Order Execution Policy

(last updated on 15th November 2022)

1. Introduction

AXSE Brokerage Ltd (hereinafter referred to as the 'Company'), is incorporated under the laws of Seychelles with company number 8424258-1 having its registered office at Suite 3, Global Village, Jivan's Complex, Mont Fleuri, Mahé, Seychelles. The Company operates under the trading name Purple Trading and is a Securities Dealer acting under the Securities Act, 2007 and the Securities Regulations, 2008 (herein the "Law") licensed by FSA under License No SD041.

Under the above legislation, the Company is required to take 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 the Company 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.

In this Policy, words "Client", "client", "Trader", "trader" and pronoun "you", as well as their plural forms, shall mean the Client of the Company.

For avoidance of any doubt, for the purpose of this Policy:

i. "**Quotation**" shall mean specified prices of Financial Instruments offered at specific time to the Client.
ii. "**Spread**" shall mean a variable difference between the price, at which a client may buy and sell a particular Financial Instrument. This variable spread varies within a certain range. This range is movable according to the internal bank market.
iii. "**Financial Instrument**" shall mean an investment instrument in form of real or virtual document representing a legal agreement involving some sort of monetary value.
iv. "**Transaction Order**" shall mean an order placed by Client for the Company to conclude a Transaction.
v. "**Transaction**" shall mean an agreement between two parties (the buyer and the seller). It states that the seller will pay the buyer the difference between the current value of an asset and its value at "contract time". If the difference is negative, the buyer pays the seller instead.
vi. "Trading System" shall mean a complex of software and internet-based applications provided by the Company to the Client in a way of connecting to the dedicated servers designated for that purpose by the Company, facilitates the process of provision of investment and services that are related to and accompany Investment Services.

2. Scope and Services

The Policy applies:

a. to all Clients of the Company; and
b. when the Company provides the investment services of reception and transmission of orders in relation to one or more financial instruments and/or execution of orders on behalf of clients.

The Financial Instruments provided by the Company are Contracts for Difference (CFDs) of an underlying asset and it is up to the Company's discretion to decide which types of CFDs to make available from time to time and to publish the prices at which these can be traded in line with the prices offered by its Liquidity Provider/Execution Venue.

In relation to Client's transactions in CFDs with the Execution Venue, the Company always acts as an agent (acting on behalf of its Clients); therefore if the Client decides to open a position on the Company's platform, then that open position can only be closed on the Company's platform with that Execution Venue.

3. Execution venue

The Company is not the Execution Venue for the execution of Clients' Orders in CFDs. So, in relation to Client CFD transactions, the Company does not execute the Client Orders on an own account basis as a counterparty. The Company transmits the Client Orders or arranges for their execution with a third party. Therefore, this third party will be the Execution Venue and not the Company. In this respect, if the Client decides to open a position on the Company's platform with the Execution Venue, then that open position can only be closed on the Company's platform with that Execution Venue.

The Company places significant reliance on the Execution Venue. It is the Company's policy to maintain such internal procedures and principles in order to act for the best interest of its Clients and provide them the best possible result (or "best execution") when transmitting their Orders to the Execution Venue for execution.

Dealing hours generally are from Sunday 10 PM (CET) through Friday 11:00 PM (CET). The open or close times may differ depending on the particular trading instrument and may also be altered by the Trading Desk because it relies on prices being offered by banks and financial institutions that provide liquidity for the Execution Venues and for the Company.

Outside of these hours, most of the major world banks and financial centers are closed. The lack of liquidity and volume during the weekend impedes execution and price delivery.

The Client acknowledges and consents that the transactions entered in Financial Instruments with the Company's Execution Venue are not undertaken on a recognized exchange or a multilateral trading facility (MTF), rather they are undertaken through the Company's Trading Platform (i.e.

Over-The-Counter) and, accordingly, they may expose the Client to greater risks than regulated exchange transactions. The Client can only close an open position of any given Financial Instruments during the opening hours of the Company's Trading Platform. The Client also has to close any open position with the Execution Venue.

