

Best Execution Policy

1. Overview and Scope

This Order Execution Policy applies to **Black Pearl Securities Ltd ("BP", "the Firm")** when executing or transmitting transactions in Contracts for Difference (CFDs) and spot FX. This policy should be read alongside the Firm's Terms and Conditions of Business.

1.1 Introduction

Black Pearl Securities Ltd is authorized and regulated by the Financial Conduct Authority (FCA) as a Matched Principal Broker (MPB). When you execute an order with BP, we execute the transaction as principal on a matched, back-to-back basis with qualified external Liquidity Providers (LPs).

- **Trading Infrastructure:** Client orders are received via BP's MetaTrader 4 (MT4), MetaTrader 5 (MT5) platforms, or direct FIX API connections.
- **Proprietary Matching Technology:** Orders are routed and matched instantaneously to our external execution venues using BP's internal MT5 order matching and liquidity aggregation technology bridge.

1.2 The Best Execution Obligation

Pursuant to **FCA COBS 11.2A.2 R**, BP is required to take **all sufficient steps** to obtain the best possible result for its clients when executing or transmitting orders, taking into account the relevant execution factors.

- **Retail Clients (Total Consideration):** In accordance with **COBS 11.2A.8 R**, where an order is executed on behalf of a Retail Client, the best possible result is determined primarily in terms of **total consideration**. Total consideration represents the price of the financial instrument plus all direct execution-related expenses, including spreads, administrative mark-ups, and commissions.
- **Professional Clients:** Best execution is determined by evaluating the overall balance of execution factors detailed in Section 5.

Prices streamed on our platforms represent aggregated feeds from independent, third-party LPs plus our transparent spread mark-up or commission schedule. We do not source pricing from internal group entities.

2. Exemptions from Best Execution

2.1 Eligible Counterparties

Under FCA rules, the statutory obligation to deliver best execution does not apply to clients categorized as **Eligible Counterparties (ECPs)**.

2.2 Wholesale Market Practice

In wholesale OTC markets where institutional clients approach multiple dealers for competitive quotations, there is generally no legitimate reliance placed on BP. Where legitimate reliance does not exist, best execution duties do not apply.

2.3 Specific Client Instructions

Where you provide BP with a specific instruction regarding an order (or an aspect of an order, such as a specific limit price or route), BP will execute the order in accordance with that instruction. Delivering the order according to your specific instruction satisfies our best execution obligation in respect of the parameter covered by the instruction.

3. Client Categorisation Alignment

BP deals with **Retail Clients, Professional Clients (Per Se), and Eligible Counterparties** under FCA COBS 3.

- **Retail Protection:** Individual clients are onboarded by default as Retail Clients and receive the highest regulatory protections, including mandatory Negative Balance Protection and 20:1 / 30:1 leverage caps.
- **Prohibition on "Opting Up":** Following the complete revocation of Title Transfer Collateral Arrangements (TTCAs) and the enforcement of universal CASS 7 client money segregation, **Retail Clients are not permitted to opt up to Elective Professional status.**

4. Execution Venues and Liquidity Providers

BP acts as principal to your trade while simultaneously hedging the exposure back-to-back with selected external execution venues and institutional LPs. When selecting and reviewing execution venues, BP considers:

1. **Access to Liquidity & Depth of Book:** Consistency of competitive bid/ask quotes across market cycles.
2. **Creditworthiness & Regulatory Status:** LPs must be fully regulated and pass rigorous annual compliance due diligence.
3. **Speed and Settlement Reliability:** Low technical latency and fill consistency via our MT5 bridge.

BP does not receive any Payment for Order Flow (PFOF) or direct financial inducements that compromise our duty to obtain the best possible result for our clients.

5. Execution Factors and Priority

In the absence of specific instructions, BP determines the relative importance of execution factors based on client categorization and market conditions:

Execution Factor	Retail Priority	Professional Priority	Operational Rationale
Price & Cost (Total Consideration)	Highest	High	Total consideration is the overriding statutory standard for retail investors.
Speed of Execution	High	High	Automated routing via our MT5 technology minimizes latency and execution delay.
Likelihood of Execution	High	High	Ensured through multiple aggregated LP liquidity depth lines.
Order Size & Nature	Medium	Medium	Large ticket sizes may exceed top-of-book depth, requiring tiered fill routing.

5.1 Slippage and Asymmetric Pricing

Slippage refers to the difference between requested price and execution price, often occurring during high market volatility or economic announcements.

- BP operates an **asymmetric slippage-free execution model**: positive slippage is passed directly to the client in the same transparent manner as negative slippage.
- **Negative Balance Protection Shield**: While slippage can result in losses greater than anticipated on a single trade, **losses for Retail Clients will never exceed the total capital deposited in the client's trading account.**

6. Transparency of Fees and Costs

BP charges clients via transparent spread mark-ups and/or predetermined per-lot commissions. Full details of spreads, overnight financing (swap) rates, and commission schedules are accessible and embedded directly within the MT4/MT5 specifications window.

7. Governance, Monitoring, and Review

Under **COBS 11.2A.20 R**, BP actively monitors the effectiveness of its execution arrangements:

- **Monthly Technical Reviews**: Performed by Operations and Compliance to review execution speed, rejection rates, slippage distribution (positive vs. negative), and pricing integrity.
- **Annual Policy Audits**: Formal review conducted annually, or immediately upon any material operational change affecting our ability to consistently deliver best execution.
- **Client Notification**: Any material modifications to our execution venues, infrastructure, or this policy will be communicated via website publication or direct electronic notification.

8. Client Acknowledgment

This Policy forms an integral part of the BP Terms and Conditions. By entering into trading transactions with Black Pearl Securities Ltd, you demonstrate that you have read, understood, and consented to the order execution arrangements set out in this document.

