

Execution Venues and Quality Summary Statement

Introduction

IQOption Europe Ltd (the "Company"), is a Cyprus Investment Firm with registration number HE327751 formed under the Laws of Cyprus and regulated by the 'Cyprus Securities and Exchange Commission (CySEC)' with license number 247/14 and with its registered office at Yiannis Nicolaides Business Center, Agiou Athanasiou Avenue 33, 4102, Agios Athanasios, Limassol, Cyprus.

During the preceding year, the Company was required to provide its clients and/or potential clients with information regarding all reasonable steps taken in order to obtain the best possible results (or "best execution") on behalf of Clients.

The obligation of the Company to provide best execution applied to both retail and professional Clients (the "Clients"), but not to Eligible Counterparties.

The present Execution Quality Summary Statement (the "Statement"), shall provide information on the Company's Order Execution Policy and shall include analysis and conclusions that the Company draw from its detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in the previous year.

Assessing the quality of execution:

The Company has given relative importance to the execution factors of price, costs, speed, likelihood of execution and any other consideration including qualitative factors when assessing the quality of execution. In particular, when executing Clients' orders, the Company has taken into account the following "Execution Factors", in order to obtain the best possible result for its Clients:

- Price
- Costs
- Speed and likelihood of execution and settlement
- Size and nature
- Market conditions and variations

- Any other consideration relevant to the execution of the order

During the previous year, the Company provided the services of reception, transmission and execution of Clients' orders in relation to the following Financial Instruments:

- Digital Option Contracts in stocks, commodities, indices and currency pairs;
- Contracts for Differences (CFDs) in stocks, stock options, commodities, ETFs and currency pairs.

In 2017, the Company's sole execution venue was IQOption Liquidity Ltd (the "Execution Venue"). The Company in selecting an execution venue for the execution of a transaction, considered in respect of the venue concerned the following:

- reliability of the venue;
- price;
- creditworthiness of the venue
- liquidity available for the financial instrument concerned; speed of execution;
- continuity of trading;
- cost of execution
- quality of any related clearing and settlement facilities

The Company in order to obtain the best possible results for its clients has taken the following steps for each class of financial instruments:

Clients Trading in Digital Option Contracts:

Price: The Company quoted one price at which the Client could open an order. Prices for any given option were calculated by reference to the BID and ASK prices of the relevant underlying financial instrument and could be found on the Company's trading platform. Prices were obtained from reputable third-party price feeders and provided by the Company's Execution Venue. Prices were updated frequently as the limitations of technology and communication links allow. The Company ensured that the Client would have received the best price by guaranteeing that the calculation of the quoted prices was made with reference and compared to a range of underlying price providers and data sources. The Company additionally ensured to monitor its Execution Venue(s) on an

ongoing basis and review their performance at least annually to confirm that relevant and competitive pricing is offered.

Under certain trading conditions, it may have been impossible for the Company to execute an Order at the clients' requested price. In such cases, the Company reserved the right to execute the Order at the first available price.

Costs: No commissions or financing fees were charged by the Company for Digital Option Contracts trading. The Company reserved the right to, at any time, apply such charges in the future with prior notice to the Client.

Speed of Execution: The Company did not execute the Client orders as a principal to principal against the Client, for the execution of the Client's Order. The Company was arranging for the execution of Client orders with the Execution Venue. The Company was striving to offer a high speed of execution however, in certain circumstances, the quoted price may no longer have been representative of the underlying market price and may have been resulted in Client placing his/her Order at a delay, this may result in orders being executed at a better or worse prevailing price offered by the Company.

Likelihood of Execution: The Company was arranging for the execution of Client orders with the Execution Venue, as such, execution may at times be difficult. The likelihood of execution depends on the availability of the prices of the Execution Venue(s). In some instances, it may not be possible to arrange an Order for execution during abnormal market conditions. In the event that the Company was unable to proceed with an Order in relation to price or size or any reason, the Order was going to be executed at the first available price or not executed at all. The Company did not accept any orders outside of the market hours of the relevant underlying financial instrument.

Likelihood of Settlement: The Company proceeded with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction. The Options offered by the Company did not involve the delivery of the underlying asset, so they were not settled physically as there would be for example if the Client had bought Shares. All Options are cash settled.

Size of Order: All orders were placed in monetary values. The Client was able to place an order as long as he had enough balance in his IQOption trading account. If the Client wished to execute a large Order, in some cases the price may become less favourable. The Company reserved the right to decline an Order in case the size of the Order is large and could not be filled by the Company.

Market Impact: Some factors may rapidly affected the price of the underlying instrument/product from which the Company's quoted price was derived and may also affected other factors listed herein.

Clients Trading in CFDs:

Price: The price for a given contract was calculated by reference to the price of the relevant underlying financial instrument. For any given CFD, the Company quoted two prices: the higher price (ASK) at which the Client could buy that CFD, and the lower price (BID) at which the Client could sell that CFD. Collectively, the ASK and BID prices were referred to as the Company's prices and could be found on the Company's trading platform. Prices were obtained from reputable third-party price feeders and provided by the Company's Execution Venue. Prices were updated frequently as the limitations of technology and communication links allow.

The Company ensured that the Client would receive the best price by guaranteeing that the calculation of the quoted prices was made with reference and compared to a range of underlying price providers and data sources. The Company additionally ensured to monitor its Execution Venue(s) on an ongoing basis and reviewed their performance at least annually to confirm that relevant and competitive pricing is offered. Under certain trading conditions, it may be impossible to execute an Order at the clients' requested price. In such cases the Company reserved the right to execute the Order at the first available price.

Costs: In most circumstances, a spread was applied, and no other charges or commissions were payable by Clients. The spread was dynamic for certain Financial Instruments and may take into account factors such as liquidity in external markets for the underlying financial instrument and competitor pricing.

