

# Order Execution Policy

Registered in the Commercial Register with the Registry Agency  
of the Republic of Bulgaria under UIN 123560824

**EBH**  
EUROPEAN BROKERAGE HOUSE

## General Provisions

### Article 1

European Brokerage House (henceforth 'EBH' and the 'Company') is mandatorily obliged to pursue 'best execution' for its Clients according to the Client order (henceforth 'order'). EBH treats its Clients equally, acting honestly, fairly and as a professional, in accordance with the best interest of the Clients, executing immediately, honestly and accurately accepted Client orders.

### Article 2

This Policy defines the rules and procedures used by EBH's Trading Platforms and its employees, so as to ensure the best execution of Client orders, as well as the details of the processes and decisions of the Company for achieving 'best execution'.

This Policy is directly connected to the 'Client Agreement' and all other agreements between the Client and EBH.

### Article 3

This Policy applies for all orders of Retail and Professional Clients set through the Trading Platforms of EBH.

### Article 4

The class of financial instruments to which this Policy applies is Contracts For Difference (hereinafter referred to as 'CFD') with underlying assets currencies, indices, commodities, cryptocurrencies and others, as defined under Art. 4 (9) of Markets in Financial Instruments Act (MFIA).

### Article 5

The type of services to which this Policy applies are:

1. execution of orders on behalf of Clients;
2. acceptance and transmission of Client orders.

### Article 6

EBH does not execute a Client order or a transaction on its own account grouped (merged) with an order of another client. To this end, this Policy does not contain rules regarding the retention of client interest in the case of grouping and distributions of orders.

### Article 7

EBH is committed to preventing the misuse of information relating to the market and/or pending orders of its clients, by taking measures to protect them against abuse by any of its responsible employees.

## Client Consent

### Article 8

1. EBH cannot execute orders on behalf of clients unless they have given their explicit consent to this Policy. EBH provides its clients with relevant information regarding this Policy under Delegated Regulation (EU) 2017/565 and the MFIA.
2. During the process of opening a trading account, the client accepts this Policy, the Client Agreement, as well as all other relevant policies pertaining to the relationship between the Client and the Company.

### Article 9

1. According to art. 64, para 1 of Delegated Regulation 2017/565, 'execution venue' includes a regulated market, a multilateral trading facility, an organised trading facility, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.
2. For the purposes of this Policy, 'execution venue' means EBH, as a market maker, other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.
3. Upon acceptance of this Policy, the Client acknowledges that, having in mind the characteristics of the offered product (CFD), the orders are executed only on an over-the-counter market (hereinafter referred to as 'OTC'), without physical delivery of the underlying asset. This implies that any position opened through EBH cannot be closed by another intermediary. The Client understands that by trading on an OTC market, they are exposed to higher risks than trading on a regulated market due to the fact that OTC transactions do not have a central counterparty and each party to the transaction carries a certain credit risk (counterparty risk and default risk).
4. The Client has the right, at any time, to request additional information regarding the applicable risks connected to OTC trading.

### Article 10

When opening a trading account with EBH, the Client agrees that all trading orders are executed in compliance with this Order Execution Policy, as well as that all orders are accepted only via the Trading platforms, which EBH offers to its clients.

### Article 11

The Client understands that EBH decides which types of CFDs are available on its Trading Platforms.

### Article 12

The Client understands that this Policy is not an invitation to purchase CFDs, nor is it an offer to do so. The Client also acknowledges that the Policy is not meant to be the only basis on which they decide to trade CFDs.

## Article 13

The Client understands and acknowledges that:

1. EBH may amend, at any time, CFD specifications and/or leverage levels, should certain situations arise. EBH will endeavour to contact the Client in writing electronically with notification of the amendments. Please note, however, that Clients are responsible for keeping informed on all trading specifications, which can be found on EBH's Website.
2. EBH may apply leverage restrictions on CFDs and/or Platforms and/or jurisdictions. Restrictions on leverage and stop out level may also be imposed by the European Securities and Markets Authority (ESMA) and/or other regulatory authority or country. The Company will announce such restrictions on its Website. Clients understand that EBH can amend margin requirements on all, or any, transactions and that EBH will notify the Client of such an amendment via the applicable communication channels.

