

Order Execution Policy

1. INTRODUCTION

ICM Brokers (referred to herein as “we”, “us”, “our” or “Company”) is committed to treating its customers fairly. When executing an order on financial instruments on behalf of customers, we will take all sufficient steps to carry out these trades as per this Order Execution Policy.

In accordance with our corporate guidelines, ICM Brokers is required to inform its clients (you) about the policy for executing client Trades and Orders.

This policy should be read in conjunction with the Account Application, the Terms and Conditions document and the Risk Disclosure. Please contact our customer service desk should you require any clarification.

2. ICM BROKERS

ICM Brokers provides trading services on a wide variety of asset classes including foreign exchange, metals, energy, commodity, indexes, and share CFDs and off-exchange derivatives. Every market quoted by ICM Brokers is derived directly from an underlying financial instrument sourced from an exchange or from a wholesale quoting counterparty (i.e. FX quoting banks and financial institutions). ICM Brokers decides which markets to quote, the times at which those markets are quoted, and publishes via its trading platforms those quotes on which clients may be able to trade. ICM Brokers is the counterparty (or ‘principal’) to every trade. This means that you must open and close every trade with ICM Brokers and cannot close an open trade made with ICM Brokers with a third party and vice versa. ICM Brokers is required to take all reasonable steps to ensure the best possible result when executing clients’ instructions.

3. TRADE EXECUTION POLICY

Where you provide us with specific instructions on how to execute your trade or order, then this will remove the obligation from ICM Brokers to take all reasonable steps to obtain the best possible execution result by the consequences of following your instructions.

When we open and close trades for you, we will take all reasonable steps to achieve the best possible result for you by opening and closing those trades according to our Order Execution Policy and subject to any specific instructions received from you. In all circumstances, when you place an order to open or close a trade with us, you are giving our automated platform instructions for your account based on the prices generated by the platform. These prices are generated electronically from various sources and therefore may not exactly match prices quoted elsewhere.

The price at which an order is executed on the trading platform may not be the same as the price originally traded upon by you, and in some cases may be less favorable due to market volatility from the time you place your order until the time it is executed on the platform. If your trade is made over the telephone then, assuming there is no ‘price error’ or ‘price change’ due to a delay in accepting a dealer’s price, your trade will be executed at the price confirmed and displayed in your account on the platform.

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There may be instances of technical platform down time or failure to generate prices, in which case ICM Brokers assumes no liability and the client indemnifies and holds ICM Brokers harmless as per Section 3.10 and 21 of our Terms and Conditions.

All trade executions are subject to size considerations. If the requested trade size is larger than what ICM Brokers is able to trade in the underlying market instrument on the relevant exchange at that time, the entire trade or order may be rejected, though ICM Brokers may offer greater liquidity than the underlying market at its discretion. ICM Brokers may make a 'partial fill' on any trade, especially in the case of a telephone trade. Every market quoted by ICM Brokers has an absolute minimum and maximum permitted size; this can be found on the Account Type sheet and/or Contract Specification sheets available on the web site. This maximum trade size may vary due to market conditions and is always at the discretion of the ICM Brokers dealers and risk managers.

At the time that an order is presented for execution, the specific price requested by the client may not be available; therefore, the order will be executed close to or a few pips away from the client's requested price. If the execution price is better than the price requested by the client this is referred to as 'positive slippage'. In contrast, if the execution price is worse than the price requested by the client this is referred to as 'negative slippage'. Please be advised that 'slippage' is a normal market practice and a regular feature when trading CFDs and off-exchange derivative instruments under conditions such as illiquidity and volatility due to news announcements, economic events, market holidays and market openings. ICM Brokers' automated execution software does not operate based on any individual parameters related to the execution of orders through any specific client accounts.

Open positions on Share CFD Contracts will be closed at the closing price of the previous trading session in case of major corporate actions such as, but not limited to, mergers, takeovers, rights issues, dividends or stock splits that may affect the price of the underlying share.

No order will be filled outside of ICM Brokers' specified quoting hours. Please note that markets may continue to trade outside of the quoting hours offered by ICM Brokers but in these cases there is significant potential of gapping, which is why ICM Brokers closes the trading session.

4. TRADE AND ORDER

There are three types of instructions that our clients may give to execute or initiate a transaction with ICM Brokers.

