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## **ORDER EXECUTION POLICY**

### **1. INTRODUCTION**

MCA INTELIFUNDS LTD, (hereinafter the company) trading as “**FXORO**”, is an investment firm regulated by the Cyprus Securities and Exchange Commission under license no. 126/10 and operates according to the Cyprus Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017)(hereinafter the “Law”).

This Policy is issued pursuant to, and in compliance with the Cypriot Law for the Provision of Investment Services and Activities 87(I)/2017 and in accordance with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. Furthermore, this policy is also issued pursuant to amending Directive 2002/92/EC, Directive 2011/61/EU (“MiFID II”) and Section 9 of the Q&A of the European Securities and Markets Authority (‘ESMA’) issued on 11<sup>th</sup> of October 2016, with reference ESMA/2016/1454, with respect to the provision of CFDs and other speculative products to retail investors. Under the above legislation Investment firms are required to set out their execution policy, which describes how best execution will be achieved on behalf of its Clients either when executing Client orders or receiving and transmitting orders for execution.

This policy forms an integral part of the clients’ agreement with FXORO which is effected through FXORO’s Terms and Conditions, and the clients’ consent to all the relevant documents referred to in those Terms. By consenting to the relevant documents mentioned herein, the client also consents to the Terms of the Policy set out below.

### **2. SCOPE AND SERVICES**

The Policy forms part of the Terms and Conditions (hereinafter “Agreement”) and is otherwise effective for all retail and professional clients and is applicable on all transactions executed for clients that relate to Financial Instruments provided by FXORO.

FXORO may decide, in its discretion the type of financial instruments it will make available and publish the prices at which these will be traded. This is because the Financial

Instruments that FXORO provides are derivatives of underlying financial instruments so they are not regulated by a regulated exchange.

### **3. CONSENT**

Once opening an account with us, you assent to your orders being executed according to the Company’s current policy. In addition, when you enter into an order either to buy or to sell a CFD, FXORO acts as a Market Maker and/or principal to each transaction that you enter.

As a Market Maker, we derive our income from Spreads, Overnight Rollovers (Swaps) and Market Making, depending on the market conditions. Exceptions apply in cases where we are hedging transactions, either by transferring the transactions under STP (Straight Through Processing) or manually, by hedging individual positions, at our discretion.

You consent that FXORO retains the right to instantly terminate your access to the trading platform(s) or Account(s) or decline or cancel any order, in case you willingly and/or unwillingly participate in trading irrelevant to market inefficiencies, including but not limited to, latent trading and swap trading and/or adverse to good faith. Under such conditions, FXORO preserves the right to terminate any of your Account(s) and retrieve any losses sustained from such practices.

FXORO reserves the right to close any open positions or to take additional measures, if necessary, depending on the circumstances for any abusive behavior and/or arbitrage and/or manipulation of the prices or any illegal actions, as per paragraph 5.3 of the Company’s Terms and Conditions.

#### **CONTRACT FOR DIFFERENCES AND SOURCE OF THE PRICES**

The Company distributes CFDs via the following Trading Platforms:

- a. MetaTrader 4 (MT4)
- b. Mt4 Mobile

CFDs relate to the underlying asset classes and Financial Instruments:

Asset Class	Examples of financial instruments in the specific asset class	Source of underlying CFD price
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Foreign Exchange ("FX")	EUR / USD; GBP / USD ; EUR / CHF	Based on price feeds from global investment banks and other liquidity providers
Commodities	Crude Oil; Gold; Silver; Wheat; Natural Gas	Based on published prices from underlying commodity exchanges
Indices	S & P 500 Futures; FTSE 100 Futures; DAX 30 Futures	Based on published prices from underlying regulated stock exchanges
Shares	Facebook; Apple; Amazon; Siemens	Based on published prices from underlying regulated stock exchanges
Digital Currencies (Cryptocurrencies)	Bitcoin Note: offered based on an out of scope license issued to the Company by the Cyprus Securities and Exchange Commission on 15 January 2018	Based on published prices from underlying Digital Currency exchanges

### **CONTRACT FOR DIFFERENCES IN CRYPTOCURRENCIES**

Note that when trading CFDs where the underlying asset is a Cryptocurrency, you should be aware that:

