

TOP  Markets

Order Execution Policy

Company: **TOP 1 MARKETS PTY LTD**

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1. Introduction

1.1 TOP 1 MARKETS PTY LTD has a general duty to conduct business with you in an honest, fair and professional manner and to act in your best interest when opening and closing Contracts for Difference (CFDs) with you.

1.2 This document provides a summary of our best execution policy.

1.3 This policy should be read in conjunction with the User Agreement (the contractual agreement that a client enters into when opening an account with TOP 1 MARKETS PTY LTD and if there is anything you do not understand please contact our Customer Support department.

1.4 In the event of a disagreement between this policy and the User Agreement, then the User Agreement shall prevail.

2. TOP 1 MARKETS PTY LTD (“we”, “our”, “it”)

2.1 TOP 1 MARKETS PTY LTD offers retail clients only, contracts for differences (CFDs) across a range of asset classes: FX, Commodity, Indices, ETFs and Options on Indices.

2.2 Trades are directly booked with TOP 1 MARKETS PTY LTD via an online trading platform only (there is no facility for telephone or face-to-face trading), and TOP 1 MARKETS PTY LTD is the counterparty to clients’ trades. In other words, TOP 1 MARKETS PTY LTD transacts with clients as principal on the basis of a quote. This means that you must open and close every trade with TOP 1 MARKETS PTY LTD and cannot close an open trade with a third party. TOP 1 MARKETS PTY LTD

is therefore the sole execution venue for trades executed by it for you.

2.3 TOP 1 MARKETS PTY LTD decides which markets to quote, and the times at which those markets are quoted.

2.4 All prices offered by TOP 1 MARKETS PTY LTD are provided by its parent company, TOP 1 MARKETS PTY LTD.

2.5 TOP 1 MARKETS PTY LTD acts as principal in all your trades which are bilateral transactions between it and you. Accordingly, there is no aggregation, allocation or re-allocation of your and/ or TOP 1 MARKETS PTY LTD's own account Orders or transactions.

2.6 All trading activity is 100% automated, in respect of both you and TOP 1 MARKETS PTY LTD, which ensures the prompt, fair and expeditious execution of client Orders, relative to other Orders or TOP 1 MARKETS PTY LTD's own trading interest. All Orders are promptly and accurately recorded and allocated in strictly sequential order, unless the characteristics of the Order or prevailing market conditions make this impracticable or your interest requires otherwise. TOP 1 MARKETS PTY LTD will promptly inform you about any material difficulty relevant to the proper carrying out of Orders upon becoming aware of the difficulty.

2.7 All executed trades are immediately viewable on your account, as is the 'profit and loss' associated with closed trades, and as processes are fully automated all reasonable steps are taken to ensure accuracy, which is guaranteed subject to quality of the raw data.

2.8 TOP 1 MARKETS PTY LTD does not deal on their own account, as their only trading activity is to place an identical hedge trade with their parent, TOP 1 MARKETS PTY LTD, in respect of each and every client's trade. In order to restrict the misuse of information relating to a pending client Order, TOP 1 MARKETS PTY LTD's PA Dealing Policy stipulates that all employee personal trading activity at a

competitor is banned and retrospective approval is required for all other types of trading activity. Accordingly, all reasonable steps are taken to prevent misuse of such information.

2.9 TOP 1 MARKETS PTY LTD is authorised and regulated by the FSB and, as a regulated entity, it is required to take all reasonable steps to ensure the best possible result when executing your instructions.

3. Order Execution Policy

3.1 In providing best execution TOP 1 MARKETS PTY LTD is required to take into account certain execution factors. Where TOP 1 MARKETS PTY LTD executes an order on behalf of a client, the best possible result is determined in terms of the total consideration representing the price of the financial instrument and the costs associated with the execution, which must include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

3.2 In assessing the relative importance of the execution factors, the following criteria are taken into account:

- The characteristics of the clients;
 - The characteristics of the client order (including, the size and nature of the order);
 - The characteristics of the financial instruments that are the subject of that order;
- and
- The characteristics of the execution venues to which that order can be directed.

Not all of these criteria will be relevant in each case or are relevant to the TOP 1 MARKETS PTY LTD business model, for example: TOP 1 MARKETS PTY LTD is

the sole execution venue for trades executed by it for its clients.

4. Specific Instructions

4.1. When a client provides TOP 1 MARKETS PTY LTD with specific instructions as to how to execute an Order, TOP 1 MARKETS PTY LTD complies with its obligations to take all reasonable steps to obtain the best possible result when executing that Order, by following the instructions.

4.2. Specific instructions may prevent TOP 1 MARKETS PTY LTD from following its Order Execution Policy.

4.3. To the extent that specific instructions do not cover every aspect of the Order, as is the case with Market Orders, TOP 1 MARKETS PTY LTD will apply the Order Execution Policy to those parts or aspects of the Order not covered by the client's instructions.

5. Monitoring and Review

5.1. TOP 1 MARKETS PTY LTD will regularly monitor the effectiveness of its Order Execution Policy in order to identify and, where appropriate, correct any deficiencies and to ensure that it complies with all regulatory requirements and obligations.

5.2. The monitoring is conducted at various frequencies and covers trading on the trading platform of all asset classes, and focuses on three key execution factors: price, costs and speed.

(i) Price:

- a) Ensuring due regard to its bid/ offer prices being reflective of the market price and movement for the underlying reference product to which the CFD relates.
- b) To aid clients to seek reassurance primarily for futures contracts, there is a link on the trading screen to prices on the relevant exchange on which the underlying financial instrument is traded. This facilitates the easy comparison of TOP 1 MARKETS PTY LTD prices and the exchange's prices, although as these prices are provided via newswires there is often a slight time delay.
- c) The price for a given contract is calculated by reference to the price of the relevant underlying financial instrument. This price is obtained through TOP 1 MARKETS PTY LTD from a range of independent third party reference sources, various nominated independent financial market data providers, who source their price feeds from relevant exchanges. Each provider's price feed is subjected to numerous defined checks and verifications, which are carried out by TOP 1 MARKETS PTY LTD at individual financial instrument level, before being presented to TOP 1 MARKETS PTY LTD, and onto their clients.

(ii) Costs and Spreads:

- a) As there is only one execution venue, cost is deemed the most important aspect to the client, assuming price movements track the underlying market fairly.
- b) Spreads and costs are monitored via numerous internal protocols, processes and examination of records.

(iii) Speed:

- a) In the event of price slippage between the time that a client requests a trade and its execution, TOP 1 MARKETS PTY LTD operates symmetric price slippage, and closely monitors this aspect to ensure absolute adherence to this philosophy.

5.3. These checks and verifications are separately monitored by TOP 1 MARKETS PTY LTD, as ownership of best execution monitoring resides with by TOP 1 MARKETS PTY LTD.

5.4 Additional monitoring reviews and investigation of any anomalies is undertaken by a senior independent person at by TOP 1 MARKETS PTY LTD, from the person(s) carrying out the more frequent reviews.

5.5 The best execution obligation requires by TOP 1 MARKETS PTY LTD to take all reasonable steps to deliver the best possible result for clients. There may be instances where it will be apparent that best execution was not provided. There may be legitimate reasons for this, or it may be that by TOP 1 MARKETS PTY LTD could have improved the service provided to the client. by TOP 1 MARKETS PTY LTD will learn from all incidents, take remedial action to rectify any client detriment and correct any deficiencies identified as a result of its best execution monitoring to ensure that best execution is maintained on an on-going basis.

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