



# Order Execution Policy

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BUX B.V. is a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid) with its statutory seat in Amsterdam, the Netherlands, registered with the Trade Register of the Dutch Chamber of Commerce in Amsterdam under number 58403949. BUX B.V. is authorised as an investment firm and supervised as such by the Dutch Authority for the Financial Markets (AFM).

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## 1 Introduction

BUX B.V. (“**BUX**”) provides an introducing brokerage service for shares [and ETFs](#) to retail clients (“**You**”). This BUX Zero Order Execution Policy (“**This Policy**”) sets out the steps BUX takes to obtain the best possible result for the execution of Your orders, also known as ‘best execution’.

The services of BUX are provided through the BUX Zero mobile application. This Policy therefore applies to all orders placed by You through the BUX Zero mobile application. By placing an order through the BUX Zero mobile application, You acknowledge and accept that Your orders will be carried out in accordance with This Policy.

As BUX provides an introducing brokerage service and only receives and transmits Your orders, part of This Policy is the procedure to establish the right partnerships for the execution of Your orders.

## 2 Approach

### 2.1 Partnership with executing broker

BUX provides an introducing brokerage service for shares and ETFs and is responsible for the reception and transmission of Your orders. BUX has a partnership with an executing broker which executes the orders.

Both BUX and the executing broker shall have execution arrangements in place that enable both parties to comply with all obligations and regulations when receiving, transmitting or executing Your orders. BUX will make sure the order execution policy of the appointed executing broker matches with This Policy.

### 2.2 Best execution

When executing Your orders, the executing broker will need to take all sufficient steps to establish best execution for You. The characteristics for best execution fall under the obligation to execute orders on terms most favourable to You, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration.

Next to this, there are a number of aspects that BUX takes into account when looking at the execution of Your orders:

- No opening or closing orders are rejected, provided You have sufficient cash in Your account, and provided that Your order falls within certain requirements set when the order is submitted by You. In situations where the BUX Zero mobile application is unavailable (due to an unscheduled mobile application outage) or You are not able to access the BUX Zero mobile application (e.g. due to loss or malfunction of Your mobile phone) and as such You are not able to close a position, a telephone service will be available for closing orders;
- Pricing should always reflect the underlying market to which the order will ultimately relate;
- You will receive a live pricing feed from the market and can decide yourself if You want to act upon that given price by sending in a Market Order, or a Limit Order. Limit Orders will be executed if the market price at the venue trades through the proposed Limit Order price. In a situation where the available market volume at Your proposed Limit Order price is not fully traded You will receive full execution, partial execution or no execution depending on the position of Your Limit Order in the order book queue.

### 3 Execution partners

BUX has entered into arrangements with an executing broker which is responsible for the execution of orders placed through the BUX Zero mobile application. Before entering into such an arrangement, a proper due diligence needs to take place to ensure the partnership will be in the best interest of the client and makes sense from a business perspective. It is important that BUX exercises due skill, care and diligence when entering into, managing or terminating any arrangement with an executing broker.

When performing an assessment of a potential executing broker partner, there are two components to be investigated: (1) an assessment of the executing broker as a company and (2) an assessment of the order execution by assessing the order execution policy of the executing broker.

#### 3.1 Partnership company assessment

For the assessment of the executing broker as a company, the following aspects are to be considered:

- Vision, direction and strategy: the vision, direction and strategy of the company should fit with the vision, direction and strategy of BUX;
- Due diligence of Management Team (MT): it is important that the MT members are considered to be capable and knowledgeable to not only bring the company to a higher level, but also to make sure that they have the client's interest in mind while doing so;
- Solvability and liquidity: the solvability and liquidity of the partner should be healthy;
- Regulatory framework in which the company operates: BUX requires the partner to be fully licensed in a jurisdiction within the European Economic Area;
- IT infrastructure: the IT infrastructure should be solid and capable of handling a large amount of orders within a short period of time. Also, it is important to have a full suite of APIs available for the technical integration;
- IT security: the security of the executing broker should be high level. Whitelisting of IP addresses and two-factor authentication are important to make sure the trading platform is safe and secure.

#### 3.2 Partnership order execution assessment

For the assessment of the order execution of the executing broker, the following factors are taken into account:

- Pricing: the pricing structure and the level of pricing that the executing broker uses;
- Likelihood of execution/liquidity: the difference between the bid and the ask price should be consistent. The smaller the spread, the more liquid a product often is. BUX aims to only offer liquid products (i.e. blue chip shares and ETFs) and the spread is an indicator of the extent to which a product is actually liquid. Therefore, the spread should be considered small and consistent. The market the executing broker covers

needs to fulfill the obligation to execute the order in a liquid market and increase the likelihood of execution;

- Speed of execution/latency: the time it takes from the moment You decide to send in an order to the moment it is received by the market, is called latency. The speed of execution for a Market Order should be instant. With limit orders, the order should be executed immediately when the set price is reached. Situations may occur that prevent immediate execution, but these need to be reported as such and are only per incidental exception. With blue chip shares and ETFs, the execution of the order needs to happen immediately. The assessment should therefore take into account the extent to which orders can be processed immediately;
- Transaction costs and involved post trading costs: the transaction costs and involved post trading costs determine the viability of the business model. These costs need to be assessed in order to determine the commercial value of the partnership;
- Product offering: a larger geographical reach is considered better;
- Additional costs for implementing another executing broker: both one-off costs as well as ongoing costs. This is important, especially when using the services of a single dedicated executing broker.

The order execution policy of the executing broker lies at the foundation of the assessment of the order execution. BUX will perform periodic checks on the order execution policy of the execution broker to establish if there have been any changes.

