



## **TOP TRADER ORDER EXECUTION POLICY**

**April 30, 2012**

**Version 1.0**

### **Marigold Global Markets Corporation**

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#### **NOTICE**

Please be advised that trading in Derivative Instruments involve, besides the potential for profit, the risk of loss which may under adverse trading conditions exceed the amount of initial margin deposit. Movements in the prices of Derivative Instruments are influenced by a variety of factors of global origin and dimensions many of which are unpredictable. Client may be unable to settle adverse trades during volatile market movements in the prices of Derivate Instruments. Although the staffs of MGMC are in constant touch with market movements, they are unable to guarantee the accuracy of their predictions nor could they guarantee that any loss would not exceed a specified figure.

### 1. INTRODUCTION

- a) Marigold Global Markets Corporation (hereinafter called "MGMC") is a corporation regulated by the Belize International Financial Services Commission (license number IFSC/60/208/TS/12) for Trading in financial and commodity-based derivative instruments and other securities.
- b) Under the above legislation, MGMC takes all reasonable steps to obtain the best possible result (or "best execution") on behalf of its clients either when executing client orders or receiving and transmitting orders for execution. These rules require firms to put in place an execution policy which sets out how it will obtain best execution for its clients and to provide appropriate information to its Clients on its order execution policy.
- c) This Policy forms part of our agreement. Therefore, by entering into an agreement with MGMC, you are also agreeing to the terms of our Financial Instruments order execution policy, as set out in this document.

### 2. SCOPE AND SERVICES

- a) The Policy is effective from 1st May, 2012 and applies to retail and institutional clients.
- b) This Policy applies when executing transactions for the client for the Financial Instruments provided by MGMC. The Financial Instruments provided by MGMC are derivatives of an underlying financial instrument and it is up to MGMC's discretion to decide which types of Financial Instruments to make available and to publish the prices at which these can be traded. MGMC, through its trading platform, provides the client with live streaming prices, "Quotes", along with a breakdown of the available volumes, "market depth" as received from its liquidity providers. MGMC is always the counterparty (or principal) to every trade. Therefore if the Client decides to open a position in a Financial Instrument with MGMC, then that open position can only be closed with MGMC.
- c) The Client is given the option to place with MGMC the following orders for execution in the following ways:
  - (1) The Client places a "market order" which is an order instantly executed at a price that MGMC has provided. The client may attach to a market order a Stop Loss and/or Take Profit. Stop Loss is an order to limit Client's loss, whereas Take Profit is an order to limit Client's profit.
  - (2) The Client places a "pending order", which is an order to be executed at a later time at the price that the Client specifies. MGMC will monitor the pending order and when the price provided by MGMC reaches the price specified by the Client, the order will be executed at that price. The following types of pending orders are available: Buy Limit, Buy Stop, Sell Limit and Sell Stop. The Client may attach to any pending order a Stop Loss and/or Take Profit.
- d) The client may modify an order before it is executed. The Client has no right to change or remove Stop Loss, Take Profit and Pending Orders if the price has reached the level of the order execution.

### 3. BEST EXECUTION

- a) MGMC shall take all reasonable steps to obtain the best possible result for the client taking into account the following factors when executing the client's orders against MGMC quoted prices:
- b) Price
  - (1) Bid - Ask Spread: For any given Financial Instrument MGMC will quote two prices: the higher price (ASK) at which the client can buy (go long) that Financial Instrument, and the lower price (BID) at which the client can sell (go short) that Financial Instrument; collectively they are referred to as MGMC price. The difference between the lower and the higher price of a given Financial Instrument is the spread.

- (2) Pending Orders: Such orders as Buy Limit, Buy Stop and Stop Loss / Take profit for opened short position are executed at ASK price. Such orders as Sell Limit, Sell Stop and Stop Loss / Take profit for opened long position are executed at BID price.
- (3) MGMC price: The MGMC price for a given Financial Instrument is calculated by reference to the price of the relevant underlying financial instrument, which MGMC obtains from third party external reference sources. The prices are constructed with reference to the given Financial Instrument Specification, which can be found in the MGMC website. MGMC updates its prices as frequently as the limitations of technology and communication links allow. MGMC reviews its used third party external reference sources at least once a year, to ensure that the data obtained continue to be competitive. MGMC will not quote any price outside MGMC operations time (see execution venue below) therefore no orders can be placed by the Client during that time.

