



Interactive Brokers Central Europe Zrt.
(IBCE)

ANNOUNCEMENT

Annex 4 to the GBR:

Best Execution Policy

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1 PURPOSE

The purpose of IBCE's BEST EXECUTION POLICY ("Policy") is to establish the control framework and minimum standards for effective best order execution in accordance with applicable laws and regulations.

This Policy sets out the required standards to satisfy regulatory requirements for the best execution of client investment orders following the transposition of Markets in Financial Instruments Directive ("MiFID"), regime (implemented in 2007), as revised with the EU Markets in Financial Instruments Directive (2014/65/EU) ("MiFID II").

This Policy is designed to supplement and operationalize certain legal and regulatory requirements applicable to best order execution by IBCE and does not supersede, replace, or modify any such legal and regulatory requirements.

2 LEGAL / REGULATORY REFERENCE

This Policy establishes the rules and framework which is designed to assist IBCE with applicable laws and regulations relevant to best order execution, including:

- Markets and Financial Instruments Directive ("MiFID II") which is defined by EU Directive No 65/2014 of 15 May 2014;
- Markets and Financial Instruments Regulation ("MiFIR") which is defined by EU Regulation No 600/2014 of 15 May 2014;
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU as regards organisational requirements and operating conditions for investment firms (Article 66);
- Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 with regard to regulatory technical standards for the annual publication of information on the identity of execution venues and on the quality of execution ("RTS 28");
- The Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities ("Bszr.").

MiFID II, MiFIR, Commission Delegated Regulation (EU) 2017/565 and RTS 28 are a pan-European set of laws adopted by the Hungarian authorities that sets out business rules of conduct with regard to investor protection or products in financial markets. The rules aim to protect investors, apply to all investment service providers in Hungary, and the compliance to these rules are strictly supervised by the Central Bank of Hungary ("MNB").

MiFID II, MiFIR, Commission Delegated Regulation (EU) 2017/565 and the Bszr. require, that IBCE establishes an order execution Policy and takes all reasonable steps to obtain the best possible result when executing orders on behalf of its clients.

To avoid conflicts of interest between one client and IBCE's duties to other clients, IBCE does not give any preferential treatment to that client to the detriment of other clients and does not disclose the details of this order to other clients. The relevant controls are defined in the Conflicts of Interests Policy.

This Policy is designed to assist IBCE in taking into consideration the matters specified above and more generally complying with applicable laws and regulations relevant to best order execution.

3 SCOPE

The abbreviations used in this Policy to identify departments of IBCE are the same as the abbreviations used in the Organizational and Operational Charter (OOC or SZMSZ).

3.1 PERSONAL SCOPE

This Policy applies to all departments of IBCE and to all employees of IBCE without limitations and to all relevant Service Providers (whether being third party service providers or affiliates of IBG, IBCE) acting for or on behalf of IBCE.

It is the responsibility of each affected head of department of IBCE to ensure that this Policy is known and conformed to within his/her respective area of responsibility. Each affected IBCE employee is also responsible for ensuring their own compliance with this Policy.

3.2 MATERIAL SCOPE

This Policy applies to all events that involve order execution of retail clients and professional clients. This Policy does not apply to events involving clients in the Eligible Counterparty category.

4 KEY DEFINITIONS

Terms	Definitions
APA	Approved Publication Arrangements
CCO	Chief Compliance Officer
CEO	Chief Executive Officer
IBCE	Interactive Brokers Central Europe Zrt.
IBG	Interactive Brokers Group
MNB	Central Bank of Hungary (Magyar Nemzeti Bank)
MTF	Multilateral Trading Facilities
Order(s)	Investment firms either executing, receiving or transmitting client orders in financial instruments or making and decisions to buy/sell financial instruments.
OTF	Organised Trading Facilities
RTS	Regulatory Technical Standards of MiFID II.

5 BEST EXECUTION PROVISIONS

MiFID best execution requirements are important component of investor protection.

