



# **Capital Index UK Limited** **("CIUK")**

## **Order Execution Policy** **2025**

## Contents

1. Scope .....	3
2. Trading Services .....	3
3. Trading Outside a Trading Venue.....	3
4. Selection of Best Execution Factors .....	4
5. Best Execution Factors .....	4
6. Execution Venues.....	7
7. Specific Instructions .....	7
8. Order Handling.....	8
9. Order Types.....	8
10. Execute in “time of order priority” .....	9
11. Account Types .....	9
12. Best Execution Monitoring.....	10
13. Conflicts of Interest.....	11
14. Order Execution Policy Review .....	11
15. Information to Clients .....	11
16. Capital Index’s Obligations.....	11
Annex 1 - Execution Venues.....	12



## **1. Scope**

Capital Index (UK) Limited (hereinafter, "Capital Index" or the "Capital Index") has established an order execution policy (hereinafter, the "Policy"). The policy applies to retail and professional clients as defined in the Client Categorisation Policy on Capital Index's website.

Capital Index has a duty to conduct all business with its clients in an honest, fair and professional manner and to act in the client's best interest at all times. Capital Index aims to provide its clients the best execution on every transaction in terms of total consideration in line with the provisions in COBS 11.2A of the FCA Handbook and the Markets in Financial Instruments Directive 2014 ("MiFID"). Total consideration considers the price of the financial instrument and the costs and expenses relating to the execution of an order.

## **2. Trading Services**

Capital Index provides CFDs and Spread Trading on currency pairs, indices, commodities and equities, which are based on the underlying financial instrument. Capital Index's price is then constructed on this relevant instrument.

Capital Index is an 'execution only' provider and may deal with clients on a full principal basis where it executes against its own book, meaning that it will act as market maker and will be the sole execution venue for Client orders and the counterparty to Client transactions. Capital Index may also deal with clients on a matched principal basis where it may pass the client's order to another liquidity provider or match it with another client's order.

In all cases Capital Index will seek to provide the best possible result for the client.

## **3. Trading Outside a Trading Venue**

The products that Capital Index offers are not traded on an exchange. Although the prices that Capital Index provides are based on price information obtained from its liquidity providers, market information services and the price movements of the underlying product (e.g. the FTSE 100), the prices are not taken directly from source and as such can be different from the exchange or market price of the underlying instrument. As a result, Capital Index cannot always guarantee the prices it provides are identical to those of the underlying instrument.

All trades are executed through our Trading Platform. Trades are considered executed on our Trading Platform as soon as the trade has been confirmed to you. Trades are normally executed immediately, although there may be circumstances where this is not possible.

Clients are encouraged to request any additional information they require with regards to the above additional risks.

#### **4. Selection of Best Execution Factors**

Capital Index will consider a number of factors when selecting the weighted importance of best execution factors. These factors are:

- The characteristics of the client;
- The characteristics of the client order;
- The characteristics of the financial instrument to which that order relates including but not limited to size and nature, market impact of the order; and
- The characteristics of the execution venues or entities to which that order can be directed such as but not limited to speed, likelihood of execution and settlement and any other transactional costs whether implicit or explicit.

As indicated, the methodology in selecting an appropriate execution venue may be varied by specific instructions by the client, or in the alternative, at Capital Index's discretion using commercial judgment and experience where this would not prejudice acting in the client's best interest.

#### **5. Best Execution Factors**

Capital Index generally considers the most important execution factors to be ranked as:

- Price, aiming to achieve the best possible price for the client;
- Execution costs;
- Speed of execution;
- Likelihood and quality of execution;
- Size of the order; and
- Nature of the order.

These are expanded on in the sections below:

##### **5.1. Price - Relative Importance is High**

Capital Index quotes bid and ask prices. The "ask" is the higher price at which the client can buy and the "bid" is the lower price at which the client can sell. The difference between the "bid" and "ask" is called spread which can vary with the different type of accounts.

The quoted prices for a given contract are calculated from the prices of the relevant underlying instrument that Capital Index derives from external third party sources. Capital Index's prices will not always be the same as the prices of the underlying instruments as Capital Index adds spread and/or commission. Capital Index's prices can also be adjusted to take into consideration factors such as market liquidity, dividends etc.



