

# **Execution Quality Summary Statement for the year 2020**

**(Pursuant to the Regulatory Technical Standards to Identify Venues and  
Quality of Execution – RTS28)**

**COLMEX PRO LTD  
CIF 123/10**

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## Introduction

Colmex Pro Ltd. (hereinafter, the “Company”), an Investment Firm authorized and regulated by the Cyprus Securities and Exchange Commission with License Number 123/10, is committed to continuously obtaining the best possible outcome with respect to its clients’ orders.

Under Regulation EU 2017/576 of June 8, 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution, the company is required to publish an Execution Quality Summary Statement (hereinafter, the “EQSS” or the Statement). The EQSS is a summary of the company’s assessment of the quality of execution obtained on the execution venues where it executed all client orders during the year 2020 (hereinafter, the “Year Under Review”), and providing information on the orders executed via the top 5 execution venues, for each class of financial instruments.

The EQSS along with the accompanied tables will remain on the Company’s website for two years at least post its publication. This document is solely for your own use and cannot be published elsewhere without the written consent of the Company.

## Explanatory Notes:

- **Passive order** means an order entered onto the order book that provided liquidity.
- **Aggressive order** means an order entered onto the order book that took liquidity.
- **Directed order** means an order where a specific execution venue was specified by the client prior to the execution of the order.

## Relative importance of execution factors

When executing Clients’ Orders, the Company takes sufficient measures to obtain the best possible results for its clients, as required by the order execution requirements laid down in MiFID II.

The company is doing so in its role as a principal and the sole execution venue for over the counter **CFD** instruments and as an agency with respect to **Equities** (Shares & Depository Receipts), **Exchange traded products** (Exchange traded funds, exchange traded notes etc.), and **Options** for which orders are executed via execution venues in a third country (United states) and traded on regulated execution venues.

Factors taken into consideration when assessing the execution quality of clients' orders for retail and professional clients, in the order of importance, are:

- a) Price;
- b) Cost as a total consideration
- c) Speed of execution;
- d) Likelihood of execution;

When assessing the quality of execution, the company puts greater emphasis on price and transactional costs.

Speed of execution is an important consideration as well. The company utilizes trading platforms and execution venues which provide a satisfactory level of order execution speed.

Likelihood of execution is achieved due to the liquid nature of the financial products the company offers to its clients.

You are welcome to find information about the company's execution policy in the following link: <https://www.colmexpro.com/legal-documentation/>

In addition, you can find information about commissions, fees, and other costs related to execution of orders on the Company's website using the following link: <https://colmexpro.com/pricing/>

## Other execution factors and criteria

- Likelihood of settlement – in its role as an agency with relation to US traded equities, ETPs, and options the company holds a custody account with Apex clearing. Taking into consideration market likelihood of settlement and lack of sufficient regulation, Pink sheets, which are listings for stocks that trade over-the-counter (OTC) rather than on a major U.S. stock exchange, are limited through the Company.
- For the foregoing reasons, certain equities and exchange traded products which does not meet certain market cap and price requirements are restricted.
- Short selling of Initial Public Offering ('IPO') stock is unlikely during the first 30 days of trading on the stock exchanges. CFD products on the underlying securities will be available for short selling.
- In all products and execution types, during an exchange-initiated halt of quotes/trading, trading on the halted security will be restricted. The company, at its own discretion, might temporarily or permanently restrict a CFD instrument from being traded if the underlying security exhibits exchange initiated halts of quotes/trading, in order to protect the interests of the clients.
- By complying with the United States market manipulation regulations, orders on Equities, ETPs, and options which exhibits high volatility or irregular market behaviour, might be delayed for review by our US based intermediary broker before relayed to an execution venue.

The above criteria are aimed to protect the client from irregular market conditions and to ensure other execution factors will not be at their disadvantage in these exceptional cases.

## Evaluation of Execution venues/Liquidity providers

In the year under review, for all financial instruments and trading platforms, the company monitored, evaluated, and adjusted where applicable, its price feed and execution providers.

Main factors used in evaluating existing and potential Liquidity/quotes providers:

- Price fairness
- Price frequency and reliability (real time tick updates)
- Outages/failure in provision of liquidity
- Transaction costs
- Ratings

Price fairness and frequency of quotes evaluation was conducted by comparing between different liquidity/price feed providers as well as by comparisons to market information relayed by independent market data providers. For this purpose, the company holds a subscription to an independent market data provider.

In relation to CFD products, in the year under review, the company engaged in an active procurement to enter into new contractual agreements with liquidity/price feed providers, guided by the foregoing principals.

In addition, to secure the best execution for its clients the company acts by altering between existing quotes providers. This action is performed, inter alia, with relation to specific instruments when deemed necessary.

In relation to its role as an agent regarding Equities, ETPs, and options the company and its intermediary US based brokers are applying due monitoring and evaluation to ensure best execution for its clients. For that purpose, the company operates a smart route which directs clients' orders to different execution venues (US based Market makers and ECNs).

