

# Order Execution Policy

## HSN Capital Group Ltd

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## 1. Introduction

1.1 This Order Execution Policy ("Policy") is provided to you alongside the HSN Capital Group LTD ("HSN Capital Group LTD" or "Company") Terms & Conditions ("T&C's") and contains further details on our services and the activities you may carry out with us.

1.2 This Policy applies to all Clients of HSN Capital Group LTD, both retail and professional, when executing transactions in the financial instruments provided by us via Contracts for Differences ("CFDs").

## 2. Execution Elements

2.1 **Prices:** We receive price feeds from some of the world's leading liquidity and data providers ("LPs"). Having multiple LPs is important especially during abnormal market conditions, such as times of extreme volatility, when some liquidity providers may decide to widen the spreads or stop quoting prices at all. Having multiple LPs enables us to provide you with competitive prices, as the remaining liquidity providers shall continue competing to provide us their best 'bid' and 'ask' prices.

2.2 **Slippage:** Is the difference between the executed price and the order price at the time the order is submitted for execution. Slippage is normal and an expected cost of trading, particularly for orders of larger size and during times of low liquidity and/or volatile markets. It is noted that Slippage can occur also during Stop Loss, Take Profit, and other types of orders. We do not guarantee the execution of client's pending orders at the price specified. However, we confirm that client's order will be executed at the next best available price from the price the client has specified under client's pending order

2.3 **Partial fills:** Is the practice of executing an order in parts, at a time where there is not enough liquidity in the market, in order to fill the complete order at a specific price. Partial fills may be executed at different prices.

2.4 **Commission:** Clients may be charged commission when trading CFDs. Further information is available on our website.

2.5 **Mark-up:** Clients may be charged a mark-up on spread when trading CFDs. Further information is available on our website.

2.6 **Financing Fee:** In the case of Financing Fees, the value of open positions in some types of Financial Instruments is either increased or reduced by a daily financing fee ("Swap") until the open position is closed. Financing fees are based on prevailing market interest rates, which may vary from time to time. Details of daily financing fees applied are available on the Company's website Trading Specifications. For all types of CFDs that the Company offers, the commission and financing fees are

not incorporated into the Company's quoted price and are instead charged explicitly to the Client account.

### **3. Order Types for Alvexo Web Trader**

**3.1 Market Order:** this is an order to buy or sell at the current market price that is available. We'll generally pass your order on to a third party for execution and will take into account a number of factors in executing your order and in achieving the best possible result for you.

#### **3.2 Pending Orders:**

**3.2.1 Stop Orders:** This is an order to buy or sell once the price reaches a pre-set stop level (the 'stop price'). Once this order is triggered it is treated as a 'market order'. If the 'stop order' is not triggered it shall remain in the system until a later date, subject to the conditions described in the "Good 'til cancelled" section. 'Stop orders' must be placed a minimum number of pips away from the available market price at the time of placing the order so that these are valid.

**3.2.2 Limit Orders:** this is an order to buy or sell once the price of an instrument reaches a pre-set level (the 'limit price') and are triggered as market orders.

**3.2.3 Stop Loss:** this is a 'stop order' to control and minimize losses. It is used to close an open position when the price of the instrument has moved contrary to the expected direction, reaching a pre-set level.

**3.2.4 Take Profit:** this is an order to secure profits. It is used to close an open position when the price of the instrument has moved in the expected direction, reaching a pre-set target level.

**3.2.5 Pending Order Modification/Cancellation:** The Client may modify/cancel a 'pending order' if the market does not reach the price previously specified by the Client for as long as the order remains in the system. In such instances the Client is responsible for managing their open position accordingly. On some instrument placing new Stop Loss, Take Profit, or pending orders, and/or modifying existing Stop Loss, Take Profit, or pending orders will not be allowed within a price range (in points) from the current market price.

