

Order Execution Policy ("the Policy")



Last updated: May 2021

We are delighted that you have chosen to use our App or visit our website. We take conflicts of interest with the utmost seriousness and act accordingly to ensure that any conflicts of interest are mitigated and resolved for fair trading for all users.

The purpose of this policy is to set out the effective procedures and arrangements which provide for the prompt, fair and expeditious execution of our Client orders.

This policy applies to all of our processing activities. In this policy, "we", "us" and "our" refers to Close Cross Limited ("Close Cross") a company incorporated in Malta with its registered address at [171, Old Bakery Street, Valletta VLT 1455].

The Policy is an integral part and attachment to the Company's Terms of Use.

1. Introduction

- 1.1. Close Cross is required to act honestly, fairly, professionally and in accordance with the best interest of our Clients and has therefore adopted this Order Execution Policy ("the Policy"), which determines the detailed principles of executing orders in order to achieve the best possible results for our Clients.
- 1.2. The Policy is issued pursuant to the European Directive 2014/65/EU of 15 May 2014 on markets in financial instruments.
- 1.3. The Policy applies to all our clients.

2. General

- 1.1. Close Cross services are limited to the execution of clients orders in relation to the relevant VPF(s) on the CloseCross Prediction Market Platform ("the Platform").
- 1.2. The Platform ought not to be considered a Multilateral Trading Facility or Organised Trading Facility. Hence, client orders are deemed to be executed outside a regulated market.
- 1.3. The Company will create a particular VPF by setting out the terms (e.g. reference asset, duration, etc) and open it up for Clients to place orders in relation to that VPF through the Platform.
- 1.4. The Company does not participate in any of the VPF(s).
- 1.5. The Company does not act as counterparty to the transactions.
- 1.1. The Platform sources event/asset based data from reliable 3rd party providers. Each data provider is backed up by a secondary data provider within the same data categorisation in the unlikely case that the primary data provider may fail.

- 1.2. All trading activity is 100% automated, smart contract based, which ensures the prompt, fair and expeditious execution of client orders. All orders are promptly and accurately recorded and allocated in strictly sequential order.
- 1.3. All predictions placed are immediately viewable on the Client account, as is the 'profit and loss' associated with resolved VPF(s), and as processes are fully automated all sufficient steps are taken to ensure accuracy.

3. Order Execution Process

- 3.1. Clients are able to navigate the Platform and select a VPF that they wish to participate in. A VPF is a combination of an asset and maturity period. The detailed description of VPFs can be found in our Terms of Use document.
- 3.2. The Client commits funds to one or more of the predetermined Outcome Options. Each Outcome Option is mutually exclusive of one another and they cover the entire possible spread of possible outcomes (-0% to 100%).
- 3.3. Once the Client has committed funds into a VPF, they are provided with a trading receipt (the contract note).
- 3.4. The VPF will continue to run and accept commitments from other participants until the VPF close period has reached. All commitments will add up to provide us with the Total Committed Funds. When the VPF reaches its resolve period (maturity time/date) the payouts will be finalised (TCF split amongst the winners).
- 3.5. All client orders are executed off-chain via the clients trading account. At the time of VPF resolution, payouts are finalized and orders are written to the blockchain.
- 3.6. The Company uses primary and secondary data provider values to fetch the price of the underlying assets.
- 3.7. Data sources are explicitly stated in the description of each VPF. Where possible, an alternate data source is provided, which is used where the primary data source is unavailable or where we have serious concerns over the reliability or irregularities in the primary data source.
- 3.8. At Our sole discretion, we may revert to any third data source (tertiary provider).
- 3.9. In the case that a secondary or tertiary data source is to be used, an override reason will be given and made transparent on the smart contract level.

4. Order Execution Policy

- 4.1. In providing best execution Close Cross is required to take into account the execution factors of price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order received from the client.
- 4.2. When you deal on our Platform, we act on your specific instructions and execute your orders in accordance with those instructions.
- 4.3. Notwithstanding 4.1. above, to the extent that our client gives us an instruction and we follow it, our best execution obligation is considered satisfied.

5. Monitoring and Review

- 5.1. Close Cross will regularly monitor the effectiveness of its Order Execution Policy in order to identify and, where appropriate, correct any deficiencies and to ensure that it complies with all regulatory requirements and obligations.
- 5.2. The monitoring is conducted at various frequencies and covers trading on the trading platform and focuses on the following key execution factors:
 - Number and size of trades placed
 - Accuracy of settlements
 - Amount of profitable trades
 - Number of Data provider overrides
- 5.3. Data Source Providers
 - 5.3.1. The Company monitors systematically the quality of prices received from independent data providers and compares them with other independent sources.
 - 5.3.2. The Company reviews its third-party external reference sources to ensure that the data obtained continues to remain competitive within reason. Certain ex-ante and ex-post quality checks are conducted by the Company to ensure that prices obtained and subsequently passed on to clients remain competitive. Such checks include, but not limited to, reviewing system settings/parameters, comparing prices with reputable price sources and checking the speed of price updating.
- 5.4. Technology monitoring and testing
 - 5.4.1. We take all reasonable steps to ensure continuity and regularity in the performance of our services. The performance and capacity of the Platform is continuously monitored and all necessary upgrades are carried out and tested in a timely manner.
- 5.5. Additional monitoring reviews and investigation of any anomalies is undertaken by a senior independent person at Close Cross, from the person(s) carrying out the more frequent reviews.
- 5.6. Client complaints related to the quality of execution are addressed on a timely manner. Close Cross will take remedial action to rectify any Client detriment and correct any deficiencies identified as a result of its best execution monitoring to ensure that best execution is maintained on an on-going basis.

6. Annual reporting

- 6.1. In pursuant to the obligations set out in Article 65(6) of Commission Delegated Regulation (EU) 2017/565 and Article 3 of Commission Delegated Regulation (EU) 2017/576 (“RTS 28”), Close Cross will make public information on the quality of execution obtained in the preceding year.
- 6.2. An annual report will published on its website during the first quarter of each year.

7. Review of the Policy

- 7.1. Close Cross reviews this Policy and its order execution arrangements at least annually. A review will be carried out whenever a material change occurs that affects the firm’s ability to continue to obtain the best possible result for its client orders on a consistent basis using the methods described in this Policy.