4. Trading:

4.1. The Client hereby acknowledges that for the purpose of any Opening Transaction, the Client is obliged to provide a collateral in the form of monetary funds, which is necessary to be provided by Client for particular opened position (hereinafter "Transaction Margin") under the following conditions:

a) The required amount of funds used as Transaction Margin shall be calculated as a percentage of the nominal value of Transaction. Such percentage varies depending on type of Financial Instrument and its actual Exchange Rate, therefore might be subject to frequent changes and the provided Leverage.

b) The Transaction Margin must be provided to the Client in the Currency of Client Account.

c) The funds used as Transaction Margin shall be blocked during holding position and accordingly shall not be available to the Client.

d) the Company has the right to change the required Transaction Margin. Client must be informed about the fact without undue delay.

e) Client is obliged to maintain the amount of funds on Client Account higher than required Transaction Margin for their opened positions. In case that amount of funds on Client Account falls below the required Transaction Margin for opened positions, Client is obliged to deposit additional funds on the Client Account or close one or more positions in order to reduce the risk of falling below required Transaction Margin without undue delay.

f) Client hereby agrees that whenever the amount of funds on Client Account falls below 50% of the required Transaction Margin for opened positions, the Company has the right to close one or more open positions of the Client without Client's consent in order to reduce sufficiently the required Transaction Margin. Client shall be notified about this fact without undue delay.

g) the Company offers clients a negative balance protection which does not charge loss exceeding the margin when the set position cannot be closed and the margin becomes negative in an irregular situation such as concentration of market order. Margin negative will be resolved within 7 business days and the equity will return to "0". In the event such balance is not brought back to 0 form negative, the Client shall contact the Company.

h) The Company reserves the right to apply changes to and amend the leverage ratio (i.e. decrease or increase the leverage ratio), at its sole discretion and without any notification, case by case on any account of the client as deemed necessary by the Company.

i) The maximum Leverage ratio provided to Clients on Forex trading instruments depend on the total balance of all the trading accounts of the Client. Unless agreed otherwise with the Client, the standard limits for such maximum Leverage ratio are:

i.	Total Balance up to USD 20,000	1:500 max
ii.	Total Balance up to USD 120,000	1:200 max
iii.	Total Balance of USD 120,000 and higher	1:100 max

4.2. The Company shall provide the Client with systematic Quotation of prices of Financial Instruments, providing buying price, selling price and the number of Spreads of each Financial Instrument. Current Spreads and prices are passed to the Client through Trading System and / or are accessible on the Company's Website.

4.3. The Company has the right to suspend Quotation and trading on a specific Financial Instrument in the cases including, but not limited to, suspension of trading on an underlying instrument or force majeure as described herein. The Company has further the right to modify Spreads without any notice to the Client.

4.4. The Client acknowledges and agrees that the Company uses Market Execution method. Market Execution method is the method of execution when the Clients are opening or closing their position(s), these orders go to the open market where they are filled at the best available price. There is a delay before the trade is placed and when it is filled. This method of execution does not allow stop-loss and profit from orders will be specified and set at the moment of placing a new trade.

4.5. The Company may, at its sole discretion, while making reasonable efforts for post-notification, alter, refuse to transmit or execute any transaction or revoke an executed transaction in particular in the following cases:

a. the transactions were executed by arbitrage/exploitation of market failures, off market rates or any other abusive technique as determined by the Company;
b. a technical problem withheld the transaction from being executed as desired;
c. a liquidity provider/Execution Venue has cancelled or altered the transaction with the Company; and/or
d. the transaction covering was executed with the liquidity provider/ Execution Venue. The Company is also entitled, at any time and at its discretion, without giving any notice or explanation to the Client, to decline or refuse to transmit or arrange for the execution of any Order or Request or Instruction of the Client.

4.6. A Transaction order can only be entered within the trading Platform under the aforementioned conditions.

4.7. The Company has the right to refuse Opening Position in its sole discretion and without any responsibility of the amount of both actual damage and lost profit of the Client.

4.8. Unless stated otherwise herein or executed by the Company without due diligence or inconsistently with the orders of Client, Client has full responsibility of any Transaction Order, other instruction or disposition executed within Client Account.