- a. Cryptocurrencies are not recognized as Financial Instruments for the purpose on MiFID
- b. Cryptocurrencies are traded on non-regulated decentralized digital exchanges. This means that the price formation and price movements of the Cryptocurrencies depend solely on the internal rules of the particular digital exchange, which may be subject to change at any point in time and without notice. In addition, such digital exchanges may introduce trading suspensions or take other actions that may result in suspension or cessation of trading on such exchanges or the price and market data feed becoming unavailable to us.
- c. Cryptocurrencies are exposed to high intra-day price volatility, which may be substantially higher compared to Financial Instruments recognized under the MiFID. Therefore, by trading CFDs in Cryptocurrencies you accept a significantly higher risk of loss of your invested amounts which may occur within a very short time frame as a result of sudden adverse price movements of the Cryptocurrencies.

#### **4. NEGATIVE BALANCE PROTECTION**

FXORO offers to all of its clients negative balance protection. This means, that the client cannot lose more than the invested capital and ensuring that your maximum losses from trading CFDs including all related costs, are limited to the total funds of your account.

#### **5. MARGIN CLOSE OUT LEVEL**

For the Retails Clients of the Company, the Close out Level will be as follows:

Where you fail to provide Margin in clear funds received by us by the time at which your Margin Level reaches 50% ("Close Out Level"), we have the right to begin closing out your positions in your trading account, in relation to the Transactions for which you have failed to provide Margin, starting from the most recent position ('Last In, First Out - LIFO').

Where the Margin Level drops below 50% we will proceed with close out without further reference to you. There will be no further warning before close out. Any such closing out under this Clause shall be performed in compliance with our duty of best execution to you.

#### **6. TYPES OF EXECUTION ORDERS**

FXORO provides its Clients with the following options with regards to orders of execution:

- 1) **Market order:** On all Financial Instruments a "market order" which is an order instantly executed against a price that FXORO has provided. On CFDs, the client may attach to a market order a Stop Loss and/or Take Profit. Stop Loss is an order to limit Client's loss<sup>1</sup>, whereas Take Profit is an order to secure Client's profit<sup>2</sup>. The client may enter, cancel or modify the Stop Loss and/or Take Profit of an open position at any given moment. Once the position has been closed the client cannot alter the Stop Loss and Take Profit levels.
- 2) **Entry order:** On CFDs an "entry order", which is an order to be executed at a later time at the price that the Client specifies. When the price provided by FXORO reaches the price specified by the Client, the order will be executed at that

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<sup>1</sup> According to current market price.

<sup>2</sup> According to current market price.

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price<sup>3</sup>. The following types of entry orders are available: *Buy Limit, Sell Limit, Buy Stop, and Sell Stop*. The client may enter, cancel or modify an entry order at any given moment. Once the position has been closed the client cannot alter the order.

In the event that an order is placed by the client and is unequivocally accepted by FXORO via the Platform, FXORO guarantees that the client's loss will not exceed the amount invested and the position will close at zero balance. It is further clarified that this is the only circumstance in which FXORO guarantees any liability which arises from the client trading at any time, via FXORO's platform.

## **7. CORPORATE ACTIONS**

In case of any corporate actions (such as dividends and calendar earnings), FXORO has the right to modify the Margin requirements applicable to any new and/or existing positions before or after any scheduled earnings reports or announcements by the issuers.

For example, the calculations of the required margin to open 1 lot of AMAZON under normal market conditions is \$17000. During the earnings report period the required margin will be \$34000.

For more information please refer to the Company's Website on Section Earnings report Calendar.

### **Important Notes:**

- The expected release dates of corporate events, such as company earnings reports, are subject to change without notice.
- FXORO clients remain fully responsible for monitoring both the required margin of their account(s) and free margin prior, during and after the affected period.
- Margin requirements for shares with an upcoming company earnings report, may be increased 3 business days prior to the corporate event and may remain in effect after the corporate event at FXORO's sole discretion.

