



Trade and Order Execution Policy

Retail and Professional Clients

Sonar Markets is a trading name of BUX Financial Services Limited.

1. Scope

The purpose of this policy is to establish a clear set of guidelines with regards to how we act when executing client trades and orders. We have a duty of responsibility to each and every one of our retail and professional clients when opening and closing bets and trades on your behalf and it is the scope of this document to detail such a policy in obtaining fair, honest and professional execution. We have a duty to provide our clients with what is known as 'best execution' and we will take every necessary step to ensure adherence with this policy and the best possible result for the client.

Best execution applies if you have been classified as a Retail or Professional Client. We do not have a duty of best execution if you have been classified as an Eligible Counterparty.

This Trade and Order Execution Policy forms part of our Customer Terms and Conditions. As a prerequisite of opening an account with us, you must agree to our Customer Terms and Conditions. By doing so, you also agree to the terms of our Trade and Order Execution Policy.

The Trade & Order Execution Policy for Retail and Professional Clients only applies to financial spread bets and financial CFD trades and orders. It does not apply to other types of bet, such as sports betting, binary betting and fixed odds betting.

2. Our Services and Simple Definitions

We provide spread betting and CFD (Contracts for Difference) services via our online trading platform and over the telephone. We offer prices in many asset classes, spanning equities, foreign exchange, fixed income and commodities. Our spread bet and CFD prices are based on an underlying instrument and our prices are derivatives of this underlying instrument. We publish prices at which each market may be traded. As we act as principal to each trade, you may only close each position with us.

3. Trade

A client trades immediately at a published price. We endeavour to provide execution at the published price.

4. Order

A client may wish to deal at a later date/time at a better or worse price than the current offered price. We will take such an 'order' and we will monitor the position of this order in relation to the current offered price. We will execute this order when certain criteria are fulfilled (please see 'Order Handling' below).

5. Working Orders

Upon request, or where we see fit (large size or illiquid markets), we will execute one or more trades in our name in the underlying market on which the CFD or spread bet is based and allocate a corresponding trade to you.

6. Dealing on a 'RFQ' Basis

Under the MiFID framework, best execution is applied where we receive an order from you to either 'buy' or 'sell' for you, and not where we quote a price to you on request. This is called dealing on a 'Request for Quote' (RFQ) basis.

When we offer you a published price, you are making your own decision as to whether this published price offers you the best price or not. We do not owe you a duty to provide best execution in this scenario.

Where you rely on us to achieve the best possible price for you by transacting an order on your behalf (such as in the underlying market), we are bound by best execution.

7. Our Prices and our Sizes

7.1 Our Price

We quote a two-way price for financial spread bets and CFDs. This two-way price consists of a bid (lower price – the price at which a client may 'sell') and an offer (higher price – the price at which a client may 'buy'). The difference between our bid and our offer price is commonly referred to as our 'spread'.

Our published prices are based on an underlying financial instrument and we must first arrive at a 'market price' on which we can base our prices. This market price is obtained from a variety of third-party data vendors and exchanges. We review our choice of data providers at least annually in order to assess their suitability and maintain our dedication and commitment to our Trade and Order Execution Policy. Once we have arrived at a market price, we make several adjustments which could include, interest costs for the period of the bet or trade, and dividend adjustments. We now add additional spread in order to arrive at our published prices. As a result of all these factors, our published prices will mirror but will generally not be the same as the underlying market bid/offer prices.

In relation to some of our financial instruments, there may be no appropriate underlying market price on the exchange and, as such, we may use several influential and related factors in order to arrive at a fair price.

When deciding on best execution, there are certain factors we must take into account. These are:

- Price – Importance: High
- Costs - Importance: High
- Size - Importance: High
- Liquidity and market impact – Importance: Medium
- Speed of execution – Importance: Medium
- Likelihood of execution and settlement – Importance: Medium

The relative importance of these factors can vary between different financial instruments.

Although we endeavour to provide the best possible execution after having taken into account many factors, we cannot absolutely guarantee that when opening or closing a financial spread bet or CFD with us that the price obtained will always be better than one which is or might have been offered elsewhere.

7.2 Our Sizes

For every market we offer, we attach a minimum and a maximum trade size. These trade sizes are reviewed frequently. The sizes vary depending on current market conditions of the underlying instrument. More information can be obtained from our Product Information Sheets or by contacting our Customer Services department.

8. Order Handling

Trading and order execution is available between designated hours as stated on the online trading platform. Between these hours, clients may place trades and orders over the phone and on the online trading platform. Please note that working orders may only be triggered/executed between the hours stated in the relative product information box.

All active orders (whether against open positions as stop-loss or take-profit (limit) orders) are executed based upon the published price as quoted by us. A sell order will be triggered if our bid price reaches or falls below the specified order price. A buy order will be triggered if our offer price reaches or rises above the specified order price.

9. Slippage

It is important to note that we cannot guarantee the execution price of orders, that is, they are non-guaranteed (unless otherwise explicitly stated). We endeavour to execute orders at or very close to the specified order price. Due to price movements in the underlying, it is possible that our price may move quickly and erratically from one level to another. This is known as gapping and can arise in periods of low liquidity and high volatility (such as after a stock profits warning or immediately after the release of economic data).

10. Triggering of Orders Outside Trading Hours

Orders will not be monitored or executed outside of our trading hours for that market. For underlying instruments which continue to trade outside our hours, the price at which the order may be executed on resumption of trading may be substantially different to the specified order price.

11. Dealing on an Intermediary Basis

There may be certain circumstances where an intermediary firm acts on your behalf in executing a trade in the underlying market which represents the financial spread bet or CFD to be 'written' on your account. In this scenario, the method of execution is out of our hands and you are relying solely on the intermediary to provide you with best execution. We will take the trade price as reported to us by the intermediary and adjust this trade price, taking into consideration our own charges, any charges from the intermediary and any other applicable charges when writing the spread bet or CFD position to your account.

12. Dealing via Direct Market Access

Where you or any intermediary executes a trade to be placed on your account (by conversion into the corresponding spread bet or CFD), you are relying solely on yourself or on your intermediary to achieve best execution. We will take the trade price as reported to us by you or the intermediary and adjust this trade price, taking into consideration our own charges, any charges from you or the intermediary and any other applicable charges when writing the spread bet or CFD position to your account.

13. Non-application of Best Execution

In certain exceptional circumstances, we are not required to provide best execution.

13.1 Single Venue Transactions

If there is only one possible venue where the trade/order may be executed.

13.2 Specific Instructions

If we have accepted specific instructions from you in relation to venue, broker for execution, timeframe or price, we are not obliged to provide best execution to the extent of the specific instruction. We will retain any discretion over other aspects of the execution.

13.3 Unwinding of a Position

If we are required to unwind a position for you, we are not bound by best execution but we will act professionally and responsibly and with due care in unwinding any such position.

14. Monitoring and Review of our Trade and Order Execution Policy

We periodically monitor our Trade and Order Execution Policy in order to assess the effectiveness of such a policy. We assess our available trading venues and trading arrangements in order to determine whether we are able to achieve best execution on a consistent basis. Should there be any material changes to our Trade and Order Execution Policy, we will notify you as soon as reasonably practicable.

If you have any further question on our Trade and Order Execution Policy, please contact our Customer Services department.