



**Solid Financial Services Ltd**

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# Execution Quality Summary Statement (EQSS) for the year 2019

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February 2019



# Solid Financial Services Ltd

1 Anastasiou Sioukri str, Pamelva Court, Office 405, 3105 Limassol Cyprus

Tel: 25 36 36 80 Fax: 25 36 36 90; W: solid.com.cy

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## 1. Introduction

Solid Financial Services Ltd (hereinafter referred to as the 'Company')

Solid Financial Services Ltd is incorporated in the Republic of Cyprus with registration No. HE 128405. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission ('CySEC'), with a license No 065/06, and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017, as subsequently amended from time to time (the Law). The Company's office is located at 1 Anastasiou Sioukri Str. Pamelva Court, Office 405, 4<sup>th</sup> floor, 3105, Limassol, Cyprus.

This is the Execution Quality Summary Statement (hereafter the "Statement") of the Company compiled and completed under the Directive 2014/65 EC (MIFID II) and addressed to the Company's clients (both professional and retail). According to Directive 2014/65 EC and Regulation EU 2017/575 supplementing the foregoing Directive, purpose and scope of this Statement is to enable the public and investors to evaluate the quality of an investment firm's execution practices and to identify the Top Five Execution Venues in terms of trading volumes where the Company executed clients orders in the preceding year.

The information above contains a summary of the analysis and conclusions that the company has drawn from its monitoring of the quality of execution obtained on the execution venues where it has executed client orders in 2019.

## 2. Scope

The best execution obligation under Directive 2014/65/EU requires investment firms to take all sufficient steps to obtain the best possible result for their clients. The quality of execution, which includes aspects such as the speed and likelihood of execution such as fill rate) and the availability and incidence of price improvement, is an important factor in the delivery of best execution. Availability, comparability and consolidation of data related to execution quality provided by the various execution venues is crucial in enabling investment firms and investors to identify those execution venues that deliver the highest quality of execution for their clients. In order to obtain best execution result for a client, investment firms should compare and analyze relevant data including that made public in accordance with Article 27(3) of Directive 2014/65/EU and respective implementing measures.

Best execution is applicable when the Company:

- The Company is executing an order;
- The client, in respect of that order, is within the scope of best execution; and
- The Company is acting on the client's behalf for the purposes of best execution.



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Execution of orders means acting to conclude agreements to buy or sell one or more financial instruments and includes the conclusion of agreements to sell financial instruments issued by an investment firm or a credit institution at the moment of their issuance. As part of our practice of providing clients with a consistently high-quality service, the Best Execution applies to all transactions in financial instruments that the Company is licensed to offer.

When executing client orders, the Company takes into count the following criteria for determining the relative importance of the factors referred to in Article 27(1) of Directive 2014/65/EU: (a) the characteristics of the client including the categorization of the client as retail or professional; (b) the characteristics of the client order, including where the order involves a securities financing transaction (SFT); (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 During reporting period, the Company has taken all sufficient steps to obtain, when executing orders, the best possible result for clients of the Company, taking into count following Factors :

- price,
- costs,
- speed,
- likelihood of execution and settlement,
- size,
- nature or any other consideration relevant to the execution of the order.

In most circumstances, price was the most important Execution Factor; however, in some circumstances with reference to the Execution Criteria the Company may appropriately determine that other Execution Factors have greater importance in achieving the best possible result for the Client. Where the Company executes an order, or takes decision to deal in OTC products, it checks the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product. Where possible the Company will compare the relevant OTC product with similar or comparable products.

Best Execution is applicable to Clients who are classified by us as retail clients or as professional clients only. Eligible counterparties are out of the scope of best execution. For Retail Clients, the best possible result was determined in terms of the total consideration, representing the price of the Financial Instrument and the costs related to execution.

For a detailed breakdown of the asset classes for which the company owes a duty of best execution, please refer to the Order Execution Policy.

### **3. Information required to be disclosed under Regulatory Technical Standard 28 of MiFID II**

- 1. An explanation of the relative importance the firm 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.*



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In selecting the appropriate Execution Venue for a specific transaction, the company considers the following execution factors in order to achieve the best possible result for client orders:

- available price in the market
- transaction costs
- speed of execution
- the ability of execution and trade settlement, taking into account liquidity and distinctive features of financial instrument and market
- the size and nature of the transaction; and
- Any other consideration that the company deems to be relevant to the execution of that transaction.

The company takes into account the following criteria when determining the relative importance of the abovementioned execution factors:

- parameters of client's order
- characteristics/categorization of the client
- distinctive features of the financial instruments
- liquidity providers and execution venues features to which the order can be directed

In general, the company regards price as being the most important execution factor when seeking to obtain the best possible outcome for clients. However, in certain circumstances the company may decide in its absolute discretion that the other factors mentioned above are more important than price.

*II. A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.*

The company may execute orders internally. Orders will be internalized when, after consideration of the execution factors, the company's internal execution is expected to provide the best result for the client. The company does not have any close links or common ownership with respect to any external execution venues.

*III. A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.*

It must not receive any remuneration, discount or non-monetary benefit for routing orders to a particular Execution Venue as this could give rise to a conflict of interest between the benefit received by the company and its obligation to achieve the most favourable terms for the client.

*IV. An explanation of how order execution differs according to client categorization, where the firm treats categories of clients differently and where it may affect the order execution arrangements.*



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The company provides investment services to retail clients. The company will apply Best Execution to transactions with Retail and Professional Clients dealing in Financial Instruments where it accepts an order or where it has expressly agreed to provide Best Execution. The company's Order Execution Policy does not apply to Eligible Counterparties; accordingly, we will not owe Best Execution in transactions entered into with Eligible Counterparties. However, this does not diminish the company's obligation to act honestly, fairly and professionally and to communicate in a way that is fair, clear and not misleading when dealing with Eligible Counterparties.

- V. *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.*

### **Speed Execution:**

The Company acts as principal and not as agent on the Customer's behalf; therefore, the Company is the sole Execution Venue for the execution of the Customer's orders for the Financial Instruments provided by the Company. The Company places a significant importance when executing Customer's orders and strives to offer a high speed of execution within the limitations of technology and communication links. The use of wireless connection or dial-up connection or any other form of unstable connection at the Customer's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the Customer and the Company when using the Company's electronic trading platform. This may result in the placement of the Customer's order at an out of date price, which the Company might decline and provide the Customer with a new quote (i.e. re-quoting).

### **Likelihood of Execution:**

The Company acts as principal and not as an agent on the Customer's behalf; therefore, the Company is the sole Execution Venue for the execution of the Customer's orders for the Financial Instruments provided by the Company. However, the Company relies on third party liquidity providers for prices and available liquidity. Although the Company executes all orders placed by the Customers, it reserves the right to decline an order of any type. The Company shall proceed to a settlement of all transactions upon execution of such transactions.