4.9. Client is able to place to the Trading System only Transaction Orders, which are allowed by the Company. Such Transaction Orders include, but are not limited to,

a. stop orders,
b. limit orders or
c. contingency orders.

4.10. The current offer of Transaction Orders allowed by the Company can be changed by the Company without any notice to Client.

4.11. Any single Transaction Order may refer only to buying or selling of one particular Financial Instrument. In order to achieve validity, any Transaction Order shall contain at least name of Client and identification of Client Account, type of Financial Instrument, date and time of placement of order, volume of Financial Instrument, type and number of orders. A valid Transaction Order can only be modified before its execution, unless stated otherwise herein.

4.12. Client hereby acknowledges that any Transaction Order shall be executed only when Client has sufficient amount of funds on Client Account to establish Transaction Margin, otherwise the Transaction Order will be rejected.

4.13. Any Position Closing shall result in the termination of all rights and obligations arising from such previously open position, unless stated otherwise herein. Financial result of Closing Position is settled by the Company on the day of closing.

4.14. The Company has the right to refuse Opening Position in its sole discretion and without any responsibility of the amount of both actual damage and lost profit of the Client.

4.15. Unless stated otherwise herein or executed by the Company without due diligence or inconsistently with the orders of Client, Client has full responsibility of any Transaction Order, other instruction or disposition executed within Client Account.

4.16. Client is able to place to the Trading System only Transaction Orders, which are allowed by the Company. Such Transaction Orders include, but are not limited to, stop orders, limit orders or contingency orders. The current offer of Transaction Orders allowed by the Company can be changed by the Company without any notice to Client.

5. Order Execution Risks

Trading foreign exchange on margin carries a high level of risk, and may not be suitable for all investors. The high degree of leverage can work against the Client as well as for the Client. Before deciding to trade foreign exchange, the Client should carefully consider their investment objectives, level of experience, and risk appetite. The possibility exists that the Client could sustain a loss of some or all of their initial investment and therefore they should not invest money that they cannot afford to lose.

The Client should be aware of all the risks associated with foreign exchange trading, and seek advice from an independent financial advisor if you have any doubts.

Clients should be aware of the risks associated with execution which include but are not limited to:

5.1. Slippage

The Company aims to provide clients with the best platform bridging pricing available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to slippage. This most commonly occurs during fundamental news events.

The volatility in the market may create conditions where orders are difficult to execute, since the price might be many pips away due to the extreme market movement. Although the trader is looking to execute at a certain price, the market may have moved significantly and the order would be filled at the next best price or the fair market value. Similarly, increased volume may also result in slippage if sufficient liquidity does not exist to execute all trades at the requested rate.

The concept of slippage is not unique to the forex market, as it often occurs in the equities and futures markets.

Once a stop order is triggered, it becomes a market execution order, and there is no guarantee it will be filled at any particular given price. Therefore, stop orders may incur slippage depending on market conditions.

The Company is taking prices from some of the world's largest and most aggressive price providers. Having multiple price providers is especially important in volatile markets, when one or two banks may post wide spreads, or simply avoid quoting any price at all. With so many major banks quoting prices to The Company, there are competitive spreads and fills, even during market-moving news events.

5.2. Delays in Execution

A delay in execution may occur for various reasons, such as technical issues with the trader's internet connection to the Company's servers, which may result in hanging orders. The Company trading platform on a trader's computer may not be maintaining a constant connection with The Company servers due to a lack of signal strength from a wireless or dialup connection. A disturbance in the connection path can sometimes interrupt the signal, and disable the Trading Station, causing delays in transmission of data between the trader's AXSE trading platform and The Company's server. One way to check your internet connection with The Company's server is to ping the server from your computer.

5.3. Reset Orders

Market volatility creates conditions that make it difficult to execute orders at the given price due to an extremely high volume of orders. By the time orders are able to be executed, the bid/ask price at which a counterparty is willing to take a position may be several pips away. In cases where the liquidity pool is not large enough to fill an order, the order will be rejected.