Prices can be quoted outside of the normal trading hours for certain underlying instruments. During these times Capital Index may reduce the maximum size of trade and/or widen the spread. Capital Index reviews its price providers to ensure that correct and competitive pricing is offered.

Capital Index reviews the pricing it receives by using independent sources to confirm the pricing is as close to market as possible.

## **5.2. Transaction Costs - Relative Importance is High**

As Capital Index's quoted prices include spread, the client will not normally be charged any additional fees or commissions at the time of trade. However, the Client may be liable to pay a commission charge for each opening and closing trade on certain markets. (Details regarding commission charges are available on Capital Index's website). Professional account holders will be subject to commission charges as agreed when opening the account.

Capital Index compares its spreads with other main competitors on a monthly basis to ensure it remains competitive and is not passing unfair costs on to its clients.

### **Total Consideration**

Capital Index will determine the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs related to execution. The costs include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved.

### **Swaps / Rollover Fees**

Positions that remain open overnight are debited or credited with the market swap rate +/- an administration charge. Rollover fees are based on prevailing market interest rates, which vary over time.

Capital Index performs its roll-over calculations each evening at 10pm UK time (5pm NY cut-off) as per industry standard.

## **5.3. Speed of Execution - Relative Importance is High**

Capital Index aims to offer a high speed of execution within the limitations of technology and communications links.

The Capital Index Dealing Desk produces a latency report which is executed monthly as part of the Best Execution process. The trading desk will look at the amount of time elapsed between a client order reaching Capital Index and being executed by Capital Index. Trades with execution times over a pre-defined threshold will be investigated to ascertain the cause of the issue and to quickly resolve the problem. This will ensure ongoing and rapid execution of client trades.

#### **5.4. Likelihood of Execution - Relative Importance is High**

Capital Index considers the likelihood of execution to be very important. Clients are provided with continuously updating two-way prices when executing through Capital Index's trading platform. During Capital Index's trading hours, clients can trade up to specified trade sizes immediately with a very high degree of certainty.

Rejected trades are investigated as part of the Best Execution process.

#### **5.5. Quality of Execution - Relative Importance is High**

The quality of a client's executed trade can be ascertained by measuring the difference between the price at which the client left an order and the execution price (the level of slippage). The slippage report is executed monthly as part of the Best Execution report. In instances where the slippage is significant, an investigation is conducted to determine the cause of the slippage. The slippage report is also used to monitor negative and positive slippage to ensure symmetry.

##### **Slippage**

If the execution price is better than the price requested by the client, this is referred to as positive slippage. If the executed price is worse than the price requested by the client, this is referred to as negative slippage.

Slippage is more likely during periods of illiquidity or higher volatility (for example due to news announcements, economic events and market openings and other factors). In these situations, it may be impossible to execute an order at the specified price if that price was not quoted or traded in the market, due to a price gap.

Capital Index does not benefit from slippage. Client orders are filled at the best currently available price. Slippage can be both positive and negative depending on market conditions and volatility. Slippage can occur on Stop Loss orders, Take Profits and other types of Orders. Capital Index does not guarantee the execution of client orders at the price specified because of slippage.

#### **5.6. Size – Relative importance is Low**

In general, order size will not impact order execution.

Capital Index has set minimum and maximum trade sizes for each market. These may vary depending on the market conditions for the underlying instrument. The size of a client's order typically has no bearing on the quality of execution received.

If a client attempts to trade above the maximum trade size it will be rejected. In certain circumstances, orders outside of these thresholds may be executed. Likewise, in exceptional circumstances, orders of any size may be rejected.

## **6. Execution Venues**

Execution Venues are the entities with which the orders are placed or to which Capital Index, transmits orders for execution. For all classes of financial instruments and all account types, Capital Index will act as principal in respect of client transactions. We may seek to act as market maker and may hedge none, all or part of our market risk in the underlying market.

Capital Index assesses each of its own execution venues that it has access to when determining the pricing, hedging and execution of client transactions.