### c) Costs

- (1) For opening a position in some types of Financial Instruments the Client may be required to pay commission or financing fees, if applicable, the amount of which is disclosed in the Contracts Specification in the MGMC website.
  - (i) Commissions: Commissions may be charged either in the form of a percentage of the overall value of the trade or as a fixed amount.
  - (ii) Financing Fee: In the case of financing fees, the value of opened positions in some types of Financial Instruments is increased or reduced by a daily financing fee "swap" throughout the life of the contract. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on the Financial Instruments Contracts Specifications section in the MGMC website.
- (2) For all types of Financial Instruments that the company offers, the commission and financing fees are not incorporated into the MGMC quoted price and are instead charged directly to the Client's account.

### d) Speed of Execution

- (1) As it is explained in the Execution Venue section of this Policy, MGMC acts as principal and not as agent on the Client's behalf; therefore, MGMC is the sole Execution Venue for the execution of the Client's orders for the Financial Instruments provided by MGMC. MGMC places a significant importance when executing Client's orders and strives to offer high-speed execution within the limitations of technology and communication links. The use of wireless connection or dial-up connection or any other form of unstable connection at the Client's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the Client and MGMC when using MGMC's Electronic Trading Platform. This delay may result in sending to MGMC invalid "market orders" which will be declined by MGMC or an updated price will be sent to the client for approval before execution (i.e., re-quoting).

### e) Likelihood of Execution

- (1) As it is explained in the Execution Venue section of this Policy, MGMC acts as principal and not as agent on the Client's behalf; therefore, MGMC is the sole Execution Venue for the execution of the Client's orders for the Financial Instruments provided by MGMC. Although MGMC executes all orders placed by the Clients, it reserves the right to decline an order of any type or to offer the Client a new price for "market order". Ultimately, the Client can either accept or refuse the new price as explained in the Client Agreement.
- (2) Orders: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop on Financial Instrument contracts are executed at price requested by the Client on the first current price touch. But under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) on any Financial Instrument contract at the requested price. In this case MGMC has the right to execute the order at the next best price. This may occur, for example, in the following cases:

- (i) Trading Session starting moments,
- (ii) During news releases,
- (iii) During volatile markets where prices may move significantly up or down and away from declared price,
- (iv) Where there is rapid price movement, if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange, trading is suspended or restricted,
- (v) If there is insufficient liquidity for the execution of the specific volume at the declared price,

- (3) MGMC strives to provide the best possible price to its clients, and makes every effort and necessary arrangements to do so. However it may be impossible to guarantee the execution of any or all of the pending orders at the declared price.

### f) Settlement

MGMC shall proceed to the settlement of all transactions upon execution of such transactions.

### g) Size of order

- (1) The minimum size of an order is 0.1 lots (one tenth of a lot). A lot is a unit measuring the transaction amount and it is different for each type of Financial Instrument. Please refer to the Financial Instruments contract Specification in the MGMC website for the value of each lot for a given Financial Instrument type. Although there is no maximum size of an order that the Client can place with MGMC, MGMC reserves the right to decline an order as explained in the Client Agreement.
- (2) MGMC makes every effort to fill the order of the client irrespective of the volume. However, for this to be achieved, it may be the best available price, different from the requested price, as the market liquidity may allow at the time of execution. (See likelihood of execution)

### h) Market Impact

- (1) Some factors may affect rapidly the price of the underlying financial instruments from which the quoted MGMC price for its Financial Instruments is derived. These factors may influence some of the factors listed above. MGMC will take all reasonable steps to obtain the best possible result for its Clients.
- (2) MGMC does not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor.
- (3) Nevertheless, whenever there is a specific instruction from the client the MGMC shall make sure that the Client's order shall be executed following the specific instruction.
- (4) MGMC will determine the relative importance of the above factors by using its commercial judgment and experience in light of the information available in the market and taking into account the criteria described below:
- (i) the characteristics of the client including the categorization of the client as retail or institutional.
  - (ii) the characteristics of the Client's order
  - (iii) the characteristics of financial instruments that are the subject of that order
  - (iv) the characteristics of the execution venues to which that order can be directed.