5.1 THE NATURE OF INTERACTIVE BROKERS' (IB) BUSINESS

IBCE is an affiliate of Interactive Brokers LLC ("IBLLC"), a SEC-regulated broker specializing in routing orders and executing and processing trades in securities, derivatives and foreign exchange instruments. IBCE does not have human brokers and does not provide investment advisory services or take responsibility of the suitability and appropriateness of specific client trades. IBCE does not engage in proprietary trading outside of executing transactions with clients on a riskless principal basis for CFDs (matched principal trading).

IBCE is licensed to provide investment services activities (i.e. execution of orders and safekeeping of assets). IBCE holds client assets, i.e. cash and financial instruments in accordance with the Hungarian rules relating thereto.

IBCE provides its services in relation to the following types of financial instruments:

- transferable securities;
- money-market instruments;
- units in collective investment undertakings;
- options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
- options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a Multilateral Trading Facilities (“MTF”), or an Organised Trading Facilities (“OTF”), except for wholesale energy products traded on an OTF that must be physically settled;
- options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in the preceding bullet point and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
- derivative instruments for the transfer of credit risk;
- financial contracts for differences (“CFDs”);
- options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in the present list, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, an OTF or an MTF;
- emission allowances consisting of any units recognised for compliance with the requirements of directive 2003/87/EC.

IBCE provides electronic brokerage services to its clients. The orders clients submit to IBCE through IBG trading platforms are routed to markets or dealers using IBG’s proprietary order routing technology. IBCE is a member of securities and commodities exchanges and trading networks as set out in Appendix C, where IBCE executes orders submitted by its clients or by clients of affiliates. Where the order routing identifies market centres for execution where IBCE is not a member, IBCE client orders are transmitted for execution to IBCE’s affiliates: collectively or individually (the “Executing Partners”).

5.1.1 EXECUTING PARTNER BY ASSET CLASS

IBCE will execute or route orders to its Executing Partners based on the asset class the underlying client wishes to trade and the exchange memberships or trading relationships IBCE and the Executing Partners hold. We have listed the relevant venues and executing brokers in Appendix C. The given Execution Partner manages all the specified asset types, as well as both retail and professional clients.

The use of affiliates provides specific benefits to client executions, including enhanced governance, oversight and transparency of an order, consistency of order handling and front to back trade processing.

Note: IBCE does not use an Executing Partner for CFD transactions. See Appendix B, section 4.

5.2 IBCE EXECUTION POLICY AND PROCEDURES

5.2.1 WHAT IS BEST EXECUTION

IBCE and the Executing Partner should take all sufficient steps to obtain the best possible result for IBCE’s client taking into account best execution factors including price (net price), cost, speed, likelihood of execution,

size, nature of an order and any other consideration relevant to the execution of the order such as the nature of the relevant market, prevailing market conditions and possible market impact (“Execution Factors”).

The relative importance of each of the execution factors may depend on:

- the characteristics and nature of the order, including any specific instructions the client might have given;
- the characteristics of the financial instruments that are the subject of the client’s order; and
- the characteristics of the execution venues (if there is more than one) to which the order can be directed.

The duty of best execution applies if the client has been classified as retail client or professional client.

5.3 HOW IS THE RELATIVE IMPORTANCE OF EXECUTION FACTORS DETERMINED?

IBCE determines whether the clients are a retail or professional client at account opening in accordance with the Client Categorisation Policy. The clients are notified of the retail or professional category.

The other execution factors are applied on an asset class by asset class basis, taking into account whether the order is marketable or not. A marketable order is a buy order with a price at or above the lowest offer in the market or a sell order with a price at or below the highest bid in the market.

For marketable orders, one of the primary execution factors is either total consideration or price depending on the client’s instruction. The total consideration represents the price of financial instrument and the costs related to execution, which include all expenses incurred by the client which are directly related to the execution of the order, including execution fees, clearing and settlement fees and other fees paid to third parties involved in the execution of the order.