Market Order - This is where you give an immediate instruction to buy or sell on our currently quoted price.

Limit Order - This is where you give an immediate instruction to execute a trade at a price that is more favorable than our current quoted price. Limit Orders can be used to book a profit on an existing open position or to initiate a new position.

Stop Order - This is where you give an immediate instruction to execute a trade at a price that is less favorable than our current quoted price. Stop Orders can be used to stop a loss on an existing open position or to initiate a new position. Stop Orders, when triggered, are processed similar to Market Orders.

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For a Limit or Stop Order to be accepted by us, it should be placed a minimum number of pips away from the currently quoted price. If a Limit or Stop Order is placed within the current bid-ask spread, it shall be deemed invalid and will be automatically cancelled. Once accepted by us, a Limit or Stop Order will be automatically executed once the relevant market quotation reaches or goes past the level of your Order. It is important to note that during volatile market conditions, the relevant market quotation may have well-exceeded your Order level by the time your Order is actually executed.

Good Till Cancelled or GTC (= Expiry) is an execution setting that the client may apply to Limit or Stop Orders where the order will remain active and pending for execution until such time when the order is triggered or cancelled by the client. All "GTC" Orders relating to proposed Expiry Trades that expire on a monthly or quarterly basis (such as Futures CFD instruments) will automatically be cancelled when the contract expires.

5. HEDGING POSITIONS

Hedging positions on the trading platform is allowed on all the financial instruments offer by the Company. However, closing one direction of the hedged positions will be allowed only based on the Available Free Margin, which will be indicated on the trading platform.

6. OPEN POSITIONS & OVERNIGHT FINANCING

Open positions can be held by clients indefinitely.

Open positions on the following asset classes, if held over a specified time period, will start incurring Overnight Financing charges. Specifically:

- Spot FX CFDs will incur Overnight Financing charges if held beyond 365 days
- Spot Gold CFDs will incur Overnight Financing charges if held beyond 365 days
- Spot Silver CFDs will incur Overnight Financing charges if held beyond 90 days
- Stock CFDs will incur Overnight Financing charges if held beyond 180 days

Open positions on the following asset classes will start incurring Overnight Financing charges immediately and on a daily basis:

- FX Futures CFDs will incur Overnight Financing charges on a daily basis
- Gold Futures CFDs will incur Overnight Financing charges on a daily basis
- Silver Futures CFDs will incur Overnight Financing charges on a daily basis

7. PRICING POLICY

ICM Brokers quotes prices with reference to a variety of factors which include the 'underlying market' price, the spread quoted by ICM Brokers, the time to expiry of the market, any stock splits, interest rates, competitor pricing and weight of client business.

Price – Our prices originate from exchanges or from wholesale quoting counterparties and are derived from the underlying price of the asset. We conduct heavy due diligence before working with such counterparties including reliability and speed of their systems. We may use the same counterparties to cover our exposure from clients' positions but that should not affect our commitment to deliver the best prices to you.

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Spread – Spreads are a reflection of the volatility in the instrument you are trading or the underlying price of the asset. None-the-less, we are committed to providing you with competitive spreads comparative to the industry.

Further information on spreads for each market may be found on our Contract Specifications sheets available on our web site. In exceptional circumstances such as increased volatility or illiquidity in relation to the underlying market concerned, ICM Brokers may be forced to alter and widen the spreads.

8. EXECUTION VENUES

The Client acknowledges that the transactions entered into with the Company for the financial instruments provided by the Company are undertaken through the trading platform of the Company.

The Orders will be executed on an 'over the counter' basis rather than on a regulated market or a Multilateral Trading Facility and the Client is exposed to a greater risk of a possible default of the counterparty (i.e., the Company). The Company reserves the right to decline the execution of an order, or to change the opening or closing price of an order in case of any technical failure of the trading platform, quote feed or any other unforeseen event.

The terms and conditions and trading rules are established solely by the counterparty which in this case is the Company. The Client is obliged to close an open position of any given Financial Instruments during the opening hours of the Company's Electronic Trading Platform. The Client also must close any position with the same counterparty with whom it was originally entered into, thus the Company.

9. POLICY UPDATE

ICM Brokers will regularly monitor this Execution Policy to ensure that we comply with all internal or external regulatory requirements and will continually review the various execution venues we use to fulfill our best execution guiding principle.