

## **ANALYSIS OF THE QUALITY OF EXECUTION OF CUSTOMER ORDERS TO DELEGATED REGULATION (EU) 2017/576 ART.3 ITEM 3 FOR THE PERIOD ENDING ON DECEMBER 31, 2018.**

### **Delegated Regulation (EU) 2017/576 art.3 item 3 :**

a) an explanation of the relative importance the intermediary has given to execution factors such as price, cost, speed, the likelihood of execution of the order or any other consideration, including qualitative factors in assessing the quality of execution;

II FACTDRI AD makes reasonable efforts to establish the best price for the customer according to the terms of the order, amount of costs, probability of execution, as well as all other circumstances related to the execution of the order.

With specific instructions from the client, the investment intermediary executes the order following these instructions, and with respect to the factors that determine the best execution in the best interest of the client, for which there are no instructions, the investment intermediary makes a relevant judgment. Any special instructions of the client may prevent the intermediary from taking the necessary actions to achieve the best result in the execution of client orders in accordance with the order execution policy for that part of the order to which the special instructions relate.

II Factori AD achieves the best performance for the client based on an assessment of the following factors:

• **Price:** The price of financial instruments is an important factor that the investment intermediary considers when executing client orders. This factor, considered together with the costs of executing a client order, is considered by the investment intermediary to be the most important factor in relation to the intermediary's retail clients. This factor, along with costs, is considered the most important when choosing a place to fulfill customer orders.

• **Costs:** Costs related to the execution of client orders is the second most important factor that the investment intermediary considers along with the price for financial instruments. Execution costs include all costs that are directly related to the execution of the order, including execution venue fees, clearing and settlement fees, as well as other fees and remuneration payable to third parties related to the execution of the order. Costs also determine the choice of a place to execute customer orders.

• **Volume/number of financial instruments:** The volume or number of financial instruments of the client's order has a direct relation to the price of the financial instruments and the costs of the transaction. Depending on the volume of the order, different places can be selected for the execution of the customer's order.

• **Speed of execution:** The price of financial instruments also depends on the speed of execution of customer orders. The investment intermediary takes this factor into account when choosing the places for execution of client orders

• **Probability of execution and settlement:** The investment intermediary assesses for each specific case the probability that the client's order will be executed and chooses the place of execution of the order based on this.

• **Type and nature of the order:** The investment intermediary assesses what would be the best result for the client and considers all the listed factors according to the nature and type of the latter's order: sale, purchase, exchange, etc.; limited, market, etc.

· **Any other factors that are relevant to fulfilling the client's order and achieving the best result.**

When executing client orders, the investment intermediary takes into account the relative importance of execution factors according to the following criteria:

- the characteristics of the client, including whether it is designated as a retail or professional client;
- the characteristics of the customer's order;
- the characteristics of the financial instruments subject to the order
- the characteristics of the places of execution to which the order can be directed for execution.

In order to achieve the best result for the client, client orders may also be executed outside a regulated market or multilateral trading system, provided that clients are notified in advance and have given their express consent.

In relation to some financial instruments, real execution of the transaction is possible only at one place of execution. When executing a client order under such circumstances, the investment intermediary is considered to have achieved the best result for the client.

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**b) a description of any close ties, conflicts of interest and common ownership with respect to any of the order execution venues;**

Il Factori AD has no close ties, conflicts of interest and common ownership in relation to any of the places for execution of orders

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**in) a description of any special arrangements with all venues of performance with respect to payments made or received, discounts, rebates or non-monetary benefits received;**

Il Factori AD has no special arrangements with all places of execution regarding the payments made or received, discounts, rebates or non-monetary benefits received;

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**d) a description of the factors that led to a change in the list of places of execution included in the execution policy of the intermediary, if such a change occurred;**

Il Factori has made changes to its Rules in connection with MIFID II

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**e) an explanation of how execution differs by client categorization, where the intermediary treats client categories differently and when it may affect order execution arrangements;**

Il FACTORI AD does not treat different categories of customers differently.

**f)an explanation of whether other criteria were preferred over the immediate price and cost of execution of retail client orders and how those other criteria influenced the provision of the best possible result in terms of total cost to the client;**

II FACTORI AD has no other criteria for the execution of orders, except in the case that the client explicitly provides other specific orders.

**g)an explanation of how the investment intermediary has used any data or means related to the quality of execution, including any data published in Delegated Regulation (EU) 2017/575;**

Not applicable.

**h)where applicable, a description of how the investment firm has used the results of a consolidated data provider established in accordance with Article 65 of Directive 2014/65/EU.**

Not applicable.