**3.2.6 Pending Order Execution:** The Client accepts that under certain trading conditions (including but not limited to situations of high market volatility or illiquidity and market gaps) it may not be possible for us to execute pending orders at the Declared Price. Under such conditions, we reserve the right to execute the order or modify the opening and/or closing price to provide the next best price. In such instances, whereby a pending order and its respective stop loss/take profit are triggered simultaneously, the order will be closed.

## 4. Best Execution

4.1 We will take all sufficient steps to obtain the best possible result for our Clients, taking into account the price, costs, speed of execution, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. While total consideration (price and costs) are generally key factors, the overall value to you of a particular transaction may be affected by the other factors listed. We may decide that factors other than price and costs are more important in achieving the best possible outcome for you.

4.2 It should be noted that if the Client provided us with specific instructions on how to execute his order(s), complying with those instructions may prevent us from taking the steps set out in the Policy. Under such circumstances, our execution in accordance with Client's instructions will be deemed best execution.

4.3 We will generally pass your order to a third party, which may be a broker and an affiliated company, for execution. We periodically review our choice of third-party brokers and dealers to ensure that, taking into account all the factors specified above, the third-party broker or dealer is providing the best results for your orders on a consistent basis.

Please note that the prices you will see on our trading platforms may differ from the prices you may see on other trading/charting platforms.

a) **Bid-Ask Spread:** For any given financial instrument, we quote two prices: the higher price (Ask), at which the Client can buy (go long) a financial instrument, and the lower price (Bid) at which the Client can sell (go short); collectively referred to as the Company's prices. The difference between the Bid and the Ask price of a given financial instrument is the spread, which includes HSN Capital Group mark-up for Alvexo Web Trader.

b) **Pending Orders:** Orders such as 'Buy Limit', 'Buy Stop' and 'Stop Loss' / 'Take Profit' for open short positions are executed at the Ask price. Orders such as 'Sell Limit', 'Sell Stop' and 'Stop Loss' / 'Take Profit' for open long positions are executed at the Bid price.

c) Our price for a given financial instrument is calculated by referencing the price of the relevant underlying asset, which is obtained from third-party liquidity and data providers. We update our prices as frequently as the limitations of technology and communication links allow. We will not quote any price outside of our operational hours (see execution venues below).

d) Prices are obtained directly from LPs through an electronic execution system, which automatically requests a quote from these. In conjunction with the price, we also quote the available liquidity ('market depth') from our LPs. Our system will automatically aggregate all available liquidity at the best prices available and fill at the Volume-Weighted Average Price.

e) HSN Capital Group will at all times, subject to events outside of our control, transmit bid and ask prices through the trading platforms. HSN Capital Group shall, at its discretion, determine the prices that are executable, and which appear through the platforms. The Client accepts that HSN Capital Group is solely responsible for determining the validity of these prices at any given time and in some instances may issue a re-quote.

**4.4 Costs:** Execution venue costs are not relevant factor as HSN Capital Group is always the execution venue and there are not third-party fees such as clearing, or settlement fees involved in the execution of your orders.

**4.5 Speed of Execution:** We place a significant importance in this factor when executing client orders and to this end we maintain high speed connections through multiple servers hosted globally. Our execution is fully automated apart from minimal manual execution. However, the use of any form of unstable connection at the Client's end, whether wireless or dial-up, may result in poor or interrupted connectivity which may cause delays in the transmission of data between the Client and us.

**4.6 Likelihood of Execution:** We rely on third-party LPs for prices and available volume of the different financial instruments we offer. Therefore, the execution of Client's orders will depend on whether there are prices and liquidity available at the time these orders are received. By having multiple LPs, we enhance the likelihood of execution across the instruments we offer. This availability may be subject to variation, especially during abnormal market conditions, such as:

- a) During market opening times;
- b) During times of market news and events;
- c) During periods of significant volatility;
- d) Where there is a rapid price movement of a particular instrument, to such extent that under the rules of a relevant exchange, trading on said instrument is suspended or restricted;
- e) Where there is insufficient liquidity for the execution of a specific volume at a specific declared price.
- f) Where HSN Capital Group internal risk limits no longer permit the acceptance of any further orders on a specific instrument

**4.7 Likelihood of Settlement:** All transactions are settled upon execution.

## 5. Other Execution Considerations

**5.1 Currency Valuation:** We may provide a currency conversion quote from your account's base currency to the currency of the relevant financial instrument. This will not be reflected as an actual currency conversion in your account, but only serves the purpose of indicating the valuation in the base currency.