## Best Execution Practice

### Article 14

"Best execution" is the process through which EBH aims to achieve the best possible result during the execution of Client orders. To evaluate whether Client orders have been executed in the best possible way, EBH takes into consideration many factors that affect the executions of orders.

### Article 15

The factors that influence the execution of orders, identified by EBH and ranked by importance, are set out in the following table:

Factor	Explanation	Importance
Price	The market price at which an order is executed. For information about market prices, please see Article 16, below.	High
Cost	Includes commission and any other additional cost, associated to the execution of the order, excluding spreads. For more information, please see Article 17 below and the Key Information Documents (KIDs) for the products offered by EBH.	High
Likelihood of Execution	It is possible that EBH won't be able to execute an order at the specified price, or the order may be partially executed.	Low
Speed of Execution	The speed at which orders are executed. For more information, please see Article 18 below.	Low
Size	CFDs are highly liquid products. Therefore, the size of the order is a factor less important compared to the rest.	Low

### Article 16

1. The prices of the various CFDs offered through the Trading Platforms are quoted two-way – Bid/Ask. The quotes are provided by EBH as a counterparty of each transaction. The Bid price is the price at

which a security is bought, while Ask price is the price at which a security is sold. The difference between those prices is called the Spread. Information related to the current spreads is available at the Trading Platforms and the Website of the Company.

2. EBH can only transmit for execution or execute Client orders during the trading hours specified on the Company's website and Trading Platforms, in section "Details"
3. During extreme market conditions, the price at which an order will be executed may differ from the one that was originally set in the respective order. This is called Slippage. Slippage may occur in any of the following situations:
  - 3.1. during market opening;
  - 3.2. during the release of important news, including economic data;
  - 3.3. when sudden price changes lead to cessation/limitation of trade;
  - 3.4. when there's not enough liquidity in the market for the order to be executed at the requested price;
  - 3.5. during times of high volatility, due to other reasons.
4. Slippages may be positive or negative. A positive slippage occurs when an order is executed at a better price than the requested one. Negative slippage is the opposite. It occurs when orders are executed at the worse prices than the requested.
5. EBH adheres as close as possible to its Order Execution policy and aims to give its Clients the best prices available, irrespective of order type.

## Article 17

1. Depending on the type of client's account, aside from the spread, EBH may charge a commission for each executed order. The commission is deducted from the Client's trading account.
2. The current commission can be found in the Company's Tariff of Services, published on EBH's Website.
3. EBH does not structure and does not charge its commissions in a way that discriminates the execution venues.
4. For each open Client position at the end of the day, a fee is charged for rolling the position to the next trading day, known as "Swap". Swaps are based on market interest rates of the respective financial instrument. More information on these swaps can be found at the Company's Website, in section FAQ.
5. Currency conversions are done in the trading account's currency denomination and the currency of the relevant CFD using the appropriate cross spot rate.

## Article 18

1. The volumes of CFDs traded via EBH's trading platforms are measured in lots. The minimum volume size is published on the Company's website, and there is no maximum restriction.

2. The speed of execution depends on:
  - 2.1. the geographic location of the Client and their distance from the trading server;
  - 2.2. the quality of the Client's internet connection and their computer configuration;
  - 2.3. the order execution capacity of the trading server in particularly dynamic markets.
3. EBH is constantly striving to improve the quality of order execution.

## Order Execution

### Article 19

EBH accepts the orders of its Clients through its MetaTrader 4 (MT4) and MetaTrader 5 (MT5) Trading Platforms and executes them in one of the following ways:

1. As a counterparty to the transaction – EBH acts as a market maker, taking a counter position. In order to minimise its risk as a counterparty and to avoid potential conflicts of interest, EBH may apply measures to hedge its positions, if necessary.
2. EBH accepts and transmits the order to the liquidity providers with which it has an agreement.

