



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

*Regulatory Technical Standards 28*

*Year Ended December 31<sup>st</sup>, 2020*

**Risk Warning:** CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **74.26% of retail investor accounts lose money when trading CFDs with this provider.**

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## 1 Scope

This document has been prepared by NAGA Markets Europe 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 to 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 2020.

The Company urges its clients and/or potential clients to read the RTS 28 carefully as it contains information as regards to the execution venue(s) used by the Company where it executed all client orders during 2020, 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 in both CFD and Real Stock trading; and
- during the period under review the Company did not have any executed client orders in Securities Financing Transactions (SFTs).

Following the provisions of Section 8 of the Company's Order Execution Policy, available here, during the period under review, all prices presented in the Company's Platform were provided by Thomson Reuters for convenience and information purposes. In this respect, any price quoted in the Company's Platform may differ from the execution price.

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:** refers to the resulting price of the transaction excluding our own execution charges and it will usually be our most important consideration for both CFD and Real Stock orders. The Company has established business relationship and continuously monitor and assesses the data feeds in real time;
- b. **Market Impact:** This entails detecting threats to the orderly operation of financial markets, including to reliability and transparency of their price formation process and tackling any behavior that may conclusively result in cascading market impact or large market impact in general. NAGA will never take any action which may result in market distortion or give a misleading impression of trade volumes or value of any financial instrument;
- c. **Speed of execution:** Taking into consideration the technological developments, the speed of orders executions is minimal. However, the Company monitors on a daily basis the speed of execution to ensure minimal distribution of services and minimum deal of services;
- d. **Likelihood of execution and Size:** This factor increases in importance in situations where access to liquidity in the relevant instrument is constrained in some way. The Company relies on third-party LPs for prices and available volume of the different financial instruments the Company offers. By having multiple LPs, the Company enhance the likelihood of execution across the instruments it offers; and
- e. **Cost:** Trading in CFD instruments entails commissions and other fees, as those are disclosed in the Company's website, available [here](#), and trading platform. The Company's charges are either in the form of a percentage of the overall value of the trade or as fixed amounts. In addition, the Company continually monitors all commissions and charges that are pass on to its clientele to ensure its competitiveness.

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, available [here](#). 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 the review the Company has eliminated its exposures to the XTB Ltd for execution of clients' orders.

In addition, the Company, at the beginning of the year under review, entered into a business relationship with Saxo Capital Markets UK Ltd for the execution of clients' orders of Real Stock Trading. Saxo Capital Markets UK Ltd is regulated by the Financial Conduct Authority, Firm Reference Number 551422.

### **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 relation to CFD instruments and was acted as an intermediary, for the transmission of Real Stock orders to Saxo Capital Markets UK Ltd.

In all cases stated above, the Company did not establish any specific arrangements regarding payments, discounts, rebates or other non – monetary benefits, in order to ensure the provisions of the Company's [Order Execution Policy](#).

### **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 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.

## **8 Report on Execution Venues**

The information presented in the tables below refers to the top five (5) execution venues in terms of trading volume used by the Company for orders made by retail and professional clients. The information refers to the following asset classes for the period under review:

- a. Equity Derivatives;
- b. Currency Derivatives;
- c. Commodities derivatives and emission allowances Derivatives;
- d. Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities); and
- e. Contract for Difference.

Following to the provisions of Article 4 of the Commission Delegated Regulation (EU) 2017/576, the below tables are also available machine-readable electronic format, which will be available for downloading.



**Type of Clients** Retail  
**Class of Instrument** Equity Derivatives  
**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
NAGA MARKETS EUROPE LTD	98.86%	97.84%	0.00%	100.00%	0.00%
XTB LIMITED	0.84%	0.03%	0.00%	100.00%	0.00%
LMAX BROKER LIMITED	0.23%	1.91%	0.00%	100.00%	0.00%
FINALTO TRADING LIMITED	0.07%	0.11%	0.00%	100.00%	0.00%
SAXO CAPITAL MARKETS UK LTD	0.00%	0.11%	0.00%	100.00%	0.00%

