

Execution Quality Summary Statement
(EQSS)
& RTS 28
For the year 2017

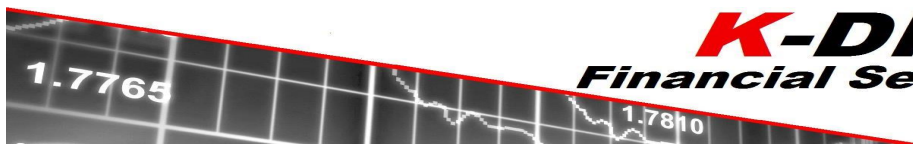


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INTRODUCTION

K-DNA Financial Services LTD (hereinafter, the “Company”) is an Investment Firm incorporated and registered under the laws of the Republic of Cyprus, with registration number HE335683. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) under the license number 273/15, at registered office 56 Griva Digeni Avenue, Anna Tower, 1st Floor, 3101, Limassol, Cyprus.

This Execution Quality Summary Statement and RTS 28 (hereinafter, the “Statement”) of the Company, has been created in accordance with the Investment Services and Activities and Regulated Markets Law 87(I)2017, supplementing the Directive 2014/65/EU on markets in financial instruments (MIFID II).

Through this statement the Company, informs its Retail and Professional clients (hereinafter the “Clients”), about how and where the company has executed clients’ orders during the year 2017 (hereinafter the “Year Under Review”), providing a summary of the analysis and conclusions the company drew from its detailed monitoring of the quality of execution obtained on the execution venue where it executed all clients’ orders. Hence, it allows potential investors to evaluate the quality of the Company’s execution practices. The statement will be available on company’s website for a minimum period of **two (2) years** post its publication. [Click here](#) to view the statement.

The purpose of this Document is to ensure the Company’s compliance with the Commission’s Delegated Regulation (EU) 2017/576 (‘RTS 28’) as well as the relevant provisions of the Questions and Answers Document(s) of the European Securities and Markets Authority (‘ESMA’) issued on (i) 31 March 2017 with reference ESMA35-36-794 and (ii) 03 October 2018 with reference ESMA35-43-349 with respect to the provision of CFDs and other speculative products to retail investors and on MiFID II and MiFIR investor protection and intermediaries topics.

The Company urges its clients to read the Statement carefully as it contains useful information on execution venues used by the company for each class of financial instrument as well as how the Company executes orders to execution venue(s) when operating under the Straight through Processing (STP) model.

RELATIVE IMPORTANCE OF EXECUTION FACTORS DURING THE YEAR UNDER REVIEW

Based on classification of financial instruments as defined in Annex I of the Commission’s Delegated Regulation (EU) 2017/576 (‘RTS 28’), the Company offered, during the Year under Review, only the asset class of Contract of Differences (CFDs) to Retail clients. Orders execution does not differ across different categories of clients. The company offers only one

type of financial instruments for trading, i.e. Contracts for difference (CFD). We take all reasonable steps to obtain the best possible execution of orders for our Clients, by taking into account the following execution factors:

- A) **Price:** Price is the most important factors along with Cost, for ensuring best execution. Ensure market validated prices for all Symbols on offer through the various platforms to be consistent across the board. The Brokerage Department is continually monitoring prices to assure accuracy.
- B) **Cost:** Cost is another most important factor along with price and so the company has made efforts to maintain costs lowest possible levels. Costs pertaining to trading with the Company are clearly displayed on the websites under 'Products' section. The ensuing cost to the company for execution of orders plays no role in the quality of the execution of client orders with selected trading venues/liquidity provider.
- C) **Speed of execution:** Speed is a very important factor. When prices are updating frequently and in direct contrast to the volatility of the instrument, then the speed of execution will resonate through timely execution at the requested entry or exit level. The company brokerage department continuously maintains a close working relationship with LP to ensure our clients 'Best Execution'.
- D) **Likelihood of execution and settlement:** We reply on third party LP for prices and available volume of different instruments we offer. Hence, execution depends on availability of liquidity. Because of the strict trading parameters in place and the use of latest technology, trades are near guaranteed to be executed when they fall within the trading hours & conditions.
- E) **Size of order:** To provide 'Best Execution' Minimum (0.01 lot) and Maximum (100 Lots) sizes are allocated to each instrument or class of instruments on offer so in normal market conditions those trades are near guaranteed to be filled, as they comply within the trading conditions and agreements with LP/execution venues.
- F) **Other criteria:** if a client does not fulfil the requirements of the knowledge test then the clients' account will have changes administered to his/her trading conditions. Also, if the market is extremely volatile or instruments are illiquid they may be suspended from trading or removed all together from the list of available instruments in the interest of 'Best Execution'. Lastly, Futures CFDs are normally expired about one (1) week before the exchange traded asset is terminated to assure liquidity and to continue at best service to the client.

