments are bought at ASK price and sold at BID price. Stop Loss and Take Profit Orders can be attached to a Market Order.

Pending Order(s)

This is an Order to buy or sell a financial instrument in the future at the best available price once a certain price is reached. The Company accepts the following types of Client Pending Orders: Buy Limit, Buy Stop, Sell Limit or Sell Stop Orders for financial instruments.

A Pending order is an Order that allows the user to buy or sell a financial instrument at a pre-defined price in the future. These Pending Orders are executed once the price reaches the

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requested level. However, it is noted that under certain trading conditions it may be impossible to execute these Orders at the Client's requested price. In this case, the Company has the right to execute the Order at the first available price. This may occur, for example, at times of rapid price fluctuations of the price, rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is lack of liquidity, or this may occur at the opening of trading sessions.

It is noted that Stop Loss and Take Profit may be attached to a Pending Order.

#### Take Profit

Take Profit Order is intended for gaining the profit when the financial instrument's price has reached a certain level. It is always connected to a market or a pending Order.

#### Stop Loss

Stop Loss Order is used for minimising of losses if the financial instrument's price has started to move in an unprofitable direction. If the financial instrument's price reaches this stop loss level, the order is triggered (it becomes a market order to sell or buy as applicable). Such Orders are always connected to a market or a pending order.

### 3.3. Execution Practices in Financial instruments

#### Slippage

You are warned that Slippage may occur when trading in financial instruments. This is the situation when at the time that an Order is presented for execution, the specific price showed to the Client may not be available; therefore, the Order will be executed close to the Client's requested price. So, Slippage is the difference between the expected price of an Order, and the price the Order is executed at. If the execution price is better than the price requested by the Client, this is referred to as positive slippage. If the executed price is worse than the price requested by the Client, this is referred to as negative slippage. Please be advised that Slippage is a normal element when trading in financial instruments. Slippage more often occurs during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors) making an Order at a specific price impossible to execute. In other words, your Orders may not be executed at declared prices.

## **4. Best Execution Criteria**

4.1. When transmitting and executing Client orders, the Company takes into account the following criteria for determining the relative importance of the Best Execution Factors referred in paragraph 3 above:

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- (a) The characteristics of the Client including the categorization of the Client as retail or professional;
- (b) The characteristics of the Client Order;
- (c) The characteristics of the Financial Instruments that are the subject of that Order;
- (d) The characteristics of the Execution Venue to which that Order is directed;

The Company determines the relative importance it assigns, in accordance with the abovementioned criteria, to the Best Execution Factors by using its commercial judgment and experience considering the information available on the market and taking into account the remarks included in paragraph 3. The Company assigns the following importance level to the Best Execution Factors:

<b>FACTOR</b>	<b>IMPORTANCE LEVEL</b>	<b>REMARKS</b>
Price	High	We give strong emphasis on the quality and level of the price data that we receive from external sources in order to provide our Clients with competitive price quotes.
Costs	High	We take all sufficient steps to keep the costs of your transactions as low and competitive, to the extent possible.
Speed of Execution	High	Execution speed and the opportunity for price improvement are critical to every advisor/manager and we repeatedly monitor this factor to ensure we maintain our high execution standards
Likelihood of Execution	Medium	Even though we reserve the right to decline a Client order we aim to execute all Client Orders, to the extent possible.
Likelihood of Settlement	Low	See relevant description in Best Execution Factors (See Section 3).
Size of Order	Low	See relevant description in Best Execution Factors (Section 3).

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Market Impact	Medium	See relevant description in Best Execution Factors (Section 3).
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Where the Company transmits an order on behalf of a Client, the best possible result shall be determined in terms of the **total consideration, representing the price of the financial instrument and the costs related to execution**, which shall include all expenses incurred by the Client which are directly related to the execution of the Order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order.

For the purposes of delivering best execution where there is more than one competing Execution Venue to execute an Order, in order to assess and compare the results for the Client that would be achieved by executing the Order on each of the execution venue (see Paragraph 7 below) that is capable of executing that Order, the Company's own commissions and costs for executing the order on each of the eligible execution venue shall be taken into account in that assessment. The Company shall not structure or charge commissions in such a way as to discriminate unfairly between execution venues.

## **5. Client's Specific Instruction**

5.1. Whenever there is a specific instruction from or on behalf of a Client, relating to the Order or the specific aspect of the Order the Company shall arrange – to the extent possible – for the execution of the Client Order strictly in accordance with the specific instruction.

**WARNING:** It is noted that any specific instructions from a Client may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those Orders in respect of the elements covered by those instructions. However, it shall be considered that the Company satisfies its obligation to take all sufficient steps to obtain the best possible result for the Client.