### Article 20

1. All accounts can be set either for the hedging or netting of positions.
2. 'Hedging' means that the Client can simultaneously maintain "long" and "short" positions of an instrument. For example, if a Client buys 1 lot of CFD on a currency pair ("long" position") and then sells 1 lot on the same CFD on currency pair ("short" position), there will be two open positions in their trading account, one "long" and one "short" on the same instrument.
3. 'Netting' means that opposing positions on the same instrument are netted. For example, if a Client buys 1 lot of CFD on a currency pair ("long" position) and subsequently sells 1 lot of the same CFD on currency pair ("short" position), their "long" position will close. If they sell only 0.5 lots, their "long" position will be reduced by 0.5 lots.

### Article 21

The Clients of EBH can submit the following types of orders for execution.

1. Market Order – this is an instruction given from a Client to buy or sell a specific amount of a financial instrument at the current price, as quoted by EBH.
2. Pending Order – this is an instruction given by a Client to buy or sell a specific amount of a financial instrument at a future moment, under predefined conditions. Types of pending orders include:
  - 2.1. Buy Limit – a trade request to buy at the Ask price that is equal to or less than that specified in the order. The current price level is higher than the value in the order. The moment when the

current price falls to the price of the order, it is executed at the selected price or at a lower one. Usually, this order is placed in anticipation of that the security price, having fallen to a certain level, will increase.

- 2.2.** Sell Limit – a trade order to sell at the “Bid” price equal to or greater than the one specified in the order. The current price level is lower than the value in the order. The moment when the current price rises to the price of the order, it is executed at the selected price or at a higher one. Usually, this order is placed in anticipation of that the security price, having increased to a certain level, will fall.
  - 2.3.** Buy Stop – a trade order to buy at the “Ask” price equal to or greater than the one specified in the order. The current price level is lower than the value in the order. The moment when the current price rises to the price of the order, it is executed at the selected price or at a higher one. Usually, this order is placed in anticipation of that the security price, having reached a certain level, will keep on increasing.
  - 2.4.** Sell Stop – a trade order to sell at the “Bid” price equal to or less than the one specified in the order. The current price level is higher than the value in the order. The moment when the current price falls to the price of the order, it is executed at the selected price or at a lower one. Usually, this order is placed in anticipation of that the security price, having reached a certain level, will keep on falling.
  - 2.5.** Buy Stop Limit – this type combines the two first types being a stop order for placing Buy Limit. As soon as the future Ask price reaches the stop-level indicated in the order (the Price field), a Buy Limit order will be placed at the level, specified in Stop Limit price field. Usually, this order is placed in anticipation of that the security price, increased to a certain level, will fall to a certain level and then will start increasing again. This type of order is only available in MetaTrader 5.
  - 2.6.** Sell Stop Limit – this type is a stop order for placing a Sell Limit. As soon as the future Bid price reaches the stop level specified in the order (Price field), a Sell Limit order will be placed at the level specified in the Stop Limit Price field. Usually, this order is placed in anticipation of that the security price, having fallen to a certain level, will increase to a certain level and then will start falling again. This type of order is only available on MetaTrader 5.
- 3.** Stop Loss and Take Profit Orders – these are orders that can be executed after a position is opened:
- 3.1.** The Stop Loss Order is a pending order used for minimising losses if the security price has started to move in an unprofitable direction. If the price of the instrument reaches this level, the position is fully closed automatically.
  - 3.2.** The Take Profit Order is a pending order intended for gaining profit when the security price has reached a certain level. Execution of this order leads to a complete closure of the position.
- 4.** Orders related to the validity of pending orders:
- 4.1.** Good-Till-Date – on MetaTrader 4, this order includes the future date, hour and minutes, after which a pending order will be deleted if it remains unfilled. On MetaTrader 5, this function is divided into the following orders:
    - 4.1.1.** Today;

