



## ETORO - EUROPE

### Best Execution and Order Handling Policy

Effective June 2025

#### 1. INTRODUCTION

- 1.1 eToro (Europe) Limited ("**eToro Europe**", "**us**", "**we**", "**Company**") is regulated by the Cyprus Securities and Exchange Commission ("**CySEC**") and is required to take all sufficient steps to act in the best interest of our clients when executing client orders. This means that when we execute transactions for you, we are required to do so in a way which achieves the best possible result for you. This is known as 'best execution', and this Best Execution and Order Handling Policy (the "**Policy**") describes how we seek to do this.
- 1.2 This Policy should be read in conjunction with our "**Agreement**" (as defined in the eToro EU Client Terms and Conditions) with you. In the event of any inconsistency between this Policy and the Agreement, the Agreement will prevail. The way in which you may place orders with us is set out in the Agreement and further information with respect to the different products that you may trade with us is set out on our website and platform from time to time. Any capitalized terms in this Policy which are not defined shall have the meaning given to them in the Agreement. When accepting the Agreement, you expressly agree to the terms of this Policy.
- 1.3 This Policy applies to all instruments which you trade with us (such as securities, including shares and ETFs, Exchange Traded Futures contracts ("**Futures**"), contracts for difference ("**CFDs**"), other 'financial instruments' as defined under MiFID) and Crypto Assets.
- 1.4 Any questions regarding this Policy should be addressed to the Customer Support Department via <https://www.etoro.com/customer-service/>.

#### **Part A: MiFID section**

#### 2. HOW WE PRICE AND TRADE INSTRUMENTS

- 2.1 With the exception of Futures contracts (which we will execute as an agency broker on your behalf, utilising an appropriate intermediary exchange member), when you enter into trades with us, the trades will be directly entered into by you against eToro Europe (via the online platform). This means that eToro Europe acts as principal to all transactions and is therefore the counterparty to all client trades irrespective of the type of instrument traded. Therefore, you will be dealing directly with us and not on any underlying market or with a separate counterparty. Accordingly, when you trade on the eToro platform, your trades are conducted on what is known as an over-the-counter ("**OTC**") basis.
- 2.2 With the exception of Futures contracts, your orders are therefore executed outside a regulated exchange, multilateral trading facility ("**MTF**") or organized trading facility ("**OTF**") and you have given us express consent to trade for you in this manner.
- 2.3 In certain circumstances, we may aggregate your order with orders from other clients or with our orders. Aggregation may result in you achieving a less favorable price than if your order



had been executed separately. Aggregation may occur where we seek to achieve efficient execution with minimal deviation between your execution price and that of the portfolio or person you are copying. In such cases, your order may be aggregated with those of other clients and then allocated to you on the basis of your original order size. This means that your execution price may be different from the price of the original copied trade.

2.4 We may hedge positions by entering into an equivalent back-to-back trade with other investment firms or execution venues. However, we are under no obligation to do so. In such circumstances (if we do not hedge) this means that if your trade 'loses' money, this may benefit us. Further details in relation to potential conflicts of interest are set out in the Agreement.

2.5 With the exception of Futures contracts, all prices offered by us (on our platform) are ultimately formed, provided and determined by us. We are therefore required to ensure that the way in which we set the price is fair. Futures contracts pricing is streamed from the relevant exchange.

2.6 Our prices are formed, provided and determined by us with reference to feeds ("**Feeds**") which may change from time to time and may differ depending on the instrument. The Feeds include independent third-party price providers and independent financial market data providers or liquidity providers, who in turn receive their price data from the relevant exchanges; and / or third-party liquidity providers / hedging counterparties.

2.7 Our selection process for the Feeds includes due diligence procedures, and diversification criteria to avoid over-reliance on a single provider and to ensure protection against data redundancy. We review our Feeds from time to time to ensure that the data obtained continues to remain competitive.

2.8 While we take into account the Feeds which we obtain, we are under no obligation to ensure that the quotes / prices that we provide are within any specific percentage of prices provided by Feeds. This means that if the prices we receive are distorted, for example as a result of an Exceptional Event as detailed in the Agreement, we may make adjustments to the price we offer.

2.9 Our pricing and execution methodology means that securities traded on our platform (e.g. shares, securities or units in ETFs) may not reflect the underlying prices that may be available on any market to which the security may be traded, and our OTC CFD prices may differ from those provided by other investment firms.