For non-marketable orders, one of the primary execution factors is typically likelihood of execution followed by cost.

Both in the case of marketable and non-marketable orders, the remaining execution factors –order size, nature of the order and any other consideration relevant to the efficient execution of your order – are generally secondary and applied where they may optimize the primary factors.

See Appendix B for the process by which IBCE will determine the importance of the execution factors for the relevant financial instruments and the weight accorded those different factors.

5.4 ORDER EXECUTION PROCESS

When submitting order through IB trading platforms, the clients choose smart order routing (see section 5.5 below) or provide specific instructions to directly route their orders to a specific venue. The client’s orders are filled in one or multiple market transactions across one or more execution venues. IBCE deals fairly and in due turn with all orders received from its clients during the execution and order routing to its Executing Partners. To the extent it is reasonably practicable to do so, IBCE deals with all orders in accordance with this Internal Regulation and its general terms and conditions.

5.5 SMART ORDER ROUTING

IBCE, through its Executing Partners, offers clients the capability to utilize IBG’s smart order routing (“Smart Routing”) for products that are listed on more than one execution venue. Smart Routing is IBG’s proprietary computerised order routing algorithm designed to optimise both speed and either price or total consideration, by continuously scanning the bids and offers at each of those competing execution venues and automatically routing orders directly to the best execution venues or dealer.

5.5.1 APPROACH TO SMART ROUTING

Smart Routing is premised upon the principle that an order is most likely to be executed at the optimal price, at the greatest speed and with highest levels of accuracy and certainty of completion if that order is submitted via direct access to a fully automated market venue. Moreover, to the extent that an order is associated with a product listed on multiple market venues, Smart Routing is achieved by constantly reviewing the bids and offers

at each of those venues and by directing the order to the venue offering the best total consideration or the best price, if price has been selected as the primary execution factor.

For retail clients, the best possible result achievable for the client is determined by reference to the total consideration, which represents the price of the financial instrument and the costs related to execution. (The costs related to execution include all expenses incurred by the client directly related to the execution of the order, such as execution fees, clearing and settlement fees and other fees paid to third parties involved in the execution of the order.) Total consideration is the prioritised factor where the “Cost-Considered when Routing” functionality is active in the IB trading platforms which is the default option unless client selects “Price”. Otherwise, Smart Routing will direct the order to the venue providing the best price.

5.5.2 CLIENT INSTRUCTIONS

Clients may provide specific instructions for any given order. The IB trading platforms offer access to numerous order types, including both native (exchange supported order type) and simulated (order type created by IBG). The IBG trading platforms also enable clients to provide order instructions with respect to pricing, timing, speed, price improvement and other advanced trading functions.

Where clients provide specific instructions to route orders directly via the IB trading platforms to the order book of a particular venue of your choice, should be aware that any specific instructions may prevent IBCE from taking the steps that IBCE had designed and implemented in this Internal Regulation to obtain the best execution. To the extent that IBCE, either directly or through its Executing Partners, is able to accommodate such requests, IBCE will give the specific instructions precedence over the Smart Routing process, this may result in a different outcome for the trade than that which solely relies on Smart Routing. Where the clients specify the venue for an order, IBCE is considered to have satisfied its best execution obligation by directing the client's order to the specified venue.

5.5.2.1 ORDER TYPES AND ALGORITHMS

IBG trading platforms provide clients with the functionalities to choose their own order types based on the characteristics of the financial instrument, the characteristics of the order, and the clients' own objectives and specific execution strategies.

IBG trading platform supports over sixty order types and algorithms that allow the clients to tailor their orders to, among other things, include specific instructions concerning pricing or timing of orders or to speed execution, provide price improvement, limit risk, time the market and allow privacy. IBCE's best execution obligations would be limited to those elements of the execution not covered by the clients specific instructions. The information on order types and algorithms is made available on the IBCE website under the Trading menu option and then Order Types. Clients may find specific information on the order types and algorithms by sorting the order types and algorithms by product and/or category.

