

## Best Execution

At Tradefair we are committed to our policy of delivering best execution. We believe that quality execution is fundamental to market integrity and to the delivery of the best possible outcomes for clients.

We are committed to fair, transparent prices and are regulated by the Financial Conduct Authority (FCA). We conduct our business with you in an honest, open manner and act in your best interests when dealing with you.

Our Trade and Order Execution Policy is an extension of this commitment and aims to secure the best execution results possible for you whenever you trade with us.

A variety of factors are taken into consideration when ensuring that we deliver the best execution possible across Spread Bets and CFD trades. These include the fairness and appropriateness of the price, as well as the speed and likelihood of execution, and the size and nature of the order.

We consider the combination of price and all of the costs related to executing your trade as the determining factors when achieving best execution for you.

When you trade with Tradefair you can trade confident in the knowledge that our powerful trading platforms are engineered to process all of these factors when executing your trades as well as referencing the underlying market.

This allows us to consistently deliver best execution on all your trades.

You can find out more about how we deal with your orders in our [Trade and Execution Policy](#).

### Price

As part of the GAIN Capital Group, we source our pricing and liquidity from relevant exchanges and market participants which forms the basis of the price you pay for your trades.

We review our pricing and liquidity from exchanges, liquidity providers and ECNs regularly to help ensure that you get the best possible price.

We use the base price provided to us by our exchanges and market participants and adjust according to our spreads and the specifics of the contract.

Underlying prices can move quickly, which can impact our prices, so we have engineered functionality which allows you to ensure you get your order executed at the price requested.

This is known as price tolerance.

### Price Tolerance

Market prices on our platform are updated multiple times every second, so it is possible that between the time you place a trade at a specific price and the time that your order reaches us internally, the price may have moved.

This may happen more often during periods of heightened volatility when market prices quickly.

At Tradefair we make it easy for you to set your preferred price tolerance for each market. This means that you can determine the degree to which you're prepared to accept a marginally worse price than you may have seen when placing your order.

Regardless of your tolerance setting, if the price moves in your favour we will always pass this improvement on to you.

For example:

Let's say you have set your price tolerance to 0.

Our Wall Street price on the platform is 24635-24637.6 and you click "Buy" at the original 24637.6 price.

In the milliseconds it takes for us to receive your order, the price has moved to 24638.

This price is higher than you initially wanted and because you had set your tolerance at 0 the trade will be rejected.

However if you'd set the tolerance at 1, we know that you're willing to accept a price that moves a maximum of 1 point against you.

In the same example, your trade would have been executed at the higher price of 24638.

If the price had moved to 24635, more than 1 point in your favour, we would have passed this improvement on to you and executed your trade at the better price of 24635.

We are constantly looking to improving client executions, while respecting pre-determined tolerance limits.

## **Spreads**

The spreads that we apply to our market priced form one of the core charges that you pay to us when we execute your trade.

We are committed to fair, transparent prices and constantly review our spreads. Where possible we reduce our spreads to help keep down your transaction costs.

You can view a list of all our major markets:

[Average Spreads](#)

[Order Execution](#)

[Order Size](#)

[Cancelled Orders](#)

[Execution Speed \\*](#)

For a full list of all of the spreads on every market we offer, please see the market information sheets in platform.

\* Note: does not include data from third-party platforms

It's worth noting that different markets have different types of spreads. Some are fixed, and some are variable, and in some cases, spreads may vary at different times of the day.

The reason that we offer different types of spreads on various markets is largely to reflect underlying market conditions.

When liquidity in markets is high we may have a tighter spread and when markets experience very high levels of volatility we have slightly wider spreads.

## **Out of Hours Pricing and 'Grey Markets'**

When we quote market prices outside of their normal market hours (or when they are closed) we will often widen prices or source the underlying price from a different exchange or provider.

This will often mean that the price is wider than it is during normal market hours.

When we offer grey markets, we will adjust the price in accordance with where we think the price is relative to either our client activity, underlying volatility or market events.

## **Liquidity**

We try to handle as many orders and trades as possible using automated execution as this is the fastest way to fill your order.

We only fill orders manually when the trade size is larger than normal or if there is a lack of liquidity in the underlying market. We can fill also your order manually if you specifically request that we do so.

We may add liquidity to markets which are illiquid in order to increase your chance of getting your order executed. We refer to this as "our size".

Beyond this size we may requote your request or fill your order manually. The liquidity that we provide depends in some degree on the liquidity in the underlying market as well as market conditions and volatility.