The Company reserved the right to charge the Client a swap fee (of 0.03% of the face value of the position) for keeping a position open overnight. The Company reserved the right to charge a commission for opening an unleveraged Cryptocurrency CFD trading position which should vary from 1% to 2.5% of the transaction. For leveraged CFD cryptocurrency positions, the Company would charge a commission fee of up to 5% of the transaction.

In certain circumstances the Company reserved the right to alter the spreads offered. In other circumstances, clients may have been charged overnight funding premiums. The Company reserved the right to, at any time, apply such charges in the future with prior notice to the Client.

Speed of Execution: The Company did not execute the Client orders in CFDs as a principal to principal against the Client, i.e. the Company is not the Execution Venue. The Company arranged for the execution of Client orders with the Execution Venue. The Company was striving to offer a high speed of execution however, in certain circumstances, for example low internet speed or market volatility, the quoted price may no longer be representative of the underlying market price and may have resulted in the Client placing his/her Order at a delay, this may have been resulted in orders being executed at a better or worse prevailing price offered by the Company.

Likelihood of Execution: The Company arranged for the execution of Client orders with the Execution Venue, as such, execution may at times be difficult. The likelihood of execution depended on the availability of the prices of the Execution Venue(s). In some

instances, it may not have been possible to arrange an Order for execution during abnormal market conditions. In the event that the Company was unable to proceed with an Order in relation to price or size or any reason, the Order was executed at the first available price or not executed at all.

The Company did not accept any orders outside of the market hours of the relevant underlying financial instrument.

Likelihood of Settlement: The Company proceeded to the settlement of all transactions upon the execution and/or time of expiration of the specific transaction. The CFDs offered by the Company did not involve the delivery of the underlying asset, so they did not settle physically. All CFDs were cash settled.

Size of Order: All orders were placed in monetary values. The Client was able to place an order as long as they have enough balance in their IQ Option trading account. The minimum and maximum size of an Order may have been different for each type of CFD. If the Client wished to execute a large Order, in some cases the price may have been less favourable. The Company reserved the right to decline an Order in case the size of the Order is large and could not be filled by the Company.

Market Impact: Some factors may have rapidly affected the price of the underlying instrument/product from which the Company's quoted price was derived and may also affected other factors listed herein.

The Company did not consider the above list exhaustive and the order in which the above factors are presented shall not be taken as priority factor.

Best Execution and Conflicts of Interests:

During the preceding year, the Company transmitted its orders to the execution venue IQOPTION Liquidity LTD. This execution venue was affiliated with the Company since the Company and the Execution Venue had common ownership.

During the previous year, the Company may have entered into PFOF arrangements. Payment for order flow ("PFOF") is the practice of a firm that executes client orders receiving commissions both from the client originating the order and from the counterparty with whom the trade is executed.

Execution of Orders Payments/Commissions:

An Agreement for the provision of liquidity and Market Making services was executed between the Company and the execution venue. Under this Agreement, the Company was entitled to a commission provided from the execution venue equal to 0% - 6.1% of the clients' turnover. The execution venue may have paid the Company an additional commission based on the clients' turnover.

Order Execution for Retail and Professional clients:

Price and costs were ordinarily being of high relative importance in obtaining best possible results.

However, in some circumstances, reference to the “Execution Criteria” may appropriately determine that Execution Factors have greater importance in achieving the best possible result for the Client. The Company determined the relative importance of the Execution Factors by taking into account the characteristics of the following Execution Criteria:

- The Client, including the categorisation of the
- Client as retail or professional
- The Client’s order
- The Financial Instruments that are the subject of that order, and
- The Execution Venue(s) to which that order can be directed.
- Client's Specific Instruction (see below)

For retail clients, the best possible result was determined in terms of the total consideration, representing the price of the Financial Instrument and the costs related to execution, which included all expenses incurred by the Client which were directly related to the execution of the order and any other fees paid to third parties involved in the execution of the order.

When executing orders, all reasonable steps must have been taken by the Company to ensure that a Retail Client’s order was executed in order to achieve what is called “best execution” of the client’s orders, that was to obtain the best possible result for its clients.

Where the Company executed an order for a retail client/the Company was entering into a transaction with the Client, the best possible result should have been determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the client which were directly related to the execution of the order, including execution venue fees, clearing and settlement fees and/or any other fees paid to third parties involved in the execution of the order. When providing professional clients with best execution, the Company was not required to prioritise the overall costs of the transaction as being the most important factor in achieving best execution for them.

Specific Client Instructions:

Where the client provided the Company with specific instructions as to the execution of an Order, the Company should execute the Order in accordance with that specific

instruction and would proceed in taking all reasonable steps to obtain the best possible result. It should be noted that specific instructions may have prevented the Company from following its Order Execution Policy.

Where the client's instruction relates to only part of the Order, the Company will continue to apply its Order Execution Policy to those aspects of the Order not covered by the specific instruction.

Types of Orders:

The Client may give instruction to execute or initiate a trade with the Company by way of:

- Market Order
- Limit Order
- Stop Loss
- Take Profit

Information on the top five execution venues and quality of execution obtained

ANNEX II

Table 1

Class of Instrument	Contracts for differences				
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
IQOption Liquidity Ltd LEI or MIC: N/A	100%	100%	N/A	N/A	N/A
N/A					
N/A					
N/A					
N/A					

Class of Instrument	Option Contracts				
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
IQOption Liquidity Ltd LEI or MIC: N/A	100%	100%	N/A	N/A	N/A
N/A					
N/A					
N/A					
N/A					

Whether you have any question regarding this Statement or the Company's Order Execution Policy, please contact us.

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