Best Execution Policy

FXDD Services (hereinafter as "FXDD" or "the Firm") provides mainly automated execution-only services to retail and professional clients ("client") in the following instruments:

• Contracts-for-difference ("CFD") on forex
• Stocks
• Indices
• Commodities
• Cryptocurrencies

FXDD deals as principal acting as the counterparty to most of its clients' trades, which places a huge trust on the Firm to offer the best execution to its clients. FXDD executes clients' orders at the best price offered by our credited Liquidity Providers. The system is set to automatically select the best available price and show it to the clients on our online platforms. FXDD considers 'price', 'cost' and 'speed' as highly important execution factors, and other execution factors such as size and likelihood of execution having relatively lower importance.

Trading platforms

FXDD customers can trade using the following trading platforms ("platforms"):

• Web Trader
• MetaTrader 4
• MetaTrader 5

Trading is subject to trading hours' restrictions and are provided per investment instrument on the platforms.

Execution Venues

FXDD provides two types of execution venues. Primarily, FXDD operates as a principle which means that the Company is the counterparty of client transactions.

In rare circumstances, the Company also operates as an agent whereby client transactions are received and transmitted to other reputable liquidity providers.

Price

FXDD provides two-way pricing quoted live across all its products to clients, which can be accessed on FXDD's platforms. FXDD aims to provide clients with fast, reliable and uninterrupted prices.

FXDD receives raw price data for all trading instruments from its Liquidity Providers ("LPs") and Data Providers such as regulated markets, multilateral trading facilities (MTFs), executing brokers, etc. FXDD avoids over-reliance on any single provider and manages its risk in compliance with its Risk Management Framework.

Each LP is carefully on-boarded, and due diligence is performed by Risk and Compliance departments to ensure that the LP can offer the best possible prices to FXDD's clients. For example, upon adding a new LP, the Risk and IT department perform detailed tests to confirm the speed and accurateness of raw inputs by comparing it against independent benchmark services.

LPs and all data sources are reviewed continually by the Risk department. All pricing sources are subject to due diligence before they are activated. If a pricing source is to be re-activated a review of its due diligence will be required.

After receiving the raw data, it is fed to FXDD's price engines, which have the purpose of delivering to the end user terminal a smooth and consistent flow of quotes in accordance with the target and average spreads disclosed on the website. FXDD has developed an in-house application that tracks price level discrepancies and latency of all price feeds.

In the rare circumstances a client is unable to execute trades on the Firm's system (e.g. due to internet connectivity issues), FXDD allows clients to submit instructions via phone or e-mail. When running client instructions over the telephone, FXDD aims to quote the price as if the client is trading through the trading platforms subject to any delays due to the manual process of trading over the phone/e-mail. FXDD confirms the execution of client trades immediately after the client indicates the desired action. If a trade is confirmed by telephone, the client may request a confirmation of the execution in writing.

Cost

Spreads and commissions are the critical aspects of the expenses FXDD's clients can incur, and FXDD always aims to ensure that these are reasonably competitive as compared to other operators in the CFD market (e.g. Spreads are monitored continuously by FXDD's Risk department). The costs the client will incur in executing an order with FXDD will be related to the spread and commissions. Spreads are dynamic and are dependent on several factors including market liquidity and volatility.

Information on "spreads", "swaps" and "commissions" is available for the various securities at https://www.fxdd.com/mt/en/trading/offering, where the target spread applied, along with average spreads, updated weekly, commissions and swaps (where applicable) are displayed.

For transparency purposes, further details of the spreads, commissions and other costs for each underlying instrument has been provided on FXDD's website. Clients are encouraged to understand the associated costs prior to executing with FXDD fully.