**5.2 Size of Order:** The minimum size of an order is 0.01 lots. We may place limits on maximum order sizes from time to time, and we reserve the right to decline an order as per our T&C's.

**6.3** We reserve the right to place a cap on the number of contracts and/or a limit on the total net position value per profile, for a given instrument. Where this occurs, we will make all possible efforts within reason to provide clients with prior notice.

**5.4 Corporate Actions (including, but not limited to Stock Splits and Rights Issue):** An appropriate adjustment on the Client's position will be made to mirror the economic impact of a corporate action.

**5.5 Earnings Announcements:** We may increase margin requirements and limit maximum exposure on the relevant symbols prior to earnings announcements.

**5.6 De-listing:** In the event of a share being de-listed, the Client's position will be closed at the last market price traded and a preset price may be forced.

**5.7** For certain corporate actions which are not mentioned in this section, including, but not limited to Mergers, Acquisitions (together commonly referred to as 'M & A') and Leveraged Buyouts ('LBO') we reserve the right to:

- a) increase margin requirements;
- b) suspend or halt trading in the relevant instrument;
- c) limit the maximum exposure (order size) to the relevant instrument;
- d) close the positions in the event that the relevant instrument is no longer trading on the relevant exchange;
- e) take any other action as we deem necessary in the given circumstances.



## 6. Execution Venues

Execution Venues are the entities with which the orders are placed, or to which we transmit orders for execution. For the purposes of orders for the financial instruments we provide, we act as principal at all times and not as agent. Although we may transmit your orders for execution to third party liquidity providers, contractually, HSN Capital Group is the sole counterparty to your trades and any execution of orders is done in our name.

The Client acknowledges that the transactions entered in Financial Instruments with the Company are not undertaken on a recognized exchange, rather they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions.

## 7. Your Consent

7.1 We are required to obtain your consent prior to establishing a business relationship with you. By entering into the T&C's, you consent and acknowledge that the transactions in financial instruments entered with us are not undertaken on a recognized exchange, but rather through our trading platform and, accordingly, you may be exposed to greater risks than when conducting transactions on a regulated exchange.

Therefore, we may not execute an order, or we may change the opening or closing price of an executed order in certain cases, including, but not limited to instances of a technical failure of the trading platform.

7.2 When opening an Account with us you consent to your orders being executed in accordance with the Policy in force, from time to time. You consent that HSN Capital Group reserves the right to immediately terminate your access to the trading platform(s) or Account(s) or refuse or cancel any order, in the event you voluntarily and/or involuntarily partake in arbitrage unrelated to market inefficiencies, including but not limited to, latency arbitrage and swap arbitrage and/or contrary to good faith; under such circumstances, HSN Capital Group may, at its discretion, close any of your Account(s) and recover any losses incurred from such practices.

7.3 The Company reserves the right, where in its absolute discretion believes that reasonable suspicion for abusive trading behavior exists, to group together multiple orders on a specific CFD and manually execute them as one order at the volume-weighted average price or not execute the orders at all.

## **8. Important Information**

8.1 Specific leverage limits or restrictions on the instruments available may apply in accordance with applicable legislation and HSN Capital Group policies.

8.2 CFDs are not eligible for sale or distribution in certain jurisdictions or countries. This Policy is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations. Equally, this Policy does not constitute an offer, invitation or solicitation to buy or sell leveraged products. The Policy is not intended to constitute the sole basis for the evaluation of any Client's decision to trade leveraged products.

### **8.3 Amendment of the Policy and Additional Information**

The Company reserves the right to review and/or amend its Policy and arrangements whenever it deems this appropriate according to the terms of the Client Agreement between the Client and the Company.