



Sheer Markets (Cyprus) Ltd

CIF License No. 395/20

**ANNUAL DISCLOSURE ON THE QUALITY OF EXECUTION
RTS28 REPORT**

Reporting Year 2021

I. Introduction

Sheer Markets (Cyprus) Ltd (“Sheer Markets” or the “Company”) operates as a Cyprus Investment Firm with license number 395/20 since the 18th of December 2020. Sheer Market’s head office is located at 12 Archiepiskopou Makarou III, Kristelina Tower, Office 301, Mesa Geitonia, Limassol, 4000.

As at the end of the reporting year 2021, Sheer Markets was authorised to provide the following investment and ancillary services:

Investment Services:

- a. Reception and transmission of orders in relation to one or more financial instruments;
- b. Execution of orders on behalf of clients;
- c. Dealing on Own Account
- d. Portfolio Management; and
- e. Investment Advice.

Ancillary services:

- a. Safekeeping and administration of financial instruments, including custodianship and related services;
- b. Foreign exchange services where these are connected to the provision of investment services; and
- c. Investment research and financial analysis or other forms.

Sheer Markets is authorized to provide the aforesaid services in relation to the following financial instruments outlined under Part III of the First Appendix of the Investment Services and Activities and Regulated Markets Law of 2017:

- (a) 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 (FI-4);
- (b) 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 (FI-5); and
- (c) Financial contracts for differences (FI-9).

Sheer Markets’ services are offered in relation to Contract for Differences (hereafter the “CFDs”) on foreign exchange, equities, indices, commodities, NDFs and virtual currencies. The respective services are provided only to residents of the EU Member States and Malaysia via the website www.sheermarkets.com using the trading platform Metatrader5.

II. Purpose

The Annual Publication of information on the identity of Execution Venues and on the quality of execution for the year 2021 (hereafter the “RTS28 Report” or “RTS28”) has been issued by Sheer Markets, pursuant to Article 28(6) of the Law 87(I)/2017 and Commission Delegated Regulation (EU) 2017/576 with regard to the regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

The RTS28 Report provides a summary of the analysis and conclusions drawn by Sheer Markets for the reporting year ending 31 December 2021 in respect to its monitoring of the quality of execution obtained from the execution venues where it executed all clients’ orders, covering a full year cycle. The information provides a description of the order execution arrangements of the Company and the monitoring methodologies used to assess the quality obtained.

The Company urges its clients and/or potential clients to read the RTS28 Report carefully as it contains information on how Sheer Markets executes orders to various execution venues when acting as principal or agent in relation to the asset class of CFDs.

The RTS28 Report provides information on the Best Execution Policy. If you have any questions about this report or the Order Execution Policy (“OEP”), please contact us at compliance@sheermarkets.com or dealing@sheermarkets.com.

III. Definitions

For the purposes of the RTS28 Report, the following definitions shall apply:

- (a) “**Aggressive order**” means an order entered into the order book that took liquidity.
- (b) “**CTP**” or “**Consolidated Tape Provider**” means a person authorised under MiFID II to provide the service of collecting trade reports for financial instruments listed in Articles 6, 7, 10, 12 and 13, 20 and 21 of Regulation (EU) No 600/2014 from regulated markets, MTFs, OTFs and Approved Publication Arrangements (APAs) and consolidating them into a continuous electronic live data stream providing price and volume data per financial instrument.
- (c) “**Directed order**” means an order where a specific execution venue was specified by the client prior to the execution of the order.
- (d) “**Execution venue**” includes a regulated market, a multilateral trading facility (MTF), an organised trading facility (OTF), a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.
- (e) “**MiFID II**” means Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments.
- (f) “**Passive order**” means an order entered into the order book that provided liquidity.

IV. Summary of the analysis and conclusions on the quality of execution

This section provides a summary of the analysis and conclusions drawn by Sheer Markets from the detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders for the reporting year 2021.