- (5) For retail clients, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to the execution, which shall include all expenses which are incurred by the client that 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.

#### **4. EXECUTION VENUES**

- a) Execution Venues are the entities with which the orders are placed or to which MGMC transmits orders for execution. For the purposes of orders for the Financial Instrument provided by MGMC, MGMC acts as principal and not as agent on the Client's behalf; therefore MGMC is the sole Execution Venue for the execution of the Client's orders. MGMC does not transmit the Client order in the external market if the order is for the financial instrument provided by the MGMC.
- b) MGMC operation time: round-the-clock from 00.00.01 A.M. (GMT +2) Monday through 00.00.00 Belize Time (GMT +2) Friday. Non working periods: from 00.00.01 Belize Time (GMT +2) Saturday through 00.00.00 Belize Time (GMT +2) Sunday. Holidays will be announced through the internal mail of the trading terminal supplied by MGMC..
- c) MGMC places significant reliance to the above Execution Venue based on the above mentioned factors and their relevant importance. It is MGMC's policy to maintain such internal procedures and principles in order to act in the best interest of its Clients and provide them the best possible result (or "best execution") when dealing with them.
- d) The Client acknowledges that the transactions entered involving Financial Instruments with MGMC are not undertaken on a recognized exchange, rather they are undertaken through MGMC's Trading Platform and, accordingly, they may expose the Client to greater risks than regulated exchange transactions. Therefore MGMC may not execute an order, or it may change the opening (closing) price of an order in case of any technical failure of the trading platform or quote feeds. The terms and conditions and trading rules are established solely by the counterparty which in this case is MGMC. The Client is obliged to close an open position of any given Financial Instrument during the opening hours of the MGMC Trading Platform. The Client also has to close any position with the same counterparty with whom it was originally entered into, thus MGMC.

#### **5. MONITOR AND REVIEW**

- a) MGMC will monitor on a regular basis the effectiveness of this Policy and, in particular, the execution quality of the procedures explained in the Policy and, where appropriate, reserves the right to correct any deficiencies.
- b) In addition, MGMC will review the Policy at least annually. A review will also be carried out whenever a material change occurs that affects the ability of MGMC to continue with the best possible result in the execution of its client orders on a consistent basis using the venues included in this Policy. MGMC will notify its affected clients on any changes in its Policy.

#### **6. CLIENT CONSENT**

- a) When establishing a business relation with the Client, MGMC is required to obtain the Client's prior consent to this Policy. MGMC is also required to obtain the Client's prior express consent before it executes or transmits its order for execution outside a regulated market or an MTF (Multilateral Trading Facility).
- b) MGMC may obtain the above consents in the form of a general agreement where the Client is informed that any orders placed with MGMC for the Financial Instruments offered by MGMC, MGMC acts as the principal and MGMC is the sole Execution Venue which is a non-regulated market.

**7. IMPORTANT INFORMATION**

- a) CFDs are not eligible for sale in certain jurisdictions or countries. The Notice is not directed to any jurisdiction or country where its publication, availability or distribution would be contrary to local laws or regulations, such as the United States of America. The Notice does not constitute an offer, invitation or solicitation to buy or sell CFDs. It may not be reproduced or disclosed (in whole or in part) to any other person without prior written permission. The Notice is not intended to constitute the sole basis for the evaluation of the client's decision to trade in CFDs.

**8. FAQs**

- a) Questions regarding the Terms and Conditions should be addressed, to the Customer Support Department.

**9. ADDITIONAL CONTACT**

- a) Customer Support Department

Email: [support@mgmc-belize.com](mailto:support@mgmc-belize.com)  
Telephone: +501.2236910

- b) Compliance Department

Email: [compliance@mgmc-belize.com](mailto:compliance@mgmc-belize.com)  
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