



# Annual Execution Quality Statement & Information on the Identity of Execution Venues

***Regulatory Technical Standards 28***

*Year Ended December 31st, 2019*

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## 1 Scope

This document has been prepared by NAGA Markets Ltd (herein referred the "Company") pursuant to Articles 27 (6) and 27 (10)(b) of the Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (herein referred as the "MiFID II") and Commission Delegated Regulation (EU) 2017/576 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

Regulatory Technical Standards 28 ('RTS 28') are intended to provide information to investors and to assist them evaluate the quality of a firm's execution practices through the publication of information about where the Company executes client orders in the preceding year, i.e. the year ending 2019.

The Company urges its clients and/or potential clients to read the RTS 28 carefully as it contains information as regards the execution venue(s) used by the Company where it executed all client orders during 2019, herein referred as the "period under review").

Furthermore, please note the following:

- during the period under review the Company did not use output of a consolidated tape provider; and
- during the period under review there were no cases where other criteria were given precedence over immediate price and cost when executing retail client orders; and
- during the period under review the Company did not have any executed client orders in Securities Financing Transactions (SFTs).

The RTS 28 along with the accompanying tables will remain on the Company's website for at least two years post its publication. This document is solely for own use and cannot be published elsewhere without the written consent of the Company.

## 2 Relative Importance of Execution Factors During the Period under Review

The Company when executing clients' orders is required under the relevant regulatory framework to assign relative importance to the following executing factors:

- a. Price;
- b. Cost;
- c. Market Impact;



- d. Size of Order;
- e. Likelihood of execution;
- f. Likelihood of settlement; and
- g. Speed of execution.

For details on how each factor is assessed ex ante when executing clients' order please refer to the Company's [Order Execution Policy](#). During the period under review the Company offered services to the following categories of client:

- a. **Retail Clients:** Pursuant to the regulatory framework the Company is required to provide best execution in accordance with total consideration whereby total consideration represents the price of the Financial Instruments and the Cost related to the execution of the clients orders, which include all expenses incurred by the client and which are directly related to the execution of orders; and
- b. **Professional Clients:** During the year under review, the Company placed emphasis on price and execution costs, aligning its execution arrangements for these clients as those applicable to retail clients (as per point a above).

### **3 Conflict of Interest**

The Company's approach is to identify and prevent or manage conflicts of interest, which may arise during the course of its business activities. For further information please visit the Company's Conflicts of Interest Policy. The Company does not have any close links and/or common ownership structures with any of the execution venues where clients' orders were executed in the period under review.

### **4 Changes of Execution Venues during the Period under Review**

During the period under review the Company, as per its Annual Assessment of its Execution Venues and to ensure best possible result for its clients' orders, entered into business relationship with LMAX Global Ltd.

In addition, the Company entered in a business relationship with SaxoBank A/S to provide to its clientele the opportunity to trade with Real Stocks.

### **5 Payment or non-monetary benefits made to or received by Execution Venues**

During the period under review the Company was the main Execution Venue for the execution of



clients' orders. In the cases where the Company did not act as its clients' counterparty, and in order to ensure the provisions of Company's [Order Execution Policy](#), the Company had specific arrangements with its Execution Venues regarding payment made or received, discounts, rebates or other non-monetary benefits.

## 6 Tools and data used during the Period under review

The Company during the period under review to monitor, where applicable adjust, its execution parameters, has integrated a specialized monitoring tool which monitors transactions on a T+1 timeframe. The Best Execution Monitoring system is not intended to ensure best execution, rather to monitor whether the arrangements made by the Company, result in their obligation to provide Best Execution to its clients. The below table represents the main categories of the analyzed data used by the Company:

Type	Comments
<b>Effective Spread &gt; Spread</b>	Percentage and number of times where the Effective Spread was greater than the Spread, meaning the percentage and number of times that the actual spread charged by the Company was greater than the "advertised" Spread.
<b>Trade Suffered Slippage</b>	% and number of Market execution trades suffered slippage.
• <b>Positive</b>	% and number of Market execution trades positive slippage.
• <b>Negative</b>	% and number of Market execution trades negative slippage.
<b>Asymmetric Spread</b>	Number of trades with asymmetric spread.
<b>Requoted Orders</b>	% and number of instant execution orders requoted.
<b>Better Price</b>	Number of orders requoted with better price than the requested one.
<b>Worse Price</b>	Number of orders requoted with worse price than the requested one.
<b>Rejected Orders</b>	% of Rejected orders.
<b>Markup discrepancies (P/L)</b>	P/L due to Mark-up cost discrepancies. A discrepancy occurs when more or less mark-up cost is charged than the "advertised".
<b>Swap discrepancies (P/L)</b>	P/L due to Swap cost discrepancies. A discrepancy occurs when more or less swap cost is charged than the "advertised".
<b>Margin Close Outs in N/A Price</b>	Number of Margin Close Out trades in non-available price at that time, in the market.
<b>Average Speed of Execution</b>	Top 10 symbols with worst speed of execution. An indication of the



Type	Comments
	industry average speed for each symbol is shown on the graph with a red thin line.
<b>Internal vs Independent Price Comparison</b>	Distributed in Better, Same, Worst between the internal mid-price Vs the average mid-price from independent sources for executed orders.
<b>Mark-up Cost discrepancies (P/L) – trend</b>	P/L due to mark-up cost discrepancies per day. This graph is meaningful only if you select a date range.
<b>Swap Cost discrepancies (P/L) – trend</b>	P/L due to Swap cost discrepancies per day. This graph is meaningful only if you select a date range.
<b>Slippage Monetary</b>	The Profit Vs Loss of the Company occurred from trades suffered slippage, in EUR.

The Company's Compliance Department and Internal Audit perform additional independent reviews of the above processes and provide assurance as to their effectiveness. These reviews and assessments are conducted on a regular basis and at least annually or whenever a material change occurs that affects NAGA's ability to continue obtaining the best possible result for our Clients' orders.

Considering the above, where necessary, the Compliance Department will provide recommendations for improvements, which are then implemented with the aim of keeping the quality of execution to the highest standards. In instances where a material change to our execution arrangements and policy occurs, NAGA will notify the Clients accordingly.

## **7 Corrective Action on Execution Monitoring – Control Functions**

In case any weakness is detected by the Company's Dealing Department, as per the Company's Monitoring process described in **Section 6** above, the relevant department shall liaise with the Senior Management for corrective measures.

The Company's control functions (i.e. Compliance and Internal Audit) examine, on a regular basis, the aforesaid monitoring process and any action taken by the Company's relevant personnel. In addition, the Company's control functions present any findings to the Company's Board of Directors, at least annually, for further examination and actions.