5.5.2.2 SPECIFYING A VENUE

Each execution venue administers its own set of trading rules. Accordingly, if clients choose not to select Smart Routing, the clients should be familiar with the various trading and order handling rules of those market venues to which the client intends to direct their orders. A complete listing of market venues along with website links is made available on the IBCE website under Trading menu option and the Exchange Listings.

Where IBCE is a member of a trading venue, IBCE also executes orders on behalf of IBCE affiliates (i.e., it would act as the Executing Partner to these affiliates). IBCE affiliates route their clients' orders to IBCE and IBCE executes these orders as venue-specific orders.

5.5.2.3 MANDATORY TRADING OBLIGATION

IBCE is subject to the trading obligation for investment firms under Article 23 of MiFIR when undertaking trades in shares that trade on a Trading Venue. This requirement may limit the Execution Venues we may access when we are executing relevant orders in shares.

5.6 EXECUTION VENUES

IBG's policy is to maintain a choice of venues and entities that are most likely to provide the clients of its operating subsidiaries, including IBCE, with best execution on a consistent basis. IBG considers a wide variety of

execution venues and entities based upon the level of relevance the execution venues maintain within their particular region in addition to factors such as product breadth, liquidity, electronic access, costs and speed and likelihood of settlement.

IBG periodically considers the emergence of new venues which are currently unavailable or changes to existing venues with respect to the product offerings and takes into account the quarterly execution quality publications to compare possible competing venues. IBG conducts trading venues review when there is a material change and at least annually.

The venues typically fall into the classification of regulated markets, Multilateral Trading Facilities Organized Trading Facilities, systematic internalisers, and third-party investment firms, brokers and/or affiliates acting as a market maker or liquidity provider.

- A Regulated market (according to the Act CXX of 2001 on the Capital Market) is the stock exchange of a Member State of the European Union and any other market that meets the following conditions:
 - a multilateral system operated and/or managed by a market operator,
 - reconciles, in a non-discriminatory manner and in accordance with its rules, the intentions of several third parties to buy and sell financial instruments, or facilitates this by resulting in a contract for a financial instrument admitted to trading under its rules,
 - is authorized by the competent supervisory authority of the home Member State,
 - operates at regular intervals and at specified times,
 - included in the list of regulated markets published on the European Commission's website.
- A Multilateral Trading Facility (MTF) is a trading facility that brings together the intentions of third parties to buy and sell financial instruments in a non-discriminatory manner, resulting in a contract.
- An Organized Trading Facility (OTF) is a multilateral system that is not a regulated market or MTF and in which the intention to buy and sell multiple bonds, structured financial instruments, allowances and derivatives from third parties can be pooled within the system in such a way that results in the contract.
- A Systematic Internaliser can be an investment firm that – within an organized framework for a client – provides frequent, regular and significant trading opportunities on its own account by executing client orders outside a regulated market, an MTF and an OTF on a multilateral basis, without operating a system.

5.6.1 THIRD PARTY BROKERS OR IB'S AFFILIATES

IBCE will execute through one or more of IB Group affiliates. Where we use a third-party broker (including an IB Group affiliate) to executed transactions we retain an overarching best execution obligation, subject to the facts and circumstances surrounding the relevant market and the terms and instructions provided by the clients. We satisfy this obligation by undertaking due diligence to validate the adequacy of the third-party broker's execution performance and connectivity and to ensure that there are satisfactory arrangements to ensure confidentiality of our order flow and execution instructions.

5.6.2 SINGLE VENUE

For certain financial instruments IBCE executes on a single venue or with a single liquidity provider. In these cases, IBCE will consider whether IBCE can reasonably expect that the execution venue or liquidity provider will enable us to obtain results for the clients that are at least as good as the results that we can reasonably expect from using alternative execution venues or dealer.