## **8. BEST EXECUTION**

When executing client orders, as per the relevant requirements of the Law, the Company takes into account the following criteria:

- 1) the characteristics of the client including the categorization 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; and
- 4) the characteristics of the execution venues to which that order can be directed.

The Company takes all reasonable steps to obtain the best possible result for a client to the extent that it executes an order or a specific aspect of an order following specific instructions from the client relating to the order or the specific aspect of the order. However, depending on the type of the client account, the Company will act as the relevant execution venue for the clients' orders, which will be executed on an OTC basis rather than on a regulated market or multilateral trading facility.

Where the Company executes an order on behalf of a retail 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 venue to execute an order for a financial instrument, in order to assess and compare the results for the client that would be achieved by executing the order on each of the execution venues listed in the firm's order execution policy that is capable of executing that order, the firm's own commissions and costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment.

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

The Company's Compliance Department, as well as the Internal Audit, perform on an on-going basis and at least annually, independent review and health checks, in order to ensure the effectiveness of the above process.

**Slippage:** The Company cannot guarantee the execution price of orders. Due to the price movements in the underlying financial instruments, the prices may move rapidly from one level to another, especially in case where is high volatility in the Market (Corporate events, release of economic data).

The Company takes all the necessary measures, in order to mitigate the effects of slippage, such as reduction of margin requirements and haircut.

FXORO will not be liable for price order slippage especially important in volatile markets, when one or two price providers may post wide spreads, or simply avoid quoting any price at all.

## **9. EXECUTION OF CLIENT ORDERS**

The Company satisfies the following conditions when carrying out client orders:

- 1) ensures that orders executed on behalf of clients are promptly and accurately recorded and allocated;
- 2) carries out otherwise comparable client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise;
- 3) Informs a retail client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

Where the Company is responsible for overseeing or arranging the settlement of an executed order, it shall take all reasonable steps to ensure that any client financial instruments or client funds received in settlement of that executed order are promptly and correctly delivered to the account of the appropriate client. The Company does not misuse information relating to pending client orders, and takes all reasonable steps to prevent the misuse of such information by any of its relevant persons.

## **10. AGGREGATION AND ALLOCATION OF ORDERS**

The Company is not permitted to carry out a client order or a transaction for own account in aggregation with another client order unless the following conditions are met:

- 1) it must be unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;
- 2) it is disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
- 3) an order allocation policy is established and effectively implemented, providing in sufficiently precise terms for the fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

Where the Company aggregates an order with one or more other client orders and the aggregated order is partially executed, it allocates the related trades in accordance with its order allocation policy.

## **11. ELIGIBLE COUNTERPARTIES**

As per Article 30(1) of MiFID II entities falling within the Eligible Counterparty category are not entitled to best execution and therefore are not deemed to have the best execution regime applied to transactions and/or any investment and/or ancillary services provided to such entities by the Company without prejudice to the right of such entities to request either in general form or on a trade-by-trade basis, treatment as Retail or Professional Clients.

## **12. EXECUTION FACTORS AND TRADING CONDITIONS**

FXORO is taking all reasonably necessary steps to ensure that the best possible result is effected for its Clients. In addition to the extensive trading conditions which can be found in the company's website the company is taking into account the following non-exhaustive list of issues when executing orders for Clients against FXORO's quoted prices:

**Price (CFDs')**: For any given CFD, FXORO will quote two prices: On CFD's the higher price (*ASK*) at which the client can buy (*go long*) that financial instrument, and the lower price (*BID*) at which the client can sell (*go short*) that CFD; collectively they

are referred to as FXORO's price. The difference between the lower and the higher price of a given financial instrument is the "spread".

Short positions will be closed at the ASK price (whether the transaction is closed manually by the client or through the Stop Loss or Take Profit). Long positions will be closed at the BID price (whether the transactions are closed manually by the client or through the Stop Loss or Take Profit).

The Spreads of the Company are fixed and/or variable, depending on the account type. A variable Spread, means that the Spread will vary through the day, depending on Market volatility and available liquidity. The Company has the right to change Spreads, to reflect periods of actual or potential increased Market volatility in the prices of underlying Financial Instruments or other Market volatility cost by political or economic events. For more information regarding the Company's Spreads, please refer to the [Trading Conditions](#) in our website.

