



Order Execution Policy 2016



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ORDER EXECUTION POLICY

1. Introduction

This Order Execution Policy (hereinafter the 'Policy') is communicated to 24StockOption clients as per the legal obligation of BHL Trading Network Ltd. (hereinafter the 'Company' and/or the 24StockOption) which is authorized and regulated by the CANADIAN INVESTMENT INDUSTRY REGULATORY ORGANIZATION (CIPF) CG&B Investment Services Inc, as detailed below:

24StockOption is a registered brand name of BHL Trading Network Ltd. a CANADIAN INVESTMENT INDUSTRY REGULATORY ORGANIZATION (CIPF) CG&B Investment Services Inc.

2. Scope & Application

The purpose of this policy is to establish effective arrangements for obtaining the best possible result for the clients, when 24StockOption, hereafter the “Company”, is executing clients’ orders.

This document aims to set out those arrangements and to ensure compliance with legislative requirements.

The policy applies to retail and professional clients. If the Company classifies the client as an eligible counterparty, this policy does not apply to that client.

This Policy applies when receiving and transmitting Client Orders or executing Client Orders for the Client with regards to the Financial Instruments provided by the Company. The Financial Instruments through 24StockOption platform are Binary Options and it is to the Company's discretion to decide which type of Binary Options to make available from time to time and to publish the prices at which these can be traded.

3. Legal Framework

In accordance with the Investment Services and Activities and Regulated Markets RIF must take all reasonable steps to obtain, when executing orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution, size, nature or any other consideration relevant to the execution of the order. Whenever there is a specific instruction from the client, the RIFs shall execute the order following the specific instruction.

In addition, the RIF must establish and implement an order execution policy to allow the RIF to obtain, for its clients’ orders, the best possible result.

4. Policy

Senior Management reviews the policy on an annual basis and/or whenever a material change occurs that impacts the Company's ability to continue offering best execution of its clients' orders using the 24StockOption trading platform.

24StockOption proceeded to the establishment and maintenance of an Order Execution Policy, in order to ensure compliance with the obligation to execute orders on terms most favourable to the clients and to achieve the best possible results for its clients, taking into consideration its clients' ability, needs and trading policies, where applicable and possible.

24StockOption follows a specific process in executing trades in order to assure that all reasonable steps are followed so as to obtain consistently the best possible result for clients. When executing an order following specific client's instruction, 24StockOption will execute the order in line with those instructions and will consider that it has discharged its best execution obligations.

5. Best Execution Criteria

24StockOption will take into account the following best execution criteria for determining the relative importance of the execution factors:

- ✓ The characteristics of the client
- ✓ The characteristics of the client order
- ✓ The characteristics of the financial instruments that are the subject of that order
- ✓ The characteristics of the execution venues to which that order can be directed

24StockOption will determine the best possible result in terms of the total consideration, representing the price of the contract and the cost related to execution. Additional execution factors are the speed, the likelihood of execution size, the nature or any other relevant consideration that will, in most cases, be secondary to price and cost considerations, unless they would deliver the best possible result for the client in terms of total consideration.

6. Execution Factors

24StockOption, when managing client's orders takes into account various execution factors as per below list, provided that there are no specific instructions from the client to the Company about the way of execution of the orders.

- Price
- Speed and likelihood of execution
- Size and nature of the order
- Costs or commissions
- Market conditions and variations
- Execution capability
- Any other direct consideration relevant to the execution of the order

7. Specific Instructions

In circumstances where the client provides the Company with a specific instruction as to how to execute an order and the Company has accepted this instruction, then the Company will execute the order in accordance with that specific instruction.

If the client provides a specific instruction to carry out an order, then by executing that order, 24StockOption will be complying with the Company's duty to provide the client with best execution. This may result in being unable to follow the Company's order execution policy for that particular order.

8. Execution Venues

Execution venues are the entities to which the orders are placed or to which the Company transmits orders for execution. The Company will enter into transactions with the client as principal (counterparty) and not as an agent; even though the Company may transmit the client's order to the liquidity providers for execution, due to risk parameters (i.e. clients with high volume, big equity, etc.), the Company will still be the contractually counterparty to the client. Therefore, the Company will act as the sole Execution Venue for clients' orders.

In particular, the Client deposits funds with the Company and places an order via a trading platform and the Company is responsible for safeguarding of clients' funds. Upon receipt of the order, the Company opens an exactly identical order on its name with the market maker, per order received or accumulatively. In this respect, the Company executes the client order by acting as a risk-less principal (i.e. enters into true back to back trades).

9. Pricing

The Company will provide its own tradable prices which are derived from independent price providers.

The main way in which the Company will ensure that the client receives the best execution will be to ensure that the price provision to the client is made with reference and compared to a range of underlying price providers and data sources. The Company reviews its independent price providers at least once a year to ensure that correct and competitive pricing is offered.

10. Costs

When the client opens a position in some types of financial instruments (various types of Binary Options) a commission or a financing fee may apply.

11. Size of order

All orders are placed in monetary value. The client will be able to place his order as long as he has enough balance in his trading account. If the client wishes to execute a large size order, in some cases the price may become less favourable considering the feed obtained from its price provider.

12. Speed

All Binary Options prices change over time. The frequency with which they do change varies among different financial instruments and market conditions. Considering that the tradable prices which are distributed via the Company's trading platform/terminal, technology used by the client to communicate with the Company plays a crucial role.

For instance, the use of a wireless connection, or dial up connection, or any other communication link that can cause a poor internet connection can cause unstable connectivity

to the Company's trading platform/terminal. The result for the client is to place his orders at a delay and the order to be executed at better or worst prevailing market price offered by the Company via its platform/terminal.

13. Nature of the order

The particular characterizing of an order depends on the Binary Option to be selected by the client. The value of the option is mainly depended on the volatility of the underlying instrument, the set time of option expiration and the risk management to be selected by the client.

14. Likelihood of execution

Due to the levels of volatility affecting the underlying instrument's price, the Company seeks to provide client orders with the fastest execution reasonably possible.

15. Likelihood of settlement

The Company shall proceed with the settlement of all transactions upon the execution and/or time of expiration of the specific transaction.

16. Market Impact

The Company's quoted prices which are derived from its independent price providers may be affected by various factors which could also affect the above-mentioned factors.

The Company will take all reasonable factors to ensure the best possible result for its clients.

17. Conclusion

Appropriate information is provided to the client on the content of the execution policy.

The prior consent of the clients is obtained regarding the documented order execution policy to be followed.

In addition, a clear and prominent warning is disclosed to the Company's clients (within the Terms and Conditions, and Risk Disclosure) that any specific instruction from a client may prevent the Company from taking the steps that is has designed and implemented in its execution policy for obtaining the best possible result for the execution of those orders in respect to the elements covered by those instructions.

Adequate information is provided to the clients through this policy in relation to the factors that are taken into consideration by the management when handling clients' orders. Also, the policy is reviewed periodically by the Company and the clients are informed accordingly in relation to any material changes.



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BHL Trading Network Ltd, a Canadian Investment Firm that is
Regulated by the CANADIAN INVESTMENT INDUSTRY REGULATORY ORGANIZATION (CIPF)
CG&B Investment Services Inc.