5.4. Widened Spreads

The Company strives to provide traders with tight, competitive spreads; however, there may be instances when spreads widen beyond the typical spread. During news events spreads may widen substantially in order to compensate for the tremendous amount of volatility in the market. The widened spreads may only last a few seconds or as long as a few minutes. The Company strongly encourages traders to utilize caution when trading around news events and always be aware of their account equity, usable margin and market exposure. Widened spreads can adversely affect all positions in an account.

5.5. Grayed out Pricing

The Company does not intentionally “gray out” prices; however, this is a condition that occurs when liquidity decreases, and market makers that provide pricing to the Company are not actively making a market for particular currency pairs. At times, a severe increase in the difference of the spread may occur due to a loss of connectivity with a bank or due to an announcement that has a dramatic effect on the market that dries out liquidity. Such graying out of prices or increased spreads may result in margin calls on a trader’s account. When an order is placed on a currency pair affected by grayed out prices, the P/L will temporarily flash to zero until the pair has a tradable price and the system can calculate the P/L balance.

5.6. Inverted Spreads

When utilizing the Company’s technology, you are trading on feeds that are being provided by multiple top-tier banks and financial institutions. Unfortunately, online trading technology is not perfect and, in rare cases, this feed can be disrupted. This may only last for a moment, but when it does, spreads often become inverted. During these rare occasions, the Company advises that clients avoid placing orders. While it may be tempting to place a “free trade,” keep in mind that the prices are not real and your actual fill may be many pips away from the displayed price. In the event that trades are executed at rates not actually offered by the Company’s banks and financial institutions, the Company reserves the right to reverse such trades, as they are not considered valid trades. Keep in mind these instances are usually rare, and by placing Market Range orders or not trading during these moments, traders can avoid the risk associated with the above scenarios.

5.7. Trading Desk Hours

Dealing hours generally are from Sunday 10 PM (CET) through Friday 11:00 PM (CET). The open or close times may differ depending on the particular trading instrument and may also be altered by the Trading Desk because it relies on prices being offered by banks and financial institutions that provide liquidity for the Execution Venues and for the Company.

Outside of these hours, most of the major world banks and financial centers are closed. The lack of liquidity and volume during the weekend impedes execution and price delivery.

5.8. Prices Updating before the Open

Shortly prior to the open, the Trading Desk refreshes rates to reflect current market pricing in preparation for the open. At this time, trades and orders held over the weekend are subject to execution. Quotes during this time are not executable for new market orders. After the open, traders may place new trades, and cancel or modify existing orders.

5.9. Liquidity

Please be aware that during the first few hours after the open, the market tends to be thinner than usual until the Tokyo and London market sessions begin. These thinner markets may result in wider spreads, as there are fewer buyers and sellers. This is largely due to the fact that for the first few hours after the open, it is still the weekend in most of the world.

5.10. Gapping

Sunday's opening prices may or may not be the same as Friday's closing prices. At times, the prices on the Sunday open are near where the prices were on the Friday close. At other times, there may be a significant difference between Friday's close and Sunday's open. The market may gap if there is a significant news announcement or an economic event changing how the market views the value of a currency. Traders holding positions or orders over the weekend should be fully comfortable with the potential of the market to gap. One of the great things about trading at the Company is that outside of announced major holidays, the trading hours routinely close only once a week on the weekends, which corresponds with the hours of major banks and financial institutions. In contrast, most stock exchanges close five times each week, and can gap significantly on each day open.

5.11. Order Execution

All limit and stop orders are often filled at the requested price but they are all being market orders and are filled at the best available price on the market.

5.12. Weekend Risk

Traders who fear that the markets may be extremely volatile over the weekend, that gapping may occur, or that the potential for weekend risk is not appropriate for their trading style, may simply close out orders and positions ahead of the weekend.

5.13. Margin Calls and Stop-Out

The idea of margin trading is that your margin acts as a good faith deposit to secure the larger notional value of your position. Margin trading allows traders to hold a position much larger than the actual account value. AXSE's online trading platform has margin management capabilities, which allow for this high leverage. Of course, trading on margin comes with risk, since high leverage may work against you as much as it works for you. If account equity falls below certain margin requirements, the AXSE trading platform will first trigger a "margin call" notification, and if the account equity falls even further, the AXSE trading platform will trigger an order to close all open positions. When positions have been over-leveraged or trading losses are incurred to the point that insufficient equity exists to maintain current open positions, the stop out will result, and open positions must be liquidated.

