



## INTRODUCTION

IG US LLC (“IG”, “we”, “our” or “us”) is committed to treating our clients (“you”, “your”, “yours”) honestly, transacting with you in a professional and transparent manner, and to act in your best interests. This applies to quotes you may request to open or close a Transaction on a Spot FX or FX Option Contract, or when managing your trading account.

More specifically, when we enter into a trade (each, a “Transaction”) on a Spot FX Contract or FX Option Contract with you (each, a “Contract”), through our execution-only dealing desk, we will provide you with a competitive execution price. Competitive execution means that we must take all reasonable steps to obtain the best result for you when executing an order with you or on your behalf, taking into account various execution factors.

This document provides a summary of the IG Group Order Execution Policy which applies to IG’s execution of orders in all types of financial instruments on behalf of retail and eligible contract participants as defined in Section 1a(18) of the Commodity Exchange Act (“CEA”). Policies specific to IG US LLC are listed below.

This disclosure forms part of our terms of business. Therefore, by agreeing to the terms of the applicable Customer Agreement, you are also providing consent to the terms of the Order Execution Policy, as summarized and detailed in this document. The Summary Order Execution Policy shall control over any conflicting provisions in the Order Execution Policy.

## ORDER HANDLING AND TADING DETAILS FOR EXECUTION ONLY SERVICES

Information regarding how we handle orders can be found within clause 9 of the Customer Agreement.

Full details of the trading conditions for types of orders available through a Forex trading account are available through our website and within our trading platform.

## HOW DO WE GIVE YOU A COMPETITIVE EXECUTION PRICE?

When we enter into Contracts with you, or execute Transactions on your behalf, we will take all reasonable steps to achieve the best result for you by executing those Contracts or Transactions according to the Order Execution Policy and subject to any specific instructions received from you. The Order Execution Policy comprises a set of procedures that are designed to obtain the best execution result for you subject to and taking into account (a) the nature of your Contracts or Transactions, (b) the priorities you have identified to us in relation to entering into those Contracts or Transactions, and (c) the practices relating to the market in question, with the aim of producing a result which provides, in our view, the best balance across a range of sometimes conflicting factors.

## WHAT WE CONSIDER IN DETERMING WHETHER WE OBTAIN A COMPETITIVE EXECUTION PRICE FOR YOU

We have determined, that the order of importance of the execution factors is the same across all IG products and markets; that for all retail clients the best result will be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution.

In determining the importance given to the other factors (speed, likelihood of execution and settlement, the size and nature of the order) we will exercise our discretion in assessing the criteria that we need to take into account to provide clients with the best result. The relative importance of these criteria will be judged in line with our commercial experience and with reference to market conditions including the need for timely execution, availability of price improvement, the liquidity of the market and size of your order (which may make it difficult to execute an order) and the potential impact on total consideration. In certain circumstances therefore IG may determine that the speed, and likelihood of execution and settlement for example may take precedence over immediate price and cost factors if they are instrumental in delivering the best possible result. This may be the case, for example, with large client orders in illiquid currencies or when a stop has been triggered.

### SLIPPAGE

When you execute an at-quote or limit order with us, we apply a symmetrical time-based tolerance setting regardless of the direction the market has moved. This means that your order will be executed at the level you request if the market stays within the specific range for that market when we receive your order. If you submit a market order it will be filled in the price available, for the order size, when we receive your order.

If the price you request is outside the tolerance range when we receive it, we will ensure you receive the latest price if the market moves to a better level for you than the price you requested. If the market has moved in the opposite direction, and is outside the tolerance range, we will reject your order and you will have to resubmit your order at the current level.

### ADJUSTMENTS

We may cancel or change the price of your executed order where technical problems with our trading platform or similar circumstances occur beyond our control and are unrelated to market price movements. Further, as we exclusively utilize straight-through order processing (no human intervention), we may cancel or adjust the price of your executed order where we entered into an identical but opposite Transaction with a counterparty (creating an offsetting position for us), and this counterparty cancels or adjusts the price at which their order was executed with us.