Primary factors used by the smart route mode of operation:

- Price
- Likelihood of execution
- Nature of the order (Passive/Aggressive)
- Depth of liquidity

## DEA and routes information

Pursuant to ESMA's instructions (Q&A ESMA35-43-349 25 May 2018), the identity of the execution venue in cases of direct electronic access (DEA), ESMA considers the intermediary firm providing the services to be listed as the execution venue. In addition, ESMA states that the identity of the primary execution venues selected directly ("directed order") should be disclosed to deliver a complete picture of the order routing arrangements. Orders processed by automated route systems ("smart route") are considered non directed orders. Smart route option was introduced in May 2017. Current data indicates that 80% of orders related to Equities and ETPs are not directed orders. The automated route system does not apply to options and therefore any order concerning options would be considered a Directed Order.

## Evaluation of execution quality and technological suitability

The company reviews on a regular basis the effectiveness of its trading systems. Appropriate measures are taken to ensure that interface responsiveness, lag and the integration with execution technology providers systems are appropriate and at a satisfactory level.

- Orders and quote servers are monitored and periodically added/replaced to prevent excessive overload which can result in outages and lagging.
- Irregular quotes breaks or erroneous execution are examined against liquidity providers and/or integration and technology providers, and measures to correct and/or prevent such occurrences are comprehensively taken.
- Clients order executions are periodically reviewed and compared with data of independent market data providers to ensure the company fulfils its best execution requirements.

## Conflict of interest with respect to execution venues

The Company lists (non-exhaustive) the possible conflicts of interest it is facing (inclusive of conflicts of interest in relation to the execution venues it uses) as well as the relative mitigation measures in its conflicts of interest summary policy which you can find in the following link: <https://www.colmexpro.com/legal-documentation/>

In the year under review, the Company's arrangements with its liquidity providers stipulated that the Company does not receive any monies or non-monetary benefits from the liquidity providers for the execution of Clients orders. For orders executed via US based execution venues fees for adding/removing liquidity might be received/paid. The fees structure is publicly available and the company or its intermediary US based broker has no direct arrangements deviating from the publicly available fees published by the above-mentioned execution venues.

In addition, during the year under review the company did not have close links or/and common ownerships with respect to its execution venues and/or liquidity providers.

## Retail clients and Professional clients

By virtue of the applicable regulatory framework, the company is required to provide to retail clients best execution in accordance with total consideration whereby total consideration represents the price of the Financial Instrument and the costs related to execution, which 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, as applicable. In the year under review there existed no differentiation between professional and retail clients with relation to order execution, hence, the company did not waive any of the requirements related to order execution in its engagement with professional clients.

## Summary of the analysis and conclusions

The analysis and conclusions drawn from our monitoring of the quality of execution, including RTS27 reports, confirm that the execution venues and brokers used to execute client orders in equities instruments coincide with our defined standards in providing best execution to our clients on a consistent basis.

On the role of the execution venue for CFD instruments our analysis concludes that we utilize trading platforms and trading technology providers which enables clients to receive reliable and frequent price quotation and a satisfactory speed of execution. The company constantly seeks to improve clients' trading platforms and their reliable performance.

## Top execution venues per class of instruments

The Company's top 5 execution venue for retail and professional clients during 2020 are the following:

### Retail

1.

Class of Instrument	Contracts for difference (CFDs)				
Notification if <1 average trade per business day in the previous year	NO				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Colmex pro ltd LEI(213800R72FXE6691UM97)	100%	100%	0	0	0

2.

Class of Instrument	Depository Receipts				
Notification if <1 average trade per business day in the previous year	NO				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ViewTrade Securities Inc. LEI(549300CHLQDUD0NL5851)	100%	100%	37%	63%	23%

3.

Class of Instrument	Exchange-Traded Fund				
Notification if <1 average trade per business day in the previous year	NO				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ViewTrade Securities Inc. LEI(549300CHLQDUD0NL5851)	100%	100%	48%	52%	18%

4.

Class of Instrument	Transferable Securities				
Notification if <1 average trade per business day in the previous year	NO				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ViewTrade Securities Inc. LEI(549300CHLQDUD0NL5851)	100%	100%	35%	65%	24%

5.

Class of Instrument	Options				
Notification if <1 average trade per business day in the previous year	NO				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ViewTrade Securities Inc. LEI(549300CHLQDUD0NL5851)	100%	100%	0	100%	100%

## Professional

1.

Class of Instrument	Contracts for difference (CFDs)				
Notification if <1 average trade per business day in the previous year	NO				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Colmex pro ltd LEI(213800R72FXE6691UM97)	100%	100%	0	0	0

2.

Class of Instrument	Depository Receipts				
Notification if <1 average trade per business day in the previous year	NO				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ViewTrade Securities Inc. LEI(549300CHLQDUD0NL5851)	100%	100%	0	100%	100%

3.

Class of Instrument	Exchange-Traded Fund				
Notification if <1 average trade per business day in the previous year	NO				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ViewTrade Securities Inc. LEI(549300CHLQDUD0NL5851)	100%	100%	0	100%	100%

4.

Class of Instrument	Transferable Securities				
Notification if <1 average trade per business day in the previous year	NO				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ViewTrade Securities Inc. LEI(549300CHLQDUD0NL5851)	100%	100%	0	100%	7%