

## EXECUTION QUALITY SUMMARY STATEMENT (EQSS) 2020

### INTRODUCTION

JFD Group Ltd (hereinafter the "Company") is a limited liability Company incorporated under the laws of the Republic of Cyprus with registration number HE 282265. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (hereinafter the "CySEC") under the license number 150/11. The present Statement is the Execution Quality Summary Statement (the "EQSS") of the Company, pursuant to the European Directive MiFID II – Market in Financial Instruments Directive and Commission Delegated Regulation 2017/576 (RTS 28).

### EXECUTION QUALITY SUMMARY STATEMENT (EQSS)

This EQSS provides a summary of the analysis and conclusions which the Company has drawn through its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders during the previous calendar year, covering a full year cycle.

The Company aims to provide a transparent report as to how professional and retail client orders were treated during 2020 on the basis of the applicable regulatory criteria as discussed below.

#### A) EXPLANATION OF EXECUTION FACTORS

When executing client orders, the Company takes all sufficient steps to obtain the best possible results for its Clients taking into account the specific factors when dealing with Clients Orders against the Company' quoted prices. Factors affecting execution of orders and their importance can be seen below

FACTOR	EXPLANATION	IMPORTANCE
<b>Costs</b>	We take all sufficient steps to keep the costs of your transactions as low and competitive, to the extent possible. Additional costs might be charged by the Company's Liquidity Providers.	High
<b>Price</b>	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. We do not however guarantee that our quoted prices will be at a price which is as good or better than one might have been available elsewhere.	High
<b>Speed of Execution</b>	Execution speed and the opportunity for price improvement are critical to every trader and we	High

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	repeatedly monitor these factors to ensure we maintain our high execution standards.	
<b>Likelihood of Execution</b>	Even though we reserve the right to decline a Client order we aim to execute all Clients' orders, to the extent possible.	High
<b>Size of Order</b>	The Company does not take into account the size of the client's order in accepting, scheduling or prioritizing its execution. However, order execution is subject to size consideration including a minimum deal size.	Medium
<b>Likelihood of Settlement</b>	The Company shall proceed to a settlement of all transaction upon execution of such transactions however there are factors affecting the likelihood of execution	Medium
<b>Market Impact</b>	The effect on the market that a client order might have.	Medium
<b>Other Order-Type Particular Factors</b>	Depending on circumstances not included above	As applicable per affecting factor.

**B) CONFLICTS OF INTEREST – CLOSE LINKS**

The Company in 2019, began to use its German Regulated subsidiary, namely JFD Bank AG as an execution venue. The decision to proceed by transmitting a proportion of the client orders internally was taken based on best execution criteria so that the Company would be able to execute the majority of client orders regardless of the operational status of its other two main Liquidity Providers.

As evident from the report, that the percentage of the orders which were placed for execution through the Company's subsidiary is significantly smaller than the orders executed via IS Prime. Having analysed this, the Company emphasizes that any inter-group arrangements for execution are structured in such a way so that the Client's bests interests are the core consideration avoiding any conflicts of interest.

**C) ARRANGEMENTS WITH EXECUTION VENUES**

Execution Venues are the entities with which the orders are placed for execution. For the purposes of orders for the financial instrument offered by the Company, some third-party Financial Institutions will be the Execution Venue and not the Company.

The Company maintains agreements with its Execution Venues in order to establish contractually the obligations and services offered. The fee paid to the Execution Venues for their services during 2020 was based on trading volume

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transmitted. As of 2020 the Company internalized and assigned partially some of its execution operations to its subsidiary.

## D) FACTORS WHICH LED TO THE CHANGE IN THE LIST OF EXECUTION VENUES

The Company added a new execution venue during 2020, Invest Financial Services Pty Ltd (a company incorporated in Australia under number ABN 48 162 400 035 and AFSL registration number 438283 whose registered office and its business address is at Aurora Place, 88 Phillip Street, Sydney NSW 2000. The business relationship between the two Companies seized commencement during January 2020.

## E) CLIENT CATEGORISATION AND ORDER EXECUTION

The Order Execution of the Company does not differ according to client categorization, the Company does not treat categories of clients differently, the same execution factors exist for all client categories, including retails, professionals and eligible counterparties. Even though the factors affecting the Order Execution of Retail and Professional clients does not differ, the importance of each factor might vary depending on the categorization and the needs of the clients.

