



***Execution Quality Summary Statement
(EQSS) For the year 2019***

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1. INTRODUCTION

Finmarket is a brand owned and operated by K-DNA Financial Services LTD (hereinafter, the “Company”), 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, 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 56 Griva Digeni Avenue, Anna Tower, 1st Floor, 3063, Limassol, Cyprus.

This Execution Quality Summary Statement (EQSS) (hereinafter, the “Statement”) of the Company, is issued pursuant to and in compliance with the Investment Services and Activities and Regulated Markets Law 87(I)2017, implementing the Markets in Financial Instruments Directive 2014/65/EU of the European Parliament (“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 2019 (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.

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) 18 February 2020 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. In addition, we recommend to read the Company’s entire [Order Execution Policy](#).

2. SCOPE

The aim of this document is to provide an outline of how the clients' orders are executed and the aspects that might affect the order execution conduct.

Via this material, investors will be allowed to evaluate the efficiency of the monitoring carried out by the Company with regards to the execution provisions of all client orders where the company owes the client best execution under the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II").

The Company, during the year under review offered only the asset class of Contracts For Differences (CFDs) to Retail Clients. 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](#).

Moreover, it will afford an explicit picture of the execution approaches and tools used to evaluate the quality of execution achieved.

The Company revises and amends this document on an annual basis. The information contained herein, should also be based on the data of the prior years.

3. INFORMATION REQUIRED TO BE DISCLOSED UNDER REGULATORY TECHNICAL STANDARD 28 (RTS) OF MIFID II

a) **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.**

The Company takes utmost care to ensure fastest possible order execution and has successfully achieved this goal until now.

Several Qualitative and Quantitative factors were taken into consideration while selecting the execution venue, such as:

- 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.

The Company determines the relative importance of the above Best Execution Factors by using its commercial judgment and experience in the light of the information available on the market and taking into account:

- The characteristics of the Client order.
- The characteristics of financial instruments that are the subject of that order.
- The characteristics of the execution venue to which that order is directed.
- The Characteristics of the client, including its categorization as retail or professional.

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

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. For example: The Company's employees do not relate their remuneration with clients' performance. For a detailed description please see the Company's [Conflict of Interest Policy](#).

The Company has an [Order Execution Policy](#) in place which sets out our procedures in delivering Best Execution to our clients.

In addition, we disclose our Spreads and charges on our trading platform and Trading Conditions.

Furthermore, we do not offer any form of investment advice and our disclaimers make this fact explicitly clear.

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

During the year under review, the company had a standard, Liquidity providers agreements in place with UP Trend Ltd. The Company neither paid nor received any monies or non-monetary benefits to and/or from UP Trend 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.

Following the termination of the business relationship with UP Trend Ltd, the Company established a new Liquidity Provider Agreement with Leverage Financial Services Ltd. During this business relationship The Company payed its liquidity providers a monthly minimum fee based on trading volume that did not create conflicts with the Company's duties to act honestly, fairly, professionally and in accordance with the best interests of its clients. The revenue generated by the Company was based on commissions paid by its Clients upon initiating a trading order.

d) An explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred

The Board of Directors of the company, in line with the implementation of the Markets in Financial Instruments Directive (MiFID) II on the 3rd of January 2018, took steps and entered into an agreement with a new Leverage Financial Services Ltd, ensuring compliance with the best interest of the client in relation to the order execution requirements.

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

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. Please read our [Client Categorization Policy](#).

f) 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 of Execution:** The Company places a significant importance when executing Client's orders and strives to offer high speed of execution, within the limitations of technology and communications links, at all times. Speed of Execution can be affected by factors which may include poor internet connection, or any other link to the Company's servers and platforms which may affect execution of the Client's orders. For example, the Client's order might be delayed to be received by the Company's platform and thus it may affect the price of execution. It is clarified that the Company

receives and transmits a Client Order for execution to a third party (another Execution Venue), execution will also depend on factors related to the aforesaid third party.

- **Likelihood of Execution:** As it is explained in the Execution Venue section of the Order Execution Policy, the Company acts as an agent whereby the Principal shall be the Execution Venue for the execution of the Client's orders for the financial instrument of Forex and CFDs. In addition, the Company, reserves the right to decline an order of any type or to offer the Client a new price for an instant order. In this case, Client can either accept or refuse the new price. When the Company transmits orders for execution to another third party, the likelihood of execution depends on the availability of prices by such other third party. In addition, the Company is entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any order or Request or Instruction of the Client in circumstances explained in the [Client Agreement](#).
- **Likelihood of settlement:** The Company shall proceed to a settlement of all transactions upon execution of such transactions. The Company strives to provide its Clients with the fastest execution in the best available prices. Nonetheless, the volatility in the market may affect the price, speed and volume available. Therefore, trading during volatile conditions where important news and data releases are made is incredibly risky and therefore the best execution criteria might not apply. Therefore, the execution pricing will always be provided at the first available price.
- **Size of order:** The actual minimum size of an order may be different for each type of Client Account. It is also noted that the Company does not execute any trades above normal market size. Every market has an absolute minimum and maximum permitted trade size. The minimum size of trade can be found on the Company's trading platform; and the maximum size of trade is dependent not only on normal market size and market conditions, but also internal risk management factors and is, at all times, at the discretion of the Company. The Company will not make a 'partial fill' of any trade.
- **Market Impact:** Some factors may affect rapidly the price of the underlying instruments from which the Company's quoted price is derived and may also affect the rest of the factors herein.

g) An explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27.

The Company's goal is to ensure that clients are provided with the best possible results for their orders. To this end, the Company intends to conduct on ongoing basis of the fairness of the price provided to the client by gathering market data used in the estimation of the price

of the products and comparing with similar or comparable products. However, 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. 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.

h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Not Applicable.