### **6.1. Factors Affecting the Choice of Execution Venue**

The following factors affected the choice of our execution venues:

#### **Price**

Our execution venues aggregate feeds from multiple pricing providers, ensuring provision of competitive and accurate pricing.

#### **Cost**

Execution venues' costs have been agreed at a sufficiently low level to ensure fair and competitive trading costs for the clients of Capital Index.

#### **Speed of Execution**

Execution venues were selected due to their low latency pricing solutions.

#### **Likelihood of Execution**

Execution venues were selected due to their ability to ensure a very high level of execution certainty.

#### **Quality of Execution**

The Order Execution Policies of our execution venues were reviewed prior to establishing relationships, to ensure low levels of slippage and symmetrical slippage.

## **7. Specific Instructions**

If the client gives Capital Index specific Order instructions, those instructions will take priority over other determinants as set out in this Policy.

Where execution under specific instructions results in Capital Index having to use a different process than that specified in this Policy, Capital Index may have to pass the direct costs incurred on to the Client in accordance with the terms of the Trading Agreement.

## 8. Order Handling

The below section provides information on how orders will be handled, with the overriding objective being to ensure that client orders are executed promptly, fairly and in due turn. Capital Index has set out the Execution Factors to be considered when selecting the different venues on which it may execute client orders. Unless relating to those explicit parts of a client order which relate to a specific instruction, the following "Execution Factors" to determine the manner in which the order will be executed, will be considered:

- Price;
- Liquidity
- Costs;
- Speed;
- Likelihood of execution or settlement;
- Size of client order;
- Nature of client order;
- Any other consideration relevant to the efficient execution of the client's order.

Capital Index determines the relative importance of each Execution Factor using the following criteria in order to get the best possible result for the client:

- The characteristics of the client (including client categorisation), suitability and nature of the client's order versus market sentiment at the time;
- The characteristics of the instrument that is the subject of the client's order;
- The characteristics of the execution venues to which the client's order can be directed.

## 9. Order Types

The nature of an order and the characteristics of an order can affect execution. Below, Capital Index describes the different kinds of orders that a client can place:

- **Market Order:** an order to buy or sell at the current market price. The system automatically executes the 'market order' at the best available price at the time of the execution.
- **Stop Orders:** this is an order to buy or sell once the market reaches the 'stop price'. Once the market reaches the 'stop price', the 'stop order' is triggered and treated as a 'market order'. If the 'stop order' is not triggered it shall remain in the system until a later date subject to the conditions described in the 'Good till Cancel' section. 'Stop orders' can be placed as close to the current market price as possible; but cannot be placed closer than the spread of that particular market.
- **Stop Loss:** this is an order to minimise losses. Once the market reaches the 'stop loss price' the order is closed. If the 'stop loss' is not triggered it shall remain in the system until a later



date. A 'stop loss' can be placed as close to the current market price as possible; but cannot be placed closer than the spread of the market.

- **Limit Orders:** this is an order to buy or sell once the market reaches the 'limit price'. Once the market reaches the 'limit price' the order is triggered and executed at the 'limit price' or better. If the limit order is partially filled, a new limit order will be automatically created for the outstanding volume and executed once the market price reaches the originally requested limit price. If the limit order is not triggered it shall remain in the system until a later date subject to the conditions described in the 'Good till Cancel' section. Limit orders can be placed as close to the current market price as possible; but cannot be placed closer than the spread of the market.
- **Take Profit:** this is an order to realise profits. Once the market reaches the 'take profit price' the order is triggered and treated as a limit order. If the 'take profit' is not triggered it shall remain in the system until a later date. A 'take profit' can be placed as close to the current market price as possible; but cannot be placed closer than the spread of the market.
- **Good till Date:** is a time setting that applies to working orders. The client may choose a specific date in the future until which the order will remain 'live'. If the order is not triggered during the pre-determined timeframe, it shall be deleted from the system.
- **Good till Cancelled:** is an execution setting that the client may apply to working orders. The working order may remain 'live' until it is either cancelled by the client or triggered.