**4.1.2.** Specified – the Client can set the specific date, hour and minute up to which the order remains valid;

**4.1.3.** Specified date – the Client can set the specific date up to the order remains valid.

**4.2.** Good-Till-Cancelled – this order remains valid until it is filled, modified or deleted by the Client.

### Article 22

Order Fill Policies (the selection of a Fill Policy is only available on MetaTrader 5):

- 1.** Return – this policy is only used for market (Buy and Sell), limit and stop limit orders. If filled partially, an order with the remaining volume is not cancelled and is processed further.
- 2.** Fill or Kill – this policy means that an order can be executed only in the specified volume. If the necessary amount of a financial instrument is currently unavailable in the market, the order will not be executed.
- 3.** Immediate or Cancel – this policy allows for the execution of a deal with the volume maximally available in the market within that indicated in the order. In case the order cannot be filled completely, the available volume of the order will be filled, and the remaining volume will be cancelled.

### Article 23

- 1.** Clients can modify or cancel a Pending Order on EBH's trading platforms at any time until it is triggered by the market reaching the price indicated in the order.
- 2.** The Client accepts that once a pending order is triggered, the Client may not modify such an order.
- 3.** If not otherwise specified in the order, an untriggered pending order is not automatically deleted at the end of a trading session.
- 4.** Clients acknowledge that in certain trading conditions (such as, but not limited to, high volatility, low liquidity and market gaps) it may not be possible for EBH to execute pending orders at the specified price. Should such a situation arise, EBH reserves the right to fill the order, or modify the opening and/or closing price, at the next best available price.

## Trading Instructions

### Article 24

EBH's trading platforms are the only location for placing orders, which are executed in accordance with the current policy. EBH does not accept orders through any other means, such as telephone, email or other.

### Article 25

Any additional instruction from the Client may prevent EBH from taking the measures provided for in this policy to achieve the best possible performance when executing an order with respect to the terms of

that instruction. If, at EBH's discretion, the additional instruction deviates significantly from the market situation, EBH may, where it is in the Client's best interest, execute it without following the Client's instructions and apply this Policy.

## Rejection of Orders

### Article 26

1. EBH can refuse to provide a service to the Client, including but not limited to the execution of orders, without providing notice to the Client, when one or more clauses of art. 25 of the Client Agreement become effective.
2. EBH may refuse to execute a pending order and/or modify the opening/closing price in case of highly volatile market conditions, as well as other reasons beyond the control of EBH.
3. The Client acknowledges that EBH may not execute an order if any of the conditions above are met.
4. The Client acknowledges that the Client Agreement shall remain unaffected in the event that EBH refuses to execute a Client's order.

## Margin and Leverage

### Article 27

1. If a Client has an equity level of less than 100% of the required margin, a margin call will be initiated. If the equity continues to drop and falls to 50% of the required margin, EBH will start to close positions, beginning with the most unprofitable. The percentages described in this article can be changed.
2. Clients are required to provide the necessary funds at all times to maintain their open positions.

### Article 28

EBH offers its clients a negative balance protection programme with which EBH guarantees to the Client that trading losses cannot exceed their investment. Negative balance protection applies to all Retail clients.

## Execution Venues

### Article 29

1. EBH executes Client orders at the following execution venues:
  - 1.1. As a single execution venue – acting as a market maker;
  - 1.2. Liquidity providers – acting as an intermediary and transmits Client orders to venues, with which EBH has contracts.