**Type of Clients** Retail  
**Class of Instrument** Currency Derivatives  
**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
NAGA MARKETS EUROPE LTD	99.32%	99.09%	0.00%	100.00%	0.00%
LMAX BROKER LIMITED	0.68%	0.91%	0.00%	100.00%	0.00%
FINALTO TRADING LIMITED	0.00%	0.01%	0.00%	100.00%	0.00%
FINALTO FINANCIAL SERVICES LIMITED	0.00%	0.00%	0.00%	100.00%	0.00%
XTB LIMITED	0	0.00%	0	1	0

**Type of Clients** Retail  
**Class of Instrument** Commodities Derivatives and Emission Allowances Derivatives  
**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
NAGA Markets Europe LTD	97.90%	99.70%	0.00%	100.00%	0.00%
XTB Limited	1.89%	0.19%	0.00%	100.00%	0.00%
FINALTO TRADING LIMITED	0.15%	0.10%	0.00%	100.00%	0.00%
LMAX BROKER LIMITED	0.06%	0.02%	0.00%	100.00%	0.00%
BROCTAGON PRIME LTD	0.00%	0.00%	0.00%	100.00%	0.00%





<b>Type of Clients</b> Retail <b>Class of Instrument</b> Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities) <b>Notification if &lt; 1 average trade per business day in the previous year</b> 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
NAGA Markets Europe LTD	100.00%	100.00%	0.00%	100.00%	0.00%

<b>Type of Clients</b> Retail <b>Class of Instrument</b> Contracts for difference <b>Notification if &lt; 1 average trade per business day in the previous year</b> 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
NAGA Markets Europe LTD	99.99%	99.90%	0.00%	100.00%	0.00%
SAXO CAPITAL MARKETS UK LTD	0.01%	0.10%	0.00%	100.00%	0.00%

<b>Type of Clients</b> Professional <b>Class of Instrument</b> Equity Derivatives <b>Notification if &lt; 1 average trade per business day in the previous year</b> 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
NAGA MARKETS EUROPE LTD	98.86%	90.91%	0.00%	100.00%	0.00%
FINALTO TRADING LIMITED	0.54%	1.15%	0.00%	100.00%	0.00%
LMAX BROKER LIMITED	0.54%	5.98%	0.00%	100.00%	0.00%
XTB LIMITED	0.03%	0.04%	0.00%	100.00%	0.00%
SAXO CAPITAL MARKETS UK LTD	0.02%	1.93%	0.00%	100.00%	0.00%

<b>Type of Clients</b> Professional <b>Class of Instrument</b> Currency Derivatives <b>Notification if &lt; 1 average trade per business day in the previous year</b> N					
Top five execution venues ranked in terms of trading	Proportion of volume	Proportion of orders	Percentage of passive	Percentage of aggressive	Percentage of directed



		Type of Clients	Professional		
		Class of Instrument	Currency Derivatives		
Notification if < 1 average trade per business day					
in the previous year		N			
volumes (descending order)	traded as a percentage of total in that class	executed as percentage of total in that class	orders	orders	orders
NAGA MARKETS EUROPE LTD	98.84%	99.27%	0.00%	100.00%	0.00%
LMAX BROKER LIMITED	1.13%	0.72%	0.00%	100.00%	0.00%
FINALTO TRADING LIMITED	0.03%	0.01%	0.00%	100.00%	0.00%
XTB LIMITED	0.00%	0.00%	0.00%	100.00%	0.00%

		Type of Clients	Professional Commodities derivatives and emission allowances Derivatives		
Notification if < 1 average trade per business day in the previous year		Class of Instrument	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
NAGA MARKETS EUROPE LTD	82.63%	95.31%	0.00%	100.00%	0.00%
XTB LIMITED	10.90%	2.48%	0.00%	100.00%	0.00%
FINALTO TRADING LIMITED	6.20%	0.56%	0.00%	100.00%	0.00%
LMAX BROKER LIMITED	0.27%	1.65%	0.00%	100.00%	0.00%

Type of Clients		Professional			
Class of Instrument		Contracts for difference			
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
NAGA MARKETS EUROPE LTD	83.12%	60.71%	0.00%	100.00%	0.00%
SAXO CAPITAL MARKETS UK LTD	16.88%	39.29%	0.00%	100.00%	0.00%