## 10. Execute in "time of order priority"

"Otherwise, comparable orders" must be executed in accordance with the time of their reception by Capital Index, meaning they must be executed sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise.

A client order received after another otherwise comparable order that has not been fully executed may be aggregated with the earlier order subject to the procedures set out below. Orders do not need to be treated as "otherwise comparable" if they are received by different media and it would not be practicable for them to be treated sequentially.

## 11. Account Types

Capital Index offers 2 different type of accounts:

### Advanced

This is the most popular account offering typical spreads.

### Pro

This account has lower spreads and is offered to clients who deposit more than 10,000 GBP/EUR/USD.

	Advanced	Pro
	Variable spreads	Variable spreads
Min Deposit	100 (GBP, EUR, USD)	10,000 (GBP, EUR, USD)
Default Leverage	Defined by instrument/asset class	Defined by instrument/asset class
Max Leverage	1:30	1:30
Min FX Trade Size	0.01 Lot	0.01 Lot
Min Trade Size (Non -Fx)	0.1 Lot	0.1 Lot
Trade Size Increment	FX CFD 0.01 Lot	FX CFD 0.01 Lot
	Non-FX CFD 0.1 Lot	Non-FX CFD 0.1 Lot
Commission	Only on certain instruments, such as CFD on Equity	Only on certain instruments, such as CFD on Equity
Account Currency	GBP, EUR, USD	GBP, EUR, USD
Telephone Trading	Yes	Yes
MT4 Platform	Yes	Yes
Trade requotes	No	No
Dealer Intervention	No	No
Hedging available	Yes	Yes

## 12. Best Execution Monitoring

Capital Index produces multiple reports as part of the Best Execution report to ensure best service from its liquidity providers (LPs):

### Independent Price Review

To ensure the fairness of the prices that Capital Index provides, Capital Index checks its pricing with an independent price source. This allows Capital Index to confirm that the prices given to the client are fair and in line with the market.

### Spread Analysis

Capital Index regularly compares its spread with a selection of its competitors in the CFD market to ensure that the spreads that it charges are both competitive and fair. It does this by comparing its own spreads to its competitors for several instruments during several different trading sessions to cover as many scenarios as possible.



### **Execution Time / Latency**

To ensure that the delay between the placing of a trade and execution is minimal, Capital Index analyses its trade logs to check the speed of execution of client trades. Any trades executed in more than two seconds are investigated.

### **Slippage and Rejection**

Capital Index has developed a report that shows the amount of slippage in relation to the latency of the executed trade. It also shows the monetary value of the slippage. This report allows Capital Index to measure slippage symmetry, to ensure client trades are not being consistently negatively slipped.

## **13.Conflicts of Interest**

Capital Index has no conflicts of interest with any of the third parties it deals with regards to executing client trades. Its liquidity and bridge providers are independent from Capital Index. Capital Index has a strict Policy on Conflicts of Interest in all areas of its business activities, including third party selection.

## **14.Order Execution Policy Review**

Capital Index will review this Order Execution Policy when required, but no less than annually, to ensure it consistently provides best execution for clients.

Any failings or weaknesses will be discussed between the Dealing and Compliance Departments and brought up in the quarterly Board meetings to discuss remedial action if necessary.

## **15.Information to Clients**

Capital Index makes available on its website the Order Execution Policy Summary. Clients will also be able to query any trade where they feel Capital Index has not executed their orders in accordance with the Capital Index Order Execution Policy. They will be provided with a response including relevant data to support the decision Capital Index takes.

## **16.Capital Index's Obligations**

Capital Index will comply with the Order Execution Policy and monitor compliance with this policy. Capital Index will maintain records of the data which is used to quote prices.

If clients have any questions regarding this policy or require further explanations concerning this Policy, they may contact the Capital Index's support department at [support@capitalindex.com](mailto:support@capitalindex.com).



## **Annex 1 - Execution Venues**

### **Execution Venues Information**

Below are the execution venues used by Capital Index when executing orders on behalf of clients. This list is not exhaustive and is subject to change and will be reviewed annually.

- **Broctagon Fintech Group** – CIUK utilises this execution venue for all quoted instruments.