### 3. BEST EXECUTION FACTORS

3.1 In providing best execution, we are required to take into account certain 'execution factors' which we describe further below. We have determined that generally the best possible result means the total consideration paid. This represents the price of the financial instrument together with the costs associated with the execution. Notwithstanding this, the speed of executing the trade and the likelihood of the trade being successful may be given precedence if they are instrumental in delivering the best result for you (for example, this may be the case for large orders).

3.2 We aim to execute all orders, to the extent possible. However, we are entitled, at any time and at our discretion, to decline the execution of any order or request or instruction as set out in our Agreement with you.



3.3 In assessing the relative importance of the execution factors, we take the following criteria into account:

- (a) the characteristics of the client (including the client's categorization);
- (b) the characteristics of the client order (including the size and nature of the order); (c) the characteristics of the financial instruments that are the subject of that order; and

3.4 Not all of these criteria will be relevant in each case or equally relevant to our relationship with you. Importantly, because we are the sole execution venue for trades, this factor is generally not relevant in relation to our dealing with you.

3.5 The material execution factors that are considered and their importance are set out below. The relative importance attached to these execution factors does not differ across the asset classes traded with us.

### **Price**

3.6 The importance that we place on price is high and the way in which we price instruments is detailed above.

3.7 For all financial instruments, we will quote two prices: the higher price ("**ASK**") at which you can buy, and the lower price ("**BID**") at which you can sell. The difference between the lower and the higher price of a given instrument is the spread, which is a cost of entering into the trade, and which may vary according to market conditions and liquidity.

3.8 We do not guarantee that our prices will be the same as, or better than, prices available elsewhere. This could be for a number of reasons such as adjustments we may make to the prices which we receive, including adding our own spread, adjusting for liquidity in external markets, currency exchange rate differentials and other relevant factors.

### **Cost**

3.9 The importance that we place on cost is high. For the purpose of determining best execution, 'costs' means all expenses incurred by you and which are directly related to the execution of the order. More detail is set out in the Agreement, but costs may include:

- (a) the commission (for securities) or the spread (for CFDs), both to the extent applicable or charged, which represents our own remuneration. We may charge you a commission or spread for each order that we execute on your behalf. We may vary our spreads and commissions. Where spreads / commissions are determined as a percentage of the price (for example 0.1%). The applicable monetary costs may increase (or decrease) as the price of the asset rises (or declines). There may be instances where market conditions cause these spreads / commissions to change beyond those displayed on our platform.
- (b) trades which include leverage (such as CFDs) are subject to overnight and rollover fees which are indicated at the time of the trade opening; and / or
- (c) any other fee that may apply from time to time to which we have given you appropriate notice.



3.10 For more information about the costs that apply from time to time with respect to the different instruments and services that we offer, please see the fees page on our website at <http://www.etoro.com/en/customer-service/fees/>.

### **Speed and the likelihood of execution**

3.11 The importance that we place on speed and the likelihood of execution is high.

3.12 Due to the levels of volatility affecting both price and volume, we seek to provide client orders with the fastest execution reasonably possible.

3.13 The likelihood of execution primarily depends on the availability of prices from third parties, the size of the order and the factors impacting the underlying market.

3.14 Further, Exceptional Events (such as extreme markets or financial conditions) may result in volatility and / or rapid increases or decreases in the prices of instruments traded or may cause costs to change beyond those displayed on the eToro Platform. If events such as these occur, we may take appropriate measures to manage the associated risk as set out in the Agreement. They may impact the speed and likelihood of execution and could include the following:

- (a) ceasing to quote prices meaning that you will not be able to close or open positions and any pending orders would not be triggered;
- (b) using alternate Feeds to our main providers;
- (c) widening spreads or increasing commissions meaning that the costs of opening and closing trades will be affected; or
- (d) not executing an order or executing at the next available price, which can result in slippage (which is detailed further below).

3.15 Further information is contained in the eToro EU Terms and Conditions.

### **Size of orders**

3.16 Our website details the value of minimum and maximum sizes of orders in different products/instruments.

3.17 The size of the order may affect the price of execution (because the prices displayed are the top of the order book and therefore larger orders may not receive the price displayed on the Platform). We reserve the right to decline any order or transaction, as explained in the Terms and Conditions.

## **4. CLIENT'S SPECIFIC INSTRUCTION (LIMITED SCOPE OF BEST EXECUTION) AND OBLIGATIONS**

4.1 Specific instructions may include you specifying the type of order you want to enter into, which is likely to relate to price and / or time of execution (such as stop loss and take profit orders).

4.2 Subject to the eToro EU Client Terms and Conditions we will execute orders in accordance with the instructions you give, unless the trading rules for specific markets or market conditions prevent us from doing so.



