

# Order Execution Policy



## Introduction

1. Scope Markets is the trading name for SCFM Limited, a Limited Liability Company incorporated in Kenya, incorporation number PVT-GYULYYG, authorised and regulated by the Capital Markets Authority as a non-dealing online foreign broker under license number 123 and a Derivatives Broker, license number 143. Reference to 'Scope Markets' throughout this document relates to 'SCFM Limited' unless stated otherwise.
2. This Order Execution Policy sets out how we will meet our best execution obligations when executing orders for you.
3. This policy does not impose any fiduciary responsibilities or duties over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

## Scope of Authority

4. Our Order Execution Policy applies when we execute orders from Clients to trade in any of the Financial Instruments offered by us, which include (but are not limited to) Contract for Difference (on Currency pairs (Forex), Indices, Commodities, Futures, Shares) Equities and Exchange Traded Funds.
5. Subject to any specific instructions that may be given by you, we will take all sufficient steps to obtain the best possible result for our clients, considering the Execution Factors listed below. What constitutes best execution will vary with the circumstances of the order and the preferences of the client.
6. We will determine the relative importance of the Execution Factors by using our commercial judgment and experience considering the market information available to us and taking into account the Execution Factors described below.

SCFM LTD, Registration Number: PVT-GYULYYG

Registered Address: Westside Tower, 4th Floor, Office no. 402 & 403, along Lower Kabete Road, Westlands  
Nairobi, regulated by the Capital Markets Authority under license number 123 & 143)

## Order Execution Obligations

7. You acknowledge that we shall deal with you as a Retail Client and that the Client Protection Rules set out under the Capital Markets Act and its enabling Regulations shall apply to you.
8. While executing your orders, we shall take into consideration the following factors: price; costs; speed; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of the order.
9. Company shall quote two prices: the Ask Price (BUY), at which the Client can buy the instrument, and the Bid Price (SELL), at which the Client can sell it. The prices are updated as frequently as the limitations of technology and communications links allow but should be considered an indication of the live market price rather than a quotation.
10. The number and price of shares is indicative and may vary at execution of market orders. This indicative price may vary from the price at which a trade may be executed, depending on factors such as a, s but not limited to movements in the foreign exchange markets between the time that you placed the Instruction and the time that the Instruction was executed. that the Instruction is executed.
11. The Company reviews its third-party external reference sources from day to day to ensure that the data obtained is as timely and accurate as can be. When the price reaches an order set by you, for example: Stop Loss, Take Profit, Market Order, Limit Order, these orders are executed immediately. However, under certain trading conditions there is a possibility that these orders cannot be executed at the Client's requested price. When this happens, the Company has the right to execute the order at the first available price.
12. The Company places significant importance on the high speed of execution of Clients' orders at all times, within the limitations of technology and communications links. The speed of execution can be affected by factors such as a poor Internet connection, or any other link to the Company's servers and platform which may affect the execution of the Clients' orders.

13. There are instances where it may not be possible to execute an order due to external factors such as news, start of trading sessions, periods of high volatility etc. Where such circumstances arise, we reserve the right to decline an order of any type or to offer Clients a new price for their orders.
14. Upon the execution of an order, the Company shall proceed to the immediate settlement of such an order.
15. Settlement risk is higher than trading whole shares on exchange, but counterparty risk is part and parcel of fractional shares. We conduct due diligence on its sister company annually, and has insight into their capital, as a fellow Group member. The Company is therefore well informed as to the possibility of default. If you do not receive on-screen confirmation of a trade, you should check with us whether the deal has been executed.
16. The minimum size of an order for each Financial Instrument is published on our website. The Company reserves the right to change the margin requirements when the equity of an account is above a certain level, which is specified on our website.
17. Our charges may be incorporated as a mark-up or mark-down (the difference between the price at which we take a principal position and the transaction execution price with you). Our price quote in many markets already includes our spread and there will be no additional fees or commissions due from you.
18. The Execution Criteria that will be taken into account are the characteristics of:
  - i the client order.
  - ii the Financial Instruments that are the subject of that order; and
  - iii the Execution Venues to which that order can be directed.

### Execution Venues

19. Execution Venues are the entities with which the orders are placed and executed. For the purpose of order execution for CFDs, the Company acts as principal. Therefore, the Company is the sole Execution Venue for the execution of all Clients' orders.
20. The Company endeavors to always inform clients where the transaction has been executed as a part of its post-trade notification process.

21. Where the Company transmits an order, it receives from a client for execution to another entity in the group or an external entity, such as a broker, the Company will continue to act in accordance with the client's best interests by taking into account all relevant execution factors and criteria specified for best execution. The company will only transmit to brokers which have execution arrangements that enable the Company to satisfy its execution obligations to clients when transmitting orders.
22. In our due diligence assessment of execution venues we utilize, we will consider:
23. Availability of best pricing for a specific Financial Instrument and liquidity of the Execution Venue or broker,
- Cost of clearing and settlement,
  - Speed and likelihood of execution,
  - Size,
  - Reliability of the Execution Venue and broker in terms of reputation and good standing,
  - Quality of execution and service, both historical and current, based on the review performed,
  - Transparency of price formation process (pre-trade),
  - Ability to provide transaction cost analysis,
  - Continuity of trading,
  - Technological infrastructure and capabilities of the Execution Venue and broker,
  - Circuit breakers,
  - Quality of any related clearing and settlement facilities,
  - Access to alternative markets,
  - Responsiveness to any requests/complaints and willingness to correct such errors,
  - Financial solvency of the entity; and
  - Any other relevant factor.

## Special instructions

24. Where you give us a specific instruction as to the execution of an order, we will execute the order in accordance with those specific instructions. Where your instructions relate to only part of the order, we will continue to apply our Order Execution Policy to those aspects of the order not covered by your specific instructions.
25. You should be aware that providing specific instructions to us in relation to the execution of a particular order may prevent us from taking the steps set out in our Order Execution Policy to obtain the best possible result in respect of the elements covered by those instructions.

## Aggregation

26. The Company will not aggregate a client order with another client order unless the following conditions are met:
- It is likely that the aggregation will not work to the overall disadvantage of any client whose order is to be aggregated.
  - It has been 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 (as disclosed in the Client Agreement(s); and
  - the order will be aggregated in accordance with this Policy, which is designed to achieve a fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

## Monitoring

27. We will monitor the effectiveness of our order execution arrangements and this Order Execution Policy to identify and, where appropriate, correct any deficiencies.

## **Review**

28. We will assess whether the execution venues included in this Order Execution Policy provide the best possible result for our clients or whether we need to make changes to our execution arrangements.
29. We will review our order execution arrangements and this Order Execution Policy at least annually or whenever a material change occurs that affects our ability to obtain the best result for the execution of orders on a consistent basis using the venues included in this Order Execution Policy.
30. For the purpose of this Policy, a material change shall be a significant event that could impact parameters of best execution such as, cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.
31. The Clients with whom the Company has an ongoing relationship, will be notified of any material changes or amendments to this Policy or order execution arrangements, which may be made from time to time. The latest version of the Policy will also be available on the Company's website.

## **General Provisions**

32. This Order Execution Policy shall be read together with the Client Agreement.
33. You shall be deemed to have consented to the terms set hereunder upon acceptance of the Client Agreement and all other Terms and Conditions as set out on website.