The application of the best execution is neither a guarantee that the best price will be obtained nor a guarantee that the transaction will be executed in full.

The company daily monitors the reception, transmission and execution of trades and concludes that the majority of trades were executed within 0-3 seconds and during high

volatility, within 0-6 seconds, which is considered competitive time for execution as per the industry standards. All the trades requested during the year were executed successfully.

The company also cross-checks the functionality of its trading platform and trading conditions with competitors and output of consolidated tape providers to ensure best execution for its clients

EXECUTION VENUE

The Company did not change the execution venue during 2017. All the orders were routed to only one execution venue as listed below:

No.	Name of Execution Venue	Country of Establishment	Commencement date of routing orders for execution	End date in the event of termination
1	Novox capital Ltd	Cyprus	7 th May 2017	31 rd Dec 2017

The Company has taken into account the following aspects while selecting the venue for execution:

- Cost of execution
- Price
- Liquidity available for related financial instruments
- Speed of execution
- Reliability of the venue
- Continuity of trading
- Creditworthiness of the venue
- Such other factors as we consider relevant.

CONFLICTS OF INTEREST

The Company does not maintain any close links or common ownership structures with its execution venue. However, the Company has in place sufficient safeguards against any potential [conflict of interest](#) conflicts of interest.

Potential Conflict	Safeguarding measures
The Company or a relevant person has an interest in the outcome of a service provided	The Employees are strictly instructed to act honestly and in best interest of the Client.

to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome	
Maximizing trading volumes in order to increase its revenue, which is inconsistent with the Client's personal objective.	The Company has in place Best Execution Arrangements Policy and put all of its efforts in order to prevent such event. The employees are not allowed to provide such information/instruction to the Clients at all times.
Receive commissions and/or other inducements from its Liquidity provider for the transmission of Client Orders.	The Company is in process of minimizing all of its Inducements paid or received. However, the Company has certain procedures in order to act on the best interest of its Clients.

The Company has solid systems in place to ensure that any judgements or decisions are taken with the clients' best interests in mind and are not biased by conflicts of interest.

PAYMENTS OR NON-MONETARY BENEFITS BETWEEN THE COMPANY AND ITS EXECUTION VENUES

During the year under review, the company has a standard Liquidity providers agreements in place with Novox capital Ltd. The Company neither paid nor received any monies or non-monetary benefits to and/or from Novox capital Ltd (apart from the fixed fees which the LP received based on the LP Agreement between the CIF and the LP). There are no specific arrangements in place with the execution venue used (apart from the fixed fees which are paid to the LP for the provision of its services), regarding payments made or received, discounts, rebates or other non-monetary benefits. The Company generates its revenues from Commissions, spreads and swaps paid by its Clients upon initiating a trading order.

The Company did not change its LP regarding the year under review and its only LP was Novox capital Ltd.

EXECUTION VENUE REPORT

The Company offered services only to retail clients and did not have any professional clients for the year 2017.

Table 1: Retail Clients

Class of Instrument	Contract for difference (CFD)				
Notification if <1 average trade per business day in the previous year	Y/N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in class	Proportion of orders executed as a percentage of total in class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Novox capital Limited Lei: 213800X255766OQIKN14	100%	100%	0 %	100%	0 %

Table 2: Professional Clients

Class of Instrument	Contract for difference (CFD)				
Notification if <1 average trade per business day in the previous year	Y/N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in class	Proportion of orders executed as a percentage of total in class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Novox capital Limited Lei: 213800X255766OQIKN14	0 %	0 %	0 %	0 %	0 %

KEY DEFINITIONS UNDER RTS 28

- a) Passive order means an order entered onto the order book that provided liquidity.
- b) Aggressive order means an order entered onto the order book that took liquidity.
- c) Directed order means an order where a specific execution venue was specified by the client prior to the execution of the order.
- d) “Retail Client” is a client who is not a Professional Client by default and is afforded with

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the highest level of protection.

AMENDMENTS

The Company reserves the right to review and/or amend its Best Interest and Order Execution Policy as well as this Statement. If the Company makes a material change of its Policy and/or this Statement, an updated version of the said policy and Statement will be available on the Company's website.