The Company will determine the relative importance of the above Best Execution Factors by using its commercial judgment and experience in the light of the information available on the market and taking into account the criteria described below:

- 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 financial instruments that are the subject of that Order;
- d) The characteristics of the execution venues to which that Order can be directed.

Detailed information as to the execution factors and the criteria for the determination of their importance can be found at the Policy to Act in the Best Interest of The Client (Best Execution Policy):

[https://www.jfdbank.com/documents/JFD\\_Agreement\\_Appendix\\_5.pdf](https://www.jfdbank.com/documents/JFD_Agreement_Appendix_5.pdf)

The Company always ensures to act fair, honest and to the best interest of its clients. The Company applies the same policy for all its clients and does not discriminate any groups of clients. Further, the Company verifies that the staff is well trained and fully understands the best execution obligations. The Risk Manager with the Head of RTO presents into the Senior Management any changes are required in the Order Execution Policy and any deficiencies arose during the regular reviews of the execution of orders.

## F) DATA OR TOOLS RELATING TO THE QUALITY OF EXECUTION

The Company monitors via external tools the arrangements described in this Statement in order to identify any deficiencies and to assess whether we need to make any changes. This monitoring includes relates to the performance of connected parties and other third parties to whom we may engage in the future to transmit Client orders to.

The Company monitors via its tools on an ongoing basis its execution arrangements by checking that the orders are executed and assessing the below:

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- Price updates (ticks per minute)
- Latency (speed of execution – time from reception to execution)
- Market depth of its venues with respect to all CFDs offered
- Price freezing or halts
- Spreads widening
- Any possibility of wrongly matched orders
- Technology – connectivity of platforms with the execution venues
- Slippage monitoring (where occurs to be balanced and reasonably justified)
- Depth of market – Bridge
- Availability of platform and pricing freezes – Zabbix signaling system, real time DDE Excel tool (dynamic data exchange)
- Wrongly matched orders – Bridge
- Outtrades or execution mismatches – Bridge and own developed Exposure Check Tool

#### G) CONSOLIDATED TAPE PROVIDER (CTP)

The Company, as of today has not used output of a Consolidated Tape Provider (CTP) established under Article 65 of L.87(I)/2017.

#### H) REPORT ON EXECUTION VENUES

**TABLE 1. RETAIL CLIENTS**

CLASS OF INSTRUMENT	CFD				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
IS Prime (549300F62BRRDZKCUZ58)	96.36%	95.76%	0%	100%	0%
JFD Bank AG (529900U7B6VVWS7Q3G05)	3.44%	3.04%	0%	100%	0%
Invast (549300OREYLNWD2E9Y62)	0.16%	0.38%	0%	100%	0%
LMAX (213800FIDYGIQ9SJK78)	0.03%	0.82%	0%	100%	0%

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**TABLE 2. PROFESSIONAL CLIENTS**

CLASS OF INSTRUMENT	CFD				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
IS Prime (549300F62BRRDZKCUZ58)	89.26%	95.25%	0%	100%	0%
Invast (549300OREYLNWD2E9Y62)	6.18%	0.53%	0%	100%	0%
JFD Bank AG (529900U7B6VVWS7Q3G05)	4.55%	4.08%	0%	100%	0%
LMAX (213800FIDYGIQ9SJK78)	0.01%	0.14%	0%	100%	0%

**TABLE 3. RETAIL**

CLASS OF INSTRUMENT	SINGLE STOCKS				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Interactive Brokers LLC (50OBSE5T5521O6SMZR28)	100%	100%	0%	100%	0%

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**TABLE 4. PROFESSIONAL**

CLASS OF INSTRUMENT	SINGLE STOCKS				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Interactive Brokers LLC (50OBSE5T5521O6SMZR28)	100%	100%	0%	100%	0%

**TABLE 5. RETAIL**

CLASS OF INSTRUMENT	EXCHANGE TRADED ETFs				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Interactive Brokers LLC (50OBSE5T5521O6SMZR28)	100%	100%	0%	100%	0%

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**TABLE 6. PROFESSIONAL**

CLASS OF INSTRUMENT	EXCHANGE TRADED ETFs				
Notification if < 1 average trade per business day in the previous year	N				
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