4.3 This means that your instructions will take precedence over our approach in this Policy, and such instructions may prevent us from taking the steps described in the Policy to obtain the best possible result for you.

## 5. MONITORING OF BEST EXECUTION AND PUBLICATION OF DATA

5.1 eToro Europe will review this Policy at least annually and whenever a material change occurs that potentially impacts our ability to consistently obtain the best possible result for the execution of client orders.

5.2 eToro Europe regularly evaluates the overall quality of its order execution to ensure that we consistently achieve the best results for you. This includes regularly assessing the Feeds which we use. We may amend this Policy on the basis of such reviews.

## 6. FIDUCIARY DUTY

Our commitment to provide you with best execution 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 set out in our Agreement with you.

## **Part B: MiCA section**

When accepting the Agreement, the client expressly agrees to the terms of this Policy.

7. This part B of the Policy applies to all crypto-assets ("**Instruments**") which you trade with us as defined under MiCA.

When accepting the Agreement, you expressly agree to the terms of this Policy. Any questions regarding this Policy should be addressed to the Customer Support Department via <https://www.etoro.com/customer-service/>.

## 8. HOW WE PRICE AND TRADE INSTRUMENTS

When you enter into trades with us, the trades will be directly entered into by you against eToro EU (via the online platform). This means that eToro EU acts as principal to all transactions and is therefore the counterparty to all client trades irrespective of the type of instrument traded. Therefore, you will be dealing directly with us and not on any underlying market or with a separate counterparty. Accordingly, when you trade on the eToro platform, your trades are conducted on what is known as an over-the-counter ("**OTC**") basis.

Your orders are therefore executed outside a regulated exchange and you have given us express consent to trade for you in this manner.

In certain circumstances, we may aggregate your order with orders from other clients or with our orders. Aggregation may result in you achieving a less favorable price than if your order had been executed separately. Aggregation may occur where we seek to achieve efficient execution with minimal deviation between your execution price and that of the portfolio or person you are copying. In such cases, your order may be aggregated with those of other clients and then allocated to you on the basis of your original order size. This means that your execution price may be different from the price of the original copied trade.



The Company strictly prohibits any form of inducement that could adversely affect the quality of client execution. Further details in relation to potential conflicts of interest are set out in the Agreement.

All prices offered by us (on our platform) are ultimately formed, provided and determined by us. We are therefore required to ensure that the way in which we set the price is fair.

Pricing is based on Crypto Exchanges where they have sufficient liquidity relative to the specific assets' overall available liquidity. Depending on the client's direction a dedicated volume-weighted algorithm will determine a price. Where available multiple exchanges will be incorporated in the algorithm, order books with a relatively better price structure will be prioritised over order books with inferior price structures assuming sufficient liquidity is available.

We shall execute client orders at the prices displayed at the time when the order for exchange is final. Pricing is considered final upon trade confirmation received by the client.

If the prices we receive are distorted, for example as a result of an Exceptional Event as detailed in the Agreement, we may make adjustments to the price we offer.

## 9. BEST EXECUTION FACTORS

In providing best execution, we are required to take into account certain 'execution factors' which we describe further below. We have determined that generally the best possible result means the total consideration paid. This represents the price of the instrument together with the costs associated with the execution. Notwithstanding this, the speed of executing the trade and the likelihood of the trade being successful may be given precedence if they are instrumental in delivering the best possible result for you (for example, this may be the case for large orders). Additionally, the conditions of the custody of the crypto-assets shall also be considered.

We aim to execute all orders, to the extent possible. However, we are entitled, at any time and at our discretion, to decline the execution of any order or request or instruction as set out in our Agreement with you.

In assessing the relative importance of the execution factors, we take the following criteria into account:

- (a) the characteristics of the client;
- (b) the characteristics of the client order (including the size and nature of the order);
- (c) the characteristics of the crypto assets that are the subject of that order; and

Not all of these criteria will be relevant in each case or equally relevant to our relationship with you. Importantly, because we are the sole execution venue for trades, this factor is generally not relevant in relation to our dealing with you.

The material execution factors that are considered and their importance are set out below.

### **Conditions of Custody of the Crypto-Assets**

The importance that we place on the conditions of custody of the crypto-assets is high, as it directly impacts the security, availability, and integrity of the assets being traded. Ensuring



that crypto-assets are securely stored and readily accessible for execution is crucial to achieving the best possible result for our clients.

### **Price**

The importance that we place on price is high and the way in which we price instruments is detailed above.