**Price (General):** For any given Financial Instrument, FXORO's price is calculated by reference to the price of the relevant underlying financial instrument, which FXORO obtains from third party external reference sources. FXORO's prices are constructed with reference to the given financial instrument specification, which can be found in FXORO's website. FXORO updates its prices as frequently as the limitations of technology and communications links allow. FXORO reviews its used third party external reference sources at least once a year, to ensure that the data obtained continue to be competitive. Though, the Company can not absolutely guarantee that the available price at the time of opening or closing a CFD with FXORO, will always be better than any other price, offered elsewhere. FXORO will not quote any price outside FXORO's operations time (see execution venue below) therefore no orders can be placed by the Client during that time.

**Orders:** Stop Loss, Take Profit, Buy Stop, Sell Stop, if applicable on financial instruments contracts, are executed at the price specified by the client on the first current price touch. But under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Stop, Sell Stop) on any CFD at the declared price. In this case FXORO has the right to execute the order at the next best price. This may occur, for example, at times of rapid price movement if 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, trading session start moments, during volatile markets where prices may be moving significantly up or down and away from declared price and during news time.

**Costs:** For opening a position in some types of financial instruments the Client may be required to pay commission or financing fees, the amount of which is disclosed in the [Trading Conditions](#) in FXORO's website.

1) Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount.

2) Financing Fee: In the case of Financing Fees, the value of opened positions in some types of financial instruments is increased or reduced by a daily financing fee "swap" throughout the life of the contract. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on the financial instruments section [Trading Conditions](#) in FXORO's website.

For all types of financial instruments that FXORO offers, the commission and financing fees are not incorporated into FXORO's quoted price and are instead charged/paid explicitly to the Client account.

**Speed of Execution:** As it is explained in the Execution Venue section of this Policy, FXORO acts both as an agent and as principal on the client's behalf, therefore, FXORO is the sole Execution Venue for the execution of the Client's orders for financial instruments. FXORO places a significant importance when executing Client's orders and strives to offer high speed of execution within the limitations of technology and communications links.

The use of any form of unstable internet connection may result in delays in the transmission of data between the Client and FXORO when using FXORO's electronic trading platform. The delay might result in sending to FXORO out of date orders which might be declined by FXORO or cause FXORO to send an updated price for approval before execution.

**Likelihood of Execution:** As it is explained in the Execution Venue section of this Policy, FXORO acts both, as an agent and as principal on the Client's behalf; therefore, is the

sole Execution Venue for the execution of the Client's orders for financial instruments. Although FXORO executes all orders placed by the clients, it reserves the right to decline an order of any type or to offer the Client a new price for "market order". In last case the Client can either accept or refuse the new price as explained in the agreement entered with the Client.

**Likelihood of settlement:** FXORO shall proceed to a settlement of all transaction upon execution of such transactions. FXORO may not be able to execute the order at the best available price. Although the Company strives to execute all orders placed by the clients it reserves the right to decline an order or execute the order at the first available market price.

**Size of order:** Size of trades depends on the type of instrument and the available funds before any requested order. Extensive list of available size of orders is maintained and is available to the company's website under section [Trading Conditions](#).

A lot is a unit measuring the transaction amount and it is different for each type of financial instrument. Please refer to the [Trading Conditions](#) in FXORO's website for the value of each lot for a given financial instrument type. FXORO reserves the right to decide on the minimum/maximum size of an order (lot size) based on the clients profile and/or initial deposit. Although there is maximum size of an order where the client can place, FXORO reserves the right to decline the order in cases of market and systems abuse.

**Market Impact:** Some factors may affect rapidly the price of the underlying financial instruments from which the quoted FXORO price for financial instruments is derived. These factors may influence some of the factors listed above. FXORO will take all reasonable steps to obtain the best possible result for its clients.

### **13. ANY OTHER RELEVANT FACTORS**

The Company considers, but without the list being exhaustive, as relevant factors that might affect the execution of clients Orders, fundamental announcements and unusual market conditions such as low liquidity or/and high volatility. The Company may execute at such times the orders manually which can have an impact on the price and speed the orders are executed.