2. When selecting its liquidity providers, EBH follows the factors described in art. 15 in this Policy, by using internal software in terms of analysis of the offered conditions by the respective liquidity provider. The software collects data and forms statistics, which include minimum, maximum and average spread, as well as the average speed of order execution in milliseconds. The above-mentioned data is collected during normal market conditions, as well as during low market liquidity, for example at the time of important macroeconomic events, for the purpose of calculating the average deviation from the normal market conditions. Additionally, when selecting its liquidity providers, EBH takes into consideration the reliability of the technologies used by the liquidity providers, their geographical location, jurisdictions, reputation, and their financial status.
3. The sources of quotes on the platforms of EBH are the liquidity providers with whom the Company has a contract. Based on its analysis, EBH determines the source of quotes for each instrument so that its clients receive the best conditions.
4. The choice of execution venue for the orders shall be made according to the selected type of account by the client and the Risk Management Rules of EBH.
5. EBH publishes comprehensive information on the various types of accounts on its website, including applicable costs. For ECN accounts, orders are executed by EBH's liquidity providers, and with other accounts, orders can be executed by EBH's liquidity providers or by EBH as a market maker, in accordance with the Risk Management Rules of the Company, as the client receives the same conditions in both cases.
6. EBH does not apply different fees depending on the execution venue.
7. EBH does not offer its clients the opportunity to choose an execution venue.
8. EBH does not receive remuneration, discounts or non-monetary benefits in connection with the execution of orders from liquidity providers or third parties.
9. EBH maintains systems that make it easy to identify changes in the quality of execution, and at least annually conducts a thorough analysis of the quality of order execution, comparing a number of parameters on a quarterly basis with publicly available reports of other execution venues according to Delegated Regulation (EU) 2017/575 (RTS 27). The results of this analysis are published on the Company's website in the annual Execution Quality Summary Statement pursuant to Delegated Regulation (EU) 2017/576 (RTS 28).
10. EBH prepares and publishes quarterly on the Company's website, a report on the order execution of the previous quarter pursuant to Delegated Regulation (EU) 2017/575 (RTS 27).
11. When EBH does not operate as a market maker, it places significant reliance on the following execution venues:
  - 11.1. Forex Capital Markets Limited;
  - 11.2. Invast Financial Service Pty LTD;
  - 11.3. True Trade Ltd.

The list of liquidity providers is published on the Company's website, as well as in its annual Execution

Quality Summary Statement. Every Client, on their own, may, upon request, familiarise themselves with the venues where their orders are executed.

## Reporting and Information to Clients

### Article 30

1. EBH sends the following statements to its Clients:
  - 1.1. Daily account statements – daily end-of-day confirmation of account status including data such as open and closed positions pending orders, commissions, swap and other costs, deposits/withdrawals, margin, profit/loss and day-end account balance;
  - 1.2. Monthly account statements – monthly statement of orders, executed transactions, deposits/withdrawals during the month, costs resulting from trade and final account balance.
2. Clients can also access these very same statements in their EBH profile. Alternatively, clients can generate account statements by means of their trading platform(s). Additionally, when trading through trading platforms, the client is considered informed of all significant parameters of the transaction.
3. The client shall be informed about:
  - 3.1. This Policy;
  - 3.2. Financial instruments and the risks connected with them;
  - 3.3. Execution venues;
  - 3.4. Costs and fees of transactions;
  - 3.5. Where client's assets (financial instruments and money) can be stored, by whom client's assets can be stored and what that person's responsibility is.

## Final Provisions

1. EBH will review this Order execution policy at least once a year.
2. EBH regularly monitors the effectiveness of this Policy and, in particular, the quality of order execution and, if necessary, corrects any shortcomings.
3. At least once a year, EBH will provide, publicly, through its website, information on the top five venues for executing the orders of its Clients, as well as on the quality of order execution.
4. The latest updated version of this Policy can be found on the Company's website, where it is always available to all clients and potential clients. EBH notifies its clients about every amendment of this Policy, via a notification published on the Company's website, in the "Company news" section.
5. EBH considers that clients have given their prior consent to this Policy, as well as any subsequent

amendments thereto, if they do not express their explicit disagreement with the policy or the changes made therein, within 7 days of its publication, or of publishing the amendments, respectively, on EBH's website.

6. The present Policy was adopted at a meeting of the managers of EUROPEAN BROKERAGE HOUSE on 27.04.2020 on the grounds of art. 86 of Markets in Financial Instruments Act and art. 65, para 5 of the Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (Delegated Regulation 2017/565).



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