5.6.3 OVER-THE-COUNTER TRADES EXECUTED BY IBCE

When executing orders in Over-the-Counter ("OTC") products including bespoke products, clients may utilise the information made available on them on their selected IB trading interface (i.e. Trader Workstation, Web Trader, Mobile Trader) to check the price of the underlying financial instrument used in the estimation of the price of the OTC product and, where the clients subscribed for market data, provided by IBCE's affiliate GFIS¹,

¹ Global Financial Information Services GMBH (GFIS) is the distributor of market data to IBG's clients inclusive of IBCE. IBCE does not receive any income or commission from GFIS or any of its service providers.

by comparing with similar or comparable products to gauge the fairness of the price of the OTC products proposed to them.

6 MONITORING AND REVIEW

6.1 GENERAL ASPECTS

IBCE periodically (at least annually) reviews this Policy.

IBG monitors the effectiveness of its Best Execution Policy regularly to identify and, where appropriate, correct any deficiencies. To satisfy this requirement, monitoring reports will be generated on a regular basis to monitor whether client trades satisfy the Best Execution Policy.

In order to monitor the effectiveness of its Best Execution Policy, IBCE is represented on the European Best Execution Committee (“EBEC”) which assists the CEO in the monitoring of potential deficiencies relating to the delivery of best execution, including those identified through monitoring and venue selection reviews.

When reviewing the quality of execution of orders IBCE primarily relies on the EBEC and execution data provided by IBG.

6.2 EXECUTION POLICY

The EBEC periodically reviews its venue selection and criterion for venue selection. The review is conducted on a quarterly basis or whenever a material change occurs that affects the consistency of the best possible result for the order execution which IBCE seeks to obtain for its clients.

Any proposals for improvement or potential deficiencies relating to the delivery of best execution, including those identified through monitoring and venue selection reviews, are considered by the EBEC and reflected in appropriate changes in policy and procedures and any supplementary information made available to IBCE clients in the knowledge base section, or more specifically in the Best Execution Policy.

6.3 VENUE REVIEW

In order to obtain best execution result for a client, the EBEC should compare and analyses relevant data including any available best execution reports published. IBCE will continue to review quality and format of such reports to determine whether they can be used for meaningful and consistent comparison of execution data among different trading venues (see APPENDIX C of this Internal Regulation).

The quality of execution, which includes aspects such as the speed and likelihood of execution, fill rate and availability and incidence of price improvement, is an important factor in the delivery of best execution. Availability, comparability and consolidation of data related to execution quality provided by the various execution venues is planned to be utilised to identify those execution venues that deliver the highest quality of execution for their clients.

6.4 COMPLAINTS

IBCE also uses client feedbacks as a data source from which any potential deficiencies are reviewed, both real-time in providing solutions to a trade execution queries or, collectively in identifying any emerging patterns in the execution process.

Compliance is informed of any issues which may impact execution quality. Compliance escalates any emerging patterns pertinent to execution quality improvement or reviews of potential deficiencies in the execution process to the EBEC for consideration.

7 INFORMATION TO IBCE CLIENTS

7.1 EXECUTION QUALITY AND THE ANNUAL ONLINE PUBLICATIONS

Under the relevant EU Regulation IBCE is obliged to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where it executed client orders in the preceding year and information on the quality of execution obtained.

This annual publication includes all client orders executed on trading venues, systematic internalisers, market makers or other liquidity providers or entities that perform a similar function to those performed by any of the foregoing in a third country.

Regarding this publication, for each class of financial instruments investment firms are required to disclose the top five execution venues in terms of trading volumes of executed orders. This information includes:

- A. class of financial instruments;
- B. venue name and identifier;
- C. volume of client orders executed on that execution venue expressed as a percentage of total executed volume;
- D. number of client orders executed on that execution venue expressed as a percentage of total executed orders;
- E. percentage of the executed orders that were passive and aggressive orders (a passive order is an order entered into the order book that provided liquidity and an aggressive order is an order entered into the order book that took liquidity);
- F. percentage of orders that were directed orders (a directed order is an order where a specific execution venue was specified by the client prior to the execution of the order);
- G. confirmation of whether it has executed an average of less than one trade per business day in the previous year in that class of financial instruments.