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The Company will take all reasonable steps to obtain the best possible result for its clients but during times of high demand manual pricing and/or execution may cause delays in processing an order which in turn can have an impact on the price and speed at which the order is executed.

Furthermore in the case of any communication or technical failure, as well as any incorrect reflection on the quotes feed, the Company reserves the right not to execute an order or change the opening and/or closing price of a particular order.

#### **14. CLIENT'S SPECIFIC INSTRUCTION**

On an instruction for the execution of an order by the Client, FXORO shall take all reasonably practicable measures to ensure that the order shall be executed under the Client's specific instruction.

FXORO, in using its commercial knowledge and experience, will take into consideration all the above factors and all the information which is available on the market, as well as the following criteria:

- 1) the clients personal circumstances, including whether the Client is a retail or professional Client;
- 2) the order of the Client;
- 3) the Financial Instruments that relate to each specific order;
- 4) the specifics each venue of execution to which the order relates.

In determining the best possible result for Retail clients, FXORO will take into account the following:

- 1) the total price of the financial instruments which are to be executed
- 2) the costs associated with the execution, (including all of the Client's expenses with regards to executing the order, all execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

#### **15. EXECUTION VENUES**

Execution Venues means a regulated market or a multilateral trading facility (MTF) or a systematic internalizer or a market maker or another liquidity provider with which the Company places client's orders for execution or to which it transmits orders for execution.

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MCA Intelifunds Ltd receives price feeds from a number of reputable liquidity providers and/or price feed providers. By having multiple liquidity providers, the Company ensures, especially during times of high volatility/abnormal market conditions, that it offers competitive prices to its clients. The Company reserves the right to change its Execution Venues at its own discretion. MCA Intelifunds Ltd receives its feeds from the following liquidity and/or price feed providers:

- A. LMAX Professional, which is authorized and regulated by the Financial Conduct Authority (FCA) with Reference Number 509778
- B. Interactive Brokers (UK) Ltd, which is authorized and regulated by the Financial Conduct Authority (FCA) with Reference Number 208159

FXORO acts as the main execution venue, principal and/or the sole counterparty in all clients' orders. For mitigation purposes, the Company has the right to use several liquidity providers, with whom may hedge some or all of its exposures, thus, to transfer the market risk to another counterparty.

Depending on the type of account you have with the Company, either the Company or a third party liquidity provider will be the Execution Venue for the execution of Client orders. The client is required to open and close a position of any particular financial instrument with FXORO via its trading platform.

**The Company's operating hours are as follows:**

During the European and North American winter, the weekly activity begins on Sunday at 22:00 GMT (or Monday at 00:00 GMT+2) continuously until Friday, 21:00 GMT (or Friday 23:00 GMT+2). During the Day Light saving times in these regions, the weekly market activity begins on Sunday at 21:00 GMT (or Sunday at 23:00 GMT+2) and ends on Friday at 20:00 (or Friday at 22:00 GMT+2). Market activity hours may vary due to public holidays or due to unusual liquidity conditions which may arise from exceptional global events. Opening or Closing times may also be altered by FXORO due to liquidity and risk management considerations. Detailed table of trading hours can be found under the Company's Trading Conditions.

When FXORO will not be in operation due to Holidays or other reasons, these will be announced on FXORO's main website.

The client recognizes and accepts that the transactions entered in Financial Instruments with FXORO are not transmitted on a recognized exchange, but instead are executed through FXORO's Trading Platform. The client acknowledges that, as a consequence, he may incur greater risk for the Client than the risk of a regulated exchange transactions.

In the event of technical difficulties, technical failures of the trading platform or of quote feeds, FXORO may refuse to execute an order, and alternatively may change the opening or closing price of an order.

Orders will not be monitored or executed outside of the Company's trading hours. For any underlying instruments traded outside of the Company's trading hours, the price may be significantly different than your specified order price, due to the changes occurring in the Market, prior to the Company's trading hours.