## 4 Order processing

### 4.1 Execution of orders

To make sure Your orders are executed fairly and expeditious, BUX ensures the following conditions are met when carrying out Your orders:

- Orders are accurately recorded and allocated;
- Comparable client orders will be carried out sequentially and promptly;
- You are properly informed upfront about any material difficulty relevant to the proper carrying out of orders;
- The quality of the executions of orders and the taken action when the criteria for best execution are not met.

Your orders are always sent to the market based on the timestamp of creation by You.

Your orders are executed by the executing broker on multiple execution venues and via bilateral transactions like systematic internalisers (SI). Not all available execution venues are selected, because of the high costs of some venues or high costs for post trading. This means that sometimes a better price is available at a venue BUX (via the executing broker)

has no access to, but taking into account the total consideration of the price and costs, execution on that venue would lead to a negative result for You and therefore that venue is not selected.

When executing an order in a currency other than the Euro, the exchange rate applies to the total value of the transaction. BUX applies a mark-up on the exchange rate for each executed order, this is immediately visible in Your account after execution of the order. The current fees are displayed on the BUX Zero website.

Execution venues are selected based on the following criteria:

- Liquidity, high turnover of volume in shares [and ETFs](#);
- The speed and likelihood of execution and settlement;
- Costs;
- Stability of infrastructure and prices;
- Trading time and the abilities to trade.

Your orders can be executed by the executing broker:

- Via a Smart Order Routing (SOR) method: the executing broker allocates the received order to a venue or SI based on a discretionary algorithm with price as a priority in any decision;
- By sending the order directly to the venue of preference;
- Via a bilateral method, like an SI or another 'Over The Counter' method;
- Via a request for quote method: asking a quote of external parties to trade.

Annually BUX will publish a report on its website with the top 5 executing brokers and top 5 execution venues used in the preceding year, based on trading volumes.

## 4.2 Order types

BUX offers the following order types in the BUX Zero mobile application:

### Market Order

Market Orders are executed at the best available market price.

Market Buy orders are adjusted to Limit Orders collared up to 5% as a safeguard for unexpected market movements. Market Buy order collars may vary depending on prices of instruments, market conditions and other factors. Market Sell orders are not collared.

The price You see when You create the order may differ from the execution price for both Market Buy orders and Market Sell orders due to price fluctuations. You should be conscious to accept the risk associated with this type of instruction. BUX will not be liable for losses incurred due to the selection of this order type.

### Limit Order

Limit Orders specify the maximum price You are willing to pay for a share [and/or ETF](#) or the minimum price You want to receive for a share [and/or ETF](#) You are selling.

With a limit buy order You will never have to pay more for a share [and/or ETF](#) than the given limit. With a limit sell order You will never receive less than the limit You gave.

#### Zero Order

Zero Orders will be executed every day during an execution window, shortly after the Cutoff Time. The Cutoff Time is the time of day when we will not take new Orders for that day. The price at which a Zero Order will be executed will depend on the prevailing market price at the time the transaction is executed. This may work to Your advantage or disadvantage due to the inherent nature of a moving market. For more information about the operation, definition of the Zero Order and the terms and conditions, please refer to the Product Information Sheets.

Please be aware that BUX is not liable for your choice for this order type and the associated risks such as - but not limited to - losses incurred.

### 4.3 Extraordinary circumstances

In some situations the obligation of obtaining an optimal result for the execution of Your orders will not apply, for example when the market is very volatile or when BUX or one of its partners is facing technical issues. The focus will then shift to executing Your order in a timely manner.

In situations where the BUX Zero mobile application is unavailable (due to an unscheduled mobile application outage), a telephone service will be available, but only for closing orders.

If an execution venue is facing technical issues, new orders will be sent to another execution venue for execution if feasible.

### 4.4 List of executing brokers

The executing broker BUX partnered with for the execution of orders placed through the BUX Zero mobile application is ABN AMRO Clearing Bank N.V. This partner is also responsible for the clearing, settlement and custody of the shares [and ETFs](#) offered through the BUX Zero mobile application.



## 5 Cash handling partner

BUX is not entitled to hold any client money. BUX has therefore entered into arrangements with a partner responsible for the handling of Your money.

For this partnership a proper due diligence needs to take place to ensure the partnership will be in the best interest of the client and makes sense from a business perspective. It is important that BUX exercises due skill, care and diligence when entering into, managing or terminating any arrangement with a partner for the handling of Your money.

To make sure Your money is handled fairly and correctly, BUX ensures the following conditions are met:

- a) Client money is handled by an institution that provides the required safety guarantees (e.g. Deposits Guarantee System (DGS) or Investments Compensation Scheme (BCS)<sup>1</sup>
- b) Client money is fully segregated from the capital of the partner;
- c) Client money is administered individually.

The aspects mentioned in chapter 3.1 in relation to the assessment of a potential executing broker also apply when assessing a potential partner for the handling of Your money.

The partner responsible for the handling of Your money in relation to the BUX Zero mobile application is ABN AMRO Clearing Bank N.V.

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<sup>1</sup> DGS = Deposito Garantie Stelsel and BCS = Beleggers Compensatie Stelsel. Both guarantee systems are applicable under Dutch law.

## 6 Monitoring and review

BUX undertakes to monitor execution performance and execution quality of the executing broker on an ongoing basis.

This Policy is reviewed on an annual basis or on the occurrence of a material change in the execution arrangements of the executing broker or in underlying regulatory obligations. The purpose of the review is to assess whether This Policy and the order execution of the executing broker are reasonably designed to enable BUX to obtain the best possible result for the execution of Your orders.

You will be notified of any material changes to This Policy.