Speed, size and likelihood of execution

FXDD's clients receive immediate execution capability, meaning that, if a client sees a price on the screen, in most cases the trade is executed at the displayed price. FXDD provides latency allowance on orders; if our system executes the market price moves before a request, the order is filled at the order price if the difference between the order and market prices is still within the relevant slippage parameter. On the other hand, if latency causes the difference between the order and market prices to be higher than the relevant slippage parameter, the order is rejected.

Being the main counterparty to client trades, FXDD is ready to absorb trade requests up to the maximum trade size set for each trading instrument. Maximum trade size is available in the contract specifications of each instrument in each trading platform.

FXDD determines the maximum size of trade available to clients for each CFD instrument. Regardless of the type of the order FXDD executes any order at VWAP (Volume-Weighted-Average Price) should the size of an order exceed the tradable size at the time of the execution. Depending on the tradable size, FXDD's clients may experience that their orders may be executed at a less favourable price.

However, under all circumstances, FXDD pays due regard to 'slippage' and passes on positive slippage to clients in case the market moves in favour of them.

No order aggregation

FXDD general practice is not to aggregate any client orders with other client orders or any transactions for its account.

Client-specific instructions

If clients provide FXDD with instructions on how to execute an order, complying with those instructions may prevent FXDD from taking the steps that are set out in its Order Execution Policy to obtain the best execution for its clients. In those circumstances, FXDD's execution in accordance with the client's instructions will be deemed the best execution.

Also, specific instructions from clients may sometimes rate some execution factors over others; for example, size as a factor may take precedence over price and cost.

Client protection

Despite ensuring that FXDD's clients receive the best execution, FXDD has implemented further measures to ensure that its clients are protected at all times. FXDD also provides that it's systems automatically offer default protections to its clients.

Stop Loss Orders

Clients have the option to trade "stop loss" and "trailing stop loss" orders. This allows clients to autonomously set the level at which they will sell out to limit losses. If the security price reaches this level, the position will be closed automatically.

Such orders are always connected to an open position or a pending order.

Negative Balance Protection

FXDD offers all retail clients negative balance protection. This means that clients will never lose more than their invested capital.

For further information, kindly visit this link: https://www.fxdd.com/mt/en/negative-balance.

Automatic Stop Out

FXDD sets minimum margin requirements that result in automatic Stop Out levels to protect clients from losses. If during an open trade, the net worth of the account reaches the "margin level" equal to 50% of the required margins, all positions would be automatically closed.

Conflicts of interest disclosure

FXDD is the main execution venue as described above, and it acts as the principal counterparty to its clients' trades. However, in rare cases FXDD acts as an agent and transfers its trades to a reputable counterparty.

Although there is a general conflict of interest when FXDD acts as the principal counterparty or execution venue for its clients, FXDD does not compromise on its commitment to its clients to provide the best execution. Most orders are executed at 'top of the book', and there is no discrimination in price for one client vs any other. FXDD has a robust back-end price feed infrastructure that ensures that prices are fed by several exchanges, MTFs and by many different liquidity providers.

In addition, FXDD is bound by its Order Execution Policy and continuously looking to enhance its best execution monitoring capabilities.

Also, FXDD monitors its Complaints in this respect actively, and it is done independently by the Compliance department, which further ensures to comply with the Firm's best execution obligations.

With regards to its clients, FXDD offers the best execution to both retail and professional clients and its automatic execution flow does not differentiate or treat client orders differently. The variation may apply depending on the client risk appetite when compared to another. For example, professional clients may choose to take more risk or higher leverage as compared to retail clients.

Best execution monitoring

FXDD is continuously monitoring its 'prices' compare to the market through internal monitoring measures and third-party vendor solutions. Prices are monitored around execution time within set thresholds against market price and the underlying instrument.

Where the underlying instruments are traded over the counter (OTC), such as Forex and Metals, the critical factor is the spread. FXDD monitors the spread to ensure it sources the most competitive price. The following parameters are taken into consideration for low, normal and high volatility trading periods latency of price feed, the frequency of price updates, and complete representation of top of the book of orders.