Margin Level is the ratio between the existing (available equity) and locked up funds (used margin) and is always displayed in the client's trading platform. Should this Margin Level get below 50% the Margin Call is initiated and the Client is notified about it within the platform. The possibility to open new trades becomes disabled and the Client needs to refill their account or close (liquidate) some positions until the margin level goes above 50% again.

If they fail to do that and the Margin Level declines below 20% the Stop-Out level will be initiated. In such event the AXSE trading platform will start closing the most ineffective positions first (the ones that are damaging Client's account equity the most). This will happen again until the stop out level stops and the margin level gets above 20%.

Please keep in mind that when the account's useable margin reaches zero, all open positions are triggered to close.

The margin-call and stop-out processes are entirely electronic, and there is no discretion on AXSE's part as to the order in which trades are closed. Such discretion would require AXSE to actively monitor positions and accounts.

Example: A trader has $10,000 in a standard account and his margin requirement is 1% (i.e., he has leverage of 100:1). For each position he opens (each position = 1 lot = 100,000 notional value), he is required to set aside $1000 in used margin. If he opens two positions, his used margin is $2000. The positions can go into open loss up to negative $9000 before he starts dipping into his margin requirement. When his account equity drops down to $1000 due to such open loss, a margin call is triggered and he receives the notification in the trading platform. In case the account equity drops further below $400, i.e. below the Margin level of 20%, the stop-out initiates and the platform will start closing his most losing position.

The margin requirements are generally $1,000 per lot for Standard accounts (lot size of 100,000) in case of a standard leverage setting of 1:100. It is strongly advised that clients maintain the appropriate amount of margin in their accounts at all times. Margin requirements may be changed based on account size, simultaneous open positions, trading style, market conditions, and at the discretion of AXSE.

5.14. Chart Pricing vs. Prices Displayed on the Platform

It is important to make a distinction between indicative prices (displayed on charts) and deal-able prices (displayed on the "Market Watch" part of the Company's platform). Indicative quotes are those that offer an indication of the prices in the market, and the rate at which they are changing. Market watchers, such as S&P and eSignal, compile indicative quotes as a proxy for the market's actual movement. These prices are derived from a host of contributors such as banks and clearing firms, which may or may not reflect where the Company's liquidity providers are making prices. Indicative prices are usually very close to dealing prices. Indicative quotes only give an indication of where the market is. Equity and futures traders dealing through a broker will see indicative quotes. Executable quotes ensure finer execution and thus a reduced transaction cost. Equity and futures traders are used to prices being the same at any given time, regardless of which firm they are trading through or which charting provider they are using and they often assume the same holds true for spot forex. Because the rolling spot forex market is decentralized meaning it lacks a single central exchange where all transactions are conducted each forex dealer (market maker) may quote slightly different prices. Therefore, any prices displayed by a third-party charting provider, which does not employ the market maker's price feed, will reflect "indicative" prices and not necessarily actual "dealing" prices where trades can be executed.

6. Review and Monitoring

The Company shall review annually the execution policy established, as well as any relevant order execution arrangements. Such a review shall also be carried out whenever a material change occurs that affects the ability of the Company to continue to obtain the best possible result for the execution of its Client orders on a consistent basis using the Execution Venue. In addition, the Company will monitor the effectiveness of the Policy and relevant order execution arrangements on an on-going basis in order to identify and implement any appropriate improvements.

It shall be noted that the Company will not notify clients separately of changes made to this Policy, other than substantial material changes, and Clients should therefore refer from time to time to the website of the Company for the most up to date version of the Policy.

7. Client Consent

This Policy forms part of the Client Agreement between the Company and the Client. Therefore, by entering into an agreement with the Company, the Client also agrees to the terms of this Order Execution Policy, as presented in this document.

The Client further consents to the Company to receive and transmit his Orders for execution outside a regulated market exchange or an MTF.