## **16. MONITORING, REVIEW AND REPORTING TO CLIENTS**

FXORO shall constantly monitor this Policy and the quality of execution procedures on a regular basis. Additionally FXORO may, at any time and where this is appropriate, make any changes in order to improve its Policy. Reviewing of the execution policy will occur at least once annually, and whenever this is deemed necessary in order for the Policy to represent the "best execution". Clients will be notified of any changes made to the Policy via FXORO's main website at [www.fxoro.com](http://www.fxoro.com)

The company's reports to the client and other information shall be provided to the client using said Online Trading System(s) in the format and to the extent envisaged by this (these) system(s) and/or through the company's website.

## **17. TYPES OF FINANCIAL INSTRUMENTS**

- (1) Transferable securities;
- (2) Money-market instruments;
- (3) Units in collective investment undertakings;

- (4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- (5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);
- (6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF;
- (7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in 6 and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognized clearing houses or are subject to regular margin calls;
- (8) Derivative instruments for the transfer of credit risk;
- (9) Financial contracts for differences;
- (10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognized clearing houses or are subject to regular margin calls.

## **18. IMPORTANT INFORMATION**

As per the Company's Product Governance policy, in order to classify clients' experience in trading in complex financial instruments like CFDs, each client needs to complete the Company's appropriateness test by answering an online questionnaire. According to client's answers on the

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aforesaid questionnaire, the Company can identify his knowledge and experience and therefore can provide the suitable leverage ratio for each client separately, and as per the latest guidelines of European Securities and Markets Authority (ESMA) dated on 1st of August 2018 as below:

The new measures have changed the existing settings of retail clients' accounts regarding margin and leverage, as follows:

- 30:1 for major currency pairs
- 20:1 for non-major currency pairs, gold and major indices
- 10:1 for commodities other than gold and non-major equity indices;
- 5:1 for individual equities and other reference values;
- 2:1 for cryptocurrencies;
- A margin close out rule on a per account basis. This standardises the percentage of margin (at 50% of minimum required margin) at which providers are required to close out one or more retail client's open CFDs;
- Negative balance protection on a per account basis. This provides an overall guaranteed limit on retail client losses; this means that their account balance will never be allowed to go below zero, regardless of market conditions.

Furthermore, through the questionnaire the Company can also identify client's economic profile in order to prevent any money laundering and terrorist financing matters. Consequently, according to their experience the Company categorizes the clients as follows:

#### Experienced Retail clients

Clients that passed the FXORO's Appropriateness test, demonstrating satisfactory knowledge and experience in trading in complex financial instruments like CFDs;

#### Less Experienced clients or Inexperienced Clients with no knowledge

- Less Experienced Retail clients: Clients that did not pass the appropriateness test. Whilst such clients are deemed to possess certain knowledge and experience in trading in complex financial instruments like CFDs, their trading is only enabled after they receive extensive risk warnings which they acknowledge, accept and consent to.
- Such Clients may be offered a demo account for 2 weeks before opening a real trading account after which they may be required to retake the appropriateness test.
- Less Experienced Retail clients are provided with the lower leverage limit which does not exceed the ratio 1:30. In order to further protect Less Experienced Retail clients, we are introducing restrictions on the leverage provided to such clients. These restrictions will apply until the client undertakes 40 trades in 4 consecutive months or earlier. Such Clients will be allowed to increase it to a maximum of 1:400 upon their request (subject to local restrictions in their country of residence).

Moreover in order to ensure strict compliance with the Company's internal procedures and guidelines regarding the provision of appropriate leverage to clients as per their knowledge and experience, on a weekly basis dedicated Back Office personnel extracts a list from the Trading Platform/MT4 and Customer Relationship Management (CRM) system, in order to check the accuracy of the Scoring Test and be sure that the clients are receiving the correct leverage ratio based on their knowledge and experience.

The Compliance Department also regularly checks the accuracy of the scoring test by performing tests on the website.

The Company keeps a log and the appropriate communication with all the clients that requested higher or lower leverage ratio after it perform enhanced review on the clients completed questionnaire.

## **19. APPLICABLE LANGUAGE**

The Company's official language is the English language. Any translated version of the Policy and/or any other communication, including our Website, may be provided solely for convenience purposes or due to legal requirements. In the event of a dispute, the English version shall prevail.