(a) **Relative importance to the execution factors**

When executing client orders, Sheer Markets considers the following criteria for determining the relative importance of the factors referred to in Article 27(1) of MiFID II:

- i. the characteristics of the client including the categorization of the client as retail or professional;
- ii. the characteristics of the client order;
- iii. the characteristics of financial instruments that are the subject of that order; and
- iv. the characteristics of the execution venues to which that order can be directed.

In addition, when executing clients’ orders Sheer Markets evaluates different execution factors to determine the best possible result for its clients. In particular, it considers, among others, the price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

For retail clients’ orders, the best possible result is determined in terms of the total consideration, representing the price of the financial instrument and the costs relating to execution. Although the clients’ characteristics are considered when executing their orders, Sheer Markets does not differentiate between the relative importance on retail and professional clients’ orders. Therefore, the information presented in the below table is applicable for both retail and professional clients.

High Importance:	
Price	For any given CFD, Sheer Markets quotes two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD. Collectively, the ASK and BID prices are referred to as the Company’s prices. The difference between the lower and the higher price of a given CFD is the spread.

	The market price at which the clients' order will be executed. The price data is received from multiple external sources aiming to deliver competitive price quotes. It is noted though that quoted price will be at a price which is as good, or better, than one might have been available elsewhere.
Costs	For opening a position in some types of CFDs the client may be required to pay commission or financing fees, the amount of which is disclosed on the Company's website, www.sheermarkets.com . Sheer Markets does not charge clearing or settlement fees for execution of orders.
Speed	Sheer Markets places a significant importance when executing client orders and strives to offer high speed of execution within the limitations of technology and communications links. In cases where clients use a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection then this may cause unstable connectivity with the trading platform resulting to the client placing his orders at a delay and hence the orders to be executed at better or worst prevailing price offered by the Company.
Likelihood of execution & settlement	The likelihood of execution depends on the availability of prices of the Execution Venue(s). In some cases, it may not be possible to arrange an order for execution, for example, but not limited to, in the following cases: during news times, trading session start moments, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, a force majeure event has occurred etc. If the Company is unable to proceed with an order with regard to price or size or other reason, the order will not be executed.
Low Importance:	
Size and nature of the transactions	Sheer Markets has set up a minimum and a maximum trade size for each CFD product provided. These sizes vary from asset to asset. The size is determined by the market conditions of each underlying asset as well our own risk management procedures.

(b) Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders

Sheer Markets does not maintain close links and/or common ownership structures with any of the Execution Venues listed in Table 1, excluding itself.

Sheer Markets has in place all necessary procedures, systems and controls is to identify, prevent or manage any conflicts of interest, which may arise throughout the provision of its services to clients. The Company lists the possible conflicts of interest it might face in its Conflicts of Interest Policy which is, at all times, available on its website.

(c) Specific arrangements with any execution venues

As per the provisions of MiFID II, Sheer Markets is prohibited from receiving any remuneration, discount or non-monetary benefit for routing orders to a particular Execution Venue as this may be in breach of the requirements relevant to conflicts of interest or inducements. Therefore, no specific arrangements haven been concluded with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits.

(d) Explanation of the factors that led to a change in the list of execution venues

Sheer Markets has been informed about the granting of its CIF authorization early in January 2021, which was after the date of authorization, i.e. 18 December 2020.

Upon granting of its CIF authorization, the Company entered in business relationship with the execution venues presented in the table below:

No.	Execution Venue	Country	LEI Number
1.	Finalto Financial Services Limited	UK	549300FSY1BKNGVUOR59
2.	MTG Liquidity Ltd	Cyprus	9845002C9B4DR1COEE25
3.	CMC MARKETS UK PLC	UK	213800IU529ADVZ1GL50
4.	KGI Securities (Singapore) Pte. Ltd	Singapore	5493002NVX7JSAMGVE42

It is further noted that Sheer Markets also acts as a principal on the client's behalf. This means