7.2 EXECUTION QUALITY ASSESSMENT SUMMARY

The summary of the analysis and conclusions drawn from IBCE's execution detailed monitoring of the quality of execution obtained on the execution venues where IBCE executed all client orders in the previous year.

The information is published for each class of financial instruments includes:

- an explanation of the relative importance given to the execution factors;
- factors which may potentially influence the order execution behaviour of investment firms such as close links, any conflicts of interests, and common ownerships between investment firms and execution venues used to execute orders. These factors should form part of the analysis in assessing the quality of execution obtained on all execution venues;
- a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
- an explanation of the factors that led to a change in the list of execution venues listed in IBCE's Best Execution Policy, if such a change occurred;
- an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;
- an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;
- an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any quarterly data publication published by the venues;
- where applicable, an explanation of how IBCE may use consolidated tape provider. This includes any use of any continuous electronic live data stream providing price and volume data per financial instrument as consolidated by regulated markets, MTFs, OTFs and Approved Publication Arrangements ("APAs").



Some of the information to be disclosed in the summary is provided on a consolidated basis where such information is common to several or all classes of financial instruments. In this regard, information on close links, conflicts or common ownership as well as information on payments, rebates and benefits of venues may be disclosed on a consolidated basis, where such information is common across several or all classes of financial instruments.

The EBEC considers the effectiveness of the best execution arrangement taking into account information included in the execution quality summary.



APPENDIX A - IBCE'S TOP 5 VENUE PUBLICATION

Top 5 Venues for IBCE's Client Orders

To enable the public and investors to evaluate the quality of IBCE's execution practices and to identify the top five execution venues in terms of trading volumes where IBCE executed client orders in the preceding year, IBCE will publish information required under RTS 28 in relation to trading venues, market makers or other liquidity providers or any entity that performs a similar function in a third country to the functions performed by any of the foregoing.

APPENDIX B - RELATIVE IMPORTANCE OF EXECUTION FACTORS BY ASSET CLASSES - APPLICATION BY BUSINESS AND PRODUCT

In determining whether best execution is owed on particular transactions the context, means of interaction and nature of the order are also considered – further details on specific trading scenarios is provided below.

The below scenarios indicate the relative importance IBCE will assign to the various execution factors when transmitting or executing orders that are in-scope for the best execution obligation for trade orders that are:

1. In liquid instruments;
2. Under normal market conditions; and
3. For an average size order in that financial instrument.

Note: The relative importance assigned to the various execution factors may vary for large orders, illiquid instruments, or where market conditions are not normal, or for other rare scenarios including factors beyond those listed above. The receipt of specific instructions may also affect the relative importance assigned to the various execution factors.

1 EQUITIES AND EQUITY-LIKE INSTRUMENTS (INCLUDING WARRANTS, STRUCTURED PRODUCTS AND EXCHANGE TRADE FUNDS)

Equities are typically available to be traded on multiple venues and IBG's Smart Routing algorithm will determine which venue to execute against or place a non-marketable order.

Unless stated otherwise, across all equity products the ranking of the primary execution factors is typically as follows:

When routing Marketable Orders:

1. Price
2. Cost
3. Speed

The remaining execution factors –, likelihood of execution, order size, nature of the order and any other consideration relevant to the efficient execution of the client's order - are generally given equal ranking.

When routing Non-Marketable Orders:

1. Likelihood of execution and cost, weighted by customer preference
2. Size and market impact

The remaining secondary execution factors – speed, nature of the order and any other consideration relevant to the efficient execution of the customer's order - are generally given equal ranking.

NB For European equities cost is factored into price.