### IN RELATION TO SPOT FOREX AND FOREX OPTIONS

In relation to Contracts that you enter into with us, we act as principal and not as agent on your behalf and we therefore act as the sole execution venue for the execution of your Contracts. This means that we will act as market maker and you will be trading with us and not within the underlying market.

The main way in which we will ensure that you obtain a competitive execution is by ensuring that in the calculation of our bid/offer prices used to execute your Contracts, we pay due regard to the market price for the underlying reference product to which your Contract relates. We have access to a number of different data sources in order to ascertain the market price, which is our objective view of the bids and offers available to arms’ length traders. More information can be found in the Execution Venues section below.

In respect of Options, pricing will also reflect IG’s position as a market maker and prices will be generated via our internal Black Scholes pricing model. This means that the time to expiry, the price of the underlying market and our expectation of future volatility is taken into account. Prices will accordingly be influenced by our overall clients’ sentiment and any resultant underlying market exposures as well as by movements in an underlying market.

In relation to some financial instruments, at the time at which you give us an order there may be no functioning or open market or exchange on which the reference product is traded. In such cases, we set out to determine a fair underlying two-way price based on a number of factors such as price movements on associated markets, other market influences and client trading flow.

### IN RELATION TO OUR FOREX TRADING ACCOUNT

In relation to Transactions executed on your behalf, except where indicated otherwise in a Statement (our confirmation of your Transactions) that we send you, we will act on your behalf to execute your instructions to trade in the underlying market as principal.

### EXECUTION VENUES

While we act as principal in respect of your orders, we assess the venues available to us for the pricing and hedging of your Contracts and the execution of your Transactions. We view that price and costs for clients are the most important factors in our choice of venue, but we will also take into account how each of the other execution factors are affected for example, speed of processing and likelihood of order acceptance in a variety of markets and order types. The financial soundness and order execution policies of any counterparty or venue are also considered.

## WHAT WE CONSIDER IN DETERMINING WHETHER WE OBTAIN A COMPETITIVE EXECUTION PRICE FOR YOU (CONTINUED)

In respect of Forex and Options we will seek to manage our risk as market maker and may choose whether to hedge part or all of your Contracts in the underlying market. We believe this approach is likely to result in reduced execution costs and market price impact for our clients overall. Where hedging in the underlying market is required this may affect the price of the Contract that IG enters into with you, taking into account the prevailing market prices available to IG.

The venues we deem allow us to obtain on a consistent basis the best possible result for the execution of your orders are subject to change as we see fit and shall include amongst others regulated markets, ECNs or MTFs, market makers, banks, executing brokers and other liquidity providers. A non-exhaustive list of the execution venues upon which we place significant reliance is available on the Order Execution Policy page of our website and may be updated from time to time.

### ELIGIBLE CONTRACT PARTICIPANT

If we have expressly categorized you as an eligible contract participant in accordance with the meaning given to this term in Section 1a (18) of the CEA, we will consider relevant Commodity Futures Trading Commission and National Futures Association Rules to determine whether we are acting on your behalf and whether you are legitimately relying on us to deliver a competitive execution price in relation to your order. This includes our consideration of (a) who initiates the transaction, (b) questions of market practice and the existence of a convention to "shop around", (c) the relative levels of price transparency within a market, and (d) the information provided by IG and any agreement reached.

We recognize that you will be relying on us to provide a competitive execution price and we will therefore execute your order in line with this policy. In certain circumstances our determination of the relative importance of the execution factors may differ from retail clients including for example where the likelihood of execution may take precedence over price.

## IG ORDER FLOW FOR ELECTRONIC OVER THE COUNTER "OTC" ORDERS

IG's order flow logic is designed to maximize the chance of your order being accepted, while keeping you in control of the most important execution factor – price.