For all instruments, we will quote two prices: the higher price ("**ASK**") which you can buy, and the lower price ("**BID**") at which you can sell. The difference between the lower and the higher price of a given instrument is the spread, which is a cost of entering into the trade, and which may vary according to market conditions and liquidity.

The quoted prices are indicative and represent the top of the order book price. Therefore, as an example, large orders may be executed at a price which is different to what is displayed on the platform. Pricing is considered final upon trade confirmation received by the client.

eToro will determine the pricing of your order using our proprietary algorithms, which generate prices based on the number of available order books for each cryptocurrency asset and the market depth at that specific moment.

We do not guarantee that our prices will be the same as, or better than, prices available elsewhere. This could be for a number of reasons such as adjustments we may make to the prices which we receive, including adding our own spread, adjusting for liquidity in external markets, currency exchange rate differentials and other relevant factors.

### **Cost**

The importance that we place on cost is high. For the purpose of determining best execution, 'costs' means all expenses incurred by you and which are directly related to the execution of the order. More detail is set out in the Agreement, but costs may include:

- (d) the commission or the spread, both to the extent applicable or charged, which represents our own remuneration. We may charge you a commission or spread for each order that we execute on your behalf. We may vary our spreads and commissions. Where spreads / commissions are determined as a percentage of the price (for example 0.1%). The applicable monetary costs may increase (or decrease) as the price of the asset rises (or declines). There may be instances where market conditions cause these spreads / commissions to change beyond those displayed on our platform.
- (e) any other fee that may apply from time to time to which we have given you appropriate notice.

For more information about the costs that apply from time to time with respect to the different instruments and services that we offer, please see the fees page on our website at <http://www.etoro.com/en/customer-service/fees/>.

### **Speed and the likelihood of execution**

The importance that we place on speed and the likelihood and certainty of execution is high.



Due to the levels of volatility affecting both price and volume, we seek to provide client orders with the fastest execution reasonably possible.

The likelihood of execution primarily depends on the availability of prices from third parties, the size of the order and the factors impacting the underlying market.

Further, Exceptional Events (such as extreme markets or financial conditions or DLT -related events ) may result in volatility and / or rapid increases or decreases in the prices of instruments traded or may cause costs to change beyond those displayed on the eToro Platform. If events such as these occur, we may take appropriate measures to manage the associated risk as set out in the Agreement. They may impact the speed and likelihood of execution and could include the following:

- (f) ceasing to quote prices meaning that you will not be able to close or open positions and any pending orders would not be triggered;
- (g) using alternate pricing data feeds;
- (h) widening spreads or increasing commissions meaning that the costs of opening and closing trades will be affected; or
- (i) not executing an order or executing at the next available price, which can result in slippage.

Further information is contained in the Terms and Conditions.

### **Size of orders**

Our website details the value of minimum and maximum sizes of orders in different products/instruments.

The size of the order may affect the price of execution (because the prices displayed are the top of the order book and therefore larger orders may not receive the price displayed on the Platform). We reserve the right to decline any order or transaction, as explained in the Terms and Conditions.

## **10. CLIENT'S SPECIFIC INSTRUCTION (LIMITED SCOPE OF BEST EXECUTION) AND OBLIGATIONS**

Specific instructions may include you specifying the type of order you want to enter into, which is likely to relate to price and / or time of execution (such as stop loss and take profit orders).

Subject to the Client Terms and Conditions we will execute orders in accordance with the instructions you give, unless the trading rules for specific markets or market conditions prevent us from doing so.

This means that your instructions will take precedence over our approach in this Policy, and such instructions may prevent us from taking the steps described in the Policy to obtain the best possible result for you.





## **11. MONITORING OF BEST EXECUTION AND PUBLICATION OF DATA**

eToro Europe will review this Policy at least annually and whenever a material change occurs that potentially impacts our ability to consistently obtain the best possible result for the execution of client orders.

eToro Europe regularly evaluates the overall quality of its order execution to ensure that we consistently achieve the best possible results for the clients. This includes regularly assessing the Feeds which we use. We may amend this Policy on the basis of such reviews.

The Company will notify clients of any material changes to this Policy through email communications or through notifications in the platform.

The Company maintains detailed records of all transactions and execution activities to demonstrate compliance with Article 78 of Regulation (EU) 2023/1114. These records are available for review by the competent authority upon request.

We shall publish information about the transactions concluded with clients , such as transaction volumes and prices in accordance with applicable technical standards.

## **12. FIDUCIARY DUTY**

Our commitment to provide you with best execution 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 set out in our Agreement with you.