2 EXCHANGE TRADED DERIVATIVES – EQUITIES AND FIXED INCOME, COMMODITY AND CURRENCY FUTURES AND OPTION FUTURES AND OPTIONS

These instruments are typically traded only on the Execution Venue of their listing and therefore the customer selects the venue in deciding which instrument he wishes to trade. Application of best execution is therefore limited to liquidity available on the relevant Execution Venue for the instrument, as there is no discretion regarding the market to which to route the order.

Unless stated otherwise, across all exchange-traded derivative products the ranking of the primary execution factors are as follows:

When routing Marketable orders:

1. Price and cost
2. Speed of execution

The remaining execution factors –order size, nature of the order and any other consideration relevant to the efficient execution of the customer's order - are generally given equal ranking.

When routing Non-Marketable orders:

1. Likelihood of execution and cost, weighted by customer preference
2. Size and market impact

The remaining secondary execution factors –speed, nature of the order and any other consideration relevant to the efficient execution of your order - are generally given equal ranking.

3 FIXED INCOME (DEBT INSTRUMENTS, CREDIT AND RATES PRODUCTS)

Within the EEA, Regulated Markets, MTFs, OTFs and Systematic Internalisers will generally provide transparency on bids/offers placed through their systems and outside of Europe, similar trading platforms or online, auction-type venues (e.g., MarketAxess, Tradeweb, "BWIC"/"OWIC" functions) will provide market transparency and/or provide the opportunity for simultaneous, competitive bids/offers which enable price discovery. These venues typically are the preferred venues in which to effect fixed income transactions and are accessed through IBLLC, an affiliate. In general, the use of these venues essentially performs the price discovery function and enables firms to seek the best price, by initiating competition among multiple independent third parties. These venues typically charge no execution fees for marketable orders.

Unless stated otherwise, across all fixed income products the ranking of the predominant execution factors is typically as follows:

When routing Marketable orders:

1. Price
2. Order size

The remaining secondary execution factors –cost, likelihood of execution, speed, nature of the order and any other consideration relevant to the efficient execution of your order - are generally given equal ranking.

When routing Non-Marketable orders:

1. Price
2. Likelihood of execution

The remaining secondary execution factors – speed, cost, nature of the order and any other consideration relevant to the efficient execution of your order – are generally given equal ranking.

4 CFD'S

IBCE is the counterparty to clients in a CFD trade and will issue the client facing CFD. To offset the market risk, each such CFD trade is hedged with a CFD traded against IBUK, which acts as IBCE's liquidity provider. IBUK in turn hedges its exposure to IBCE with a CFD or swap trade against its own liquidity providers.

When a client places an order for a CFD, the IBKR trading system places orders for the hedge trades of IBUK and IBCE. When IBUK's hedge fills it fills IBCE's hedge at the same price, and, in turn, IBCE fills the client's order at the identical price. IBCE does not widen the quote on the CFD executed with the client and therefore earns no markup. IBCE charges a transparent commission for its role in the execution.

IBUK's liquidity providers meet best execution obligations by Smart Routing their own hedges among available venues for stock CFDs or among liquidity providing banks for FX and Metals CFDs. The liquidity providers do not widen the market spreads, earning commissions from IBUK instead. Since Index CFDs are quoted in fractions of the size of the reference future they are necessarily market made. IBUK's liquidity provider bases its quotes on a proprietary synthetic index derived from the reference future. The quotes match the spreads and price-changes of the future tick for tick. The index CFD liquidity provider's income, as for other CFDs, consists of commissions paid by IBUK.



5 MUTUAL FUNDS (COLLECTIVE INVESTMENT SCHEMES)

Subscriptions or redemptions of investment funds are transacted at the applicable net asset value for the particular transaction, using relevant transactional platforms, such as FundSettle or Euroclear, to this end, or, in limited cases, dealing directly with the fund administrator.

The only relevant best execution factor is speed, in that the prevailing price quoted by the fund manager or administrator is available until a certain time of day, and orders should be submitted by the client and IBCE to IBLLC for processing before the cut off.