IG will process 100% of your active<sup>(1)</sup> orders without any manual intervention. IG's order flow, is designed to auto-accept client orders without referencing our exposure and without referencing liquidity in the underlying markets as much as possible. Not referencing IG's exposure, nor interacting with the underlying market, reduces the cost to our clients – as IG are not passing on "price-impact" of our client's order to the market and improves the likelihood of execution. Where deemed necessary, for example in the case of large orders or as determined by IG's risk appetite, part, or all, of the order may be worked in the market and the underlying fill level passed to the client.

You have the ability to set an aggressive limit price ("points through current") and to accept partial fills – both of these features are designed to increase the likelihood of execution. IG will only ever partially fill an order as an alternative to an outright rejection. We will never partially fill your order as an alternative to filling it in its entirety.

## AGGREGATION

Aggregation means that we may combine your request to trade, (for example, an instruction to close a Contract in relation to a Stop Order, or to execute a Transaction on your behalf on an execution only basis) with those of other clients of ours. In respect of OTC orders we may also aggregate your orders with our own orders for the purposes of hedging other client activity, for execution as a single order.

We will pursue this policy where we reasonably believe that it is in the overall best interests of our clients to do so. This means that while it is unlikely to work overall to your disadvantage, on occasions, aggregation may result in you obtaining a less favorable price in relation to a particular order once your instruction to close a Contract or for us to execute a Transaction on your behalf has been conducted.

The reason IG may sometimes aggregate orders is that it reduces the time it takes to get all orders to market. For example, the execution of many small orders one at a time could "signal" to the market that this pattern may continue which may result in IG clients getting worse fills than if IG sent one, single order to the market. This may be particularly important in illiquid, quote driven or fast moving markets.

## ORDER ALLOCATION POLICY

Where an aggregated order is partially filled in the market, allocation to clients will be distributed proportionately across all clients. In all instances, the allocation will be undertaken on a fair and reasonable basis with reference to factors such as order type, price and volume where it may not be practical or deemed fair in our view to fill orders proportionately, for example, in the case of de minimis orders. In this way we shall ensure that allocation will not be undertaken in a way which gives unfair precedence to any particular person.

While not usually the case, in the event that your OTC order is aggregated with orders arising from IG's hedging activities we shall allocate your orders in priority to ours. If, however, we are able to demonstrate on reasonable grounds that the aggregation of your order with ours allowed the execution on more advantageous terms, or indeed at all, then we may allocate the orders proportionally.

On rare occasions and only where we believe that it will not be detrimental to you, we may re-allocate your orders. We consider that in this context detriment would be caused if as an effect of the reallocation, unfair precedence is given to IG or to any particular client.

## SPECIFIC INSTRUCTIONS

Where you give us specific instructions, including but not limited to (a) specifying the price of a Forex contract with us (for example, through the use of a direct dealing platform such as L2), (b) specifying the price at which a contract is to be closed if the market moves against you (e.g. a Stop Order), or (c) for us to "work" an order, then those instructions take precedence over other aspects of our policy. IG will continue to apply the policy for the aspects of an order not affected by the specific instructions.

## MONITORING AND REVIEW

IG will monitor the effectiveness of the Order Execution Policy. We will assess on a regular basis whether the price feeds and hedging venues relied on in pricing our products allow us to achieve competitive execution on a consistent basis, or whether we need to make changes to our execution arrangements. We will also review our order execution arrangements and order execution policies regularly whenever a material change occurs either in respect of one of our chosen pricing venues or otherwise that affects our ability to continue to achieve best execution. Should there be any material changes to our order execution arrangements or the Order Execution Policy, we will notify you of such change.

IG has a rigorous governance process in place to oversee a competitive execution which includes the monthly distribution of data on the execution quality of all IG Group entities to a "Best Execution Committee". In particular, this data will demonstrate the quality of execution relating to the execution factors deemed important by IG.

## WE DO NOT OWE YOU A FIDUCIARY DUTY

Our commitment to provide you with a competitive execution price does not mean that we owe you any fiduciary responsibilities in respect of order execution over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

(1) An "active" order is where you give us an instruction to execute an order immediately. As opposed to "passive" orders where you give us an instruction to execute an order later, subject to the price moving