5.2. Trading rules for specific markets or market conditions may prevent the Company from following certain of the Client's instructions.

## **6. Execution on Client Orders**

6.1. The Company shall satisfy the following conditions when carrying out Client Orders:

- (a) ensures that Orders executed on behalf of Clients are promptly and accurately recorded and allocated;

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- (b) carries out otherwise comparable Client Orders sequentially and promptly unless the characteristics of the Order or the prevailing market conditions make this impracticable, or the interests of the Client require otherwise;
- (c) informs the Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

## **7. Execution Venues**

7.1. Execution Venues are the entities with which the orders are transmitted, placed, and executed.

The Company may use as Execution Venues the following Financial Institutions:

Cyprus:

- Eurobank

Luxembourg:

- Safra Sarasin Luxembourg
- UBP Luxembourg
- Société General Luxembourg
- BDL Luxembourg
- UBS
- ING Luxembourg
- Mirabaud Luxembourg
- VP Bank Luxembourg
- Edmond de Rothschild Luxembourg
- BIL Luxembourg
- Credit Agricole
- EFG Luxembourg
- KBL Luxembourg

Switzerland

- CBH Bank Geneva
- BNP Paribas Geneva
- Credit Suisse Switzerland
- Mirabaud Switzerland
- Pictet Bank
- Julius Baer
- Dreyfus Bank

Liechtenstein

- VP Bank
- Bendura Bank

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France

- Mirabaud Paris

Further to the above it is expected that for structured products the Company will work again on behalf of its Clients, with third party asset managers such as (but not limited to) “Profin Partners Limited”, a London based, FCA licensed Investment Firm, and “Leonteq Securities”, a Swiss-based investment company listed on the Swiss Stock-Exchange.

The list may be changed at any time at the Company’s discretion. The Company evaluates and selects the Execution Venues based on a number of criteria including such as (but not limited to) the following:

- (a) the regulatory status of the institution
- (b) the ability to deal with large volume of Orders
- (c) the speed of execution
- (d) the competitiveness of commission rates and spreads
- (e) the reputation of the institution
- (f) the ease of doing business
- (g) the legal terms of the business relationship
- (h) the financial status of the institution
- (i) various qualitative criteria such as clearing schemes, circuit breakers and scheduled actions.

The Company places different relative importance on each of the criteria mentioned above by using its commercial judgment and experience in the light of the information available on the market.

The Company selects to work with those third-party venues that enable the Company to obtain on a consistent basis the best possible result for the execution of Client orders. Where there is only one possible Execution Venue, best execution is achieved by execution on that venue. Best execution is a process, which considers various factors, not an outcome. This means that, when the Company is executing an order for a Client, the Company must execute it in accordance with its execution policy.

The Company does not guarantee that the exact price requested will be obtained in all circumstances and, in any event, the factors may lead to a different result in a particular transaction.

7.2. The Client acknowledges that transactions entered in Financial Instruments with the Company which are not undertaken on a recognized exchange/regulated market, rather they

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are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions/Orders.

## **8. Important Disclosures**

8.1. The Company undertakes to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where the Client orders were executed in the preceding year and information on the quality of execution obtained, in accordance with the relevant regulatory requirements.

8.2. The Company will publish an annual Execution Quality Summary Statement (EQSS) which will, for each class of financial instruments, include a summary of the analysis and conclusions the Company will draw from its detailed monitoring of the quality of execution obtained on the execution venues where all Client orders were executed in the previous year.

8.3. The EQSS will include:

- (a) an explanation of the relative importance the Company 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;
- (b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
- (c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
- (d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;
- (e) an explanation of how order execution differs according to Client categorisation, where the Company treats categories of Clients differently and where it may affect the order execution arrangements;
- (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;
- (g) an explanation of how the Company has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;
- (h) where applicable, an explanation of how the Company has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

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## **9. Client's Consent**

9.1. By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on the business relationship between the Company and the Client (i.e. this Policy forms part of the Client Agreement found at [www.almaeurope.finance](http://www.almaeurope.finance))

## **10. Amendment of the Policy and Additional Information**

10.1. The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement. It should be noted that the Company will not notify Client separately of changes, other than substantial material changes to the Policy, and Clients should therefore refer from time to time to the website of the Company at [www.almaeurope.finance](http://www.almaeurope.finance) for the most up to date version of the Policy.

10.2. Should you require any further information and/or have any questions about this policy please direct your request and/or questions to [mailto: administration@almaeurope.finance](mailto:administration@almaeurope.finance)