APPENDIX C - RELEVANT VENUES AND EXECUTING BROKERS

	Exchange	Stocks	Bonds	Options	Futures	FOPs	ETPs	Listed Structured Products
Interactive Brokers LLC								
EUROPE								
	Bolsa Madrid	X					X	
	Euronext : Lisbon	X						
	ICE: IPE				X			
AMERICAS								
	American Stock Exchange	X		X			X	
	BATS Global Markets	X		X			X	
	BMV: Mexican Stock Exchange	X					X	
	Boston Options Exchange			X				
	CME: CBOE				X			
	CME: CBOT				X	X		
	CME: NYMEX				X			
	Chicago Stock Exchange	X					X	
	Direct Edge	X					X	
	ICE: US				X			
	IEX	X					X	
	ISE			X				
	ISE: Gemini			X				
	ISE: Mercury			X				
	MEMX: Members Exchange	X					X	
	MIAX			X				
	MIAX: Emerald			X				
	MIAX: Pearl	X		X			X	
	NASDAQ OMX	X		X			X	
	NYSE	X					X	
	NYSE: ARCA	X					X	
	NYSE: ArcaEdge	X					X	
	NYSE: Liffe US			X	X	X		
	Philadelphia Stock Exchange			X				
	Small Exchange				X			
	Other Market Centers	X	X					
Interactive Brokers (U.K.) Limited								
EUROPE								
	Borsa Italiana	X		X	X		X	X
	CME: CBOE Europe	X						
	ICE: EU			X	X	X		
	London Stock Exchange	X					X	
	Moscow Exchange	X					X	
	Tel Aviv Stock Exchange	X					X	
	Tradegate Exchange	X						
	Other Market Centers	X						
AMERICAS								
	BMV: Mexican Derivates Exchange					X	X	
	CME: MexDer				X			
Interactive Brokers Central Europe								
EUROPE								
	Budapest Stock Exchange	X						
	NASDAQ: Baltic	X						
	Warsaw Stock Exchange	X						

Interactive Brokers Luxembourg SARL								
EUROPE								
	CBOE Europe	X						
	Equiduct Exchange							
	MEFF			X	X			
IBKR Financial Services AG								
EUROPE								
	CBOE Europe	X						
	Eurex			X	X	X		
	Euronext: Amsterdam, Brussels, Paris	X		X	X		X	X
	Frankfurt Stock Exchange	X					X	X
	Gettex	X						X
	NASDAQ: Nordic	X						
	NASDAQ OMX - Stockholm	X					X	
	SIX Swiss Exchange	X					X	X
	Stuttgart Stock Exchange	X					X	X
	Turquoise	X						
	Vienna Stock Exchange	X						
	Xetra	X					X	
APAC								
	Singapore Exchange	X		X	X	X	X	
Interactive Brokers Canada Inc.								
AMERICAS								
	Chi-X Canada	X					X	
	CSE	X						X
	TMX: Montreal Exchange			X	X			
	TMX: Toronto Stock Exchange	X					X	
	TMX: TSX Venture Exchange	X					X	
	Other Market Centers	X		X		X		
Interactive Brokers Corp								
AMERICAS								
	Chicago Board Options Exchange			X				
Interactive Brokers Hong Kong Limited								
APAC								
	HKEX: Hong Kong Futures Exchange			X	X		X	X
	HKEX: Hong Kong Stock Exchange	X	X	X			X	X
	KRX: Korea Exchange			X	X			
	Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect	X						
Interactive Brokers Securities Japan Limited								
APAC								
	Japannext	X						
	Osaka Exchange			X	X	X		
	Tokyo Stock Exchange	X						
Interactive Brokers Australia Pty Limited								
APAC								
	Australian Stock Exchange	X		X			X	X
	Chi-X Australia	X						
	Sydney Futures Exchange				X			
Interactive Brokers (India) Private Limited								
APAC								
	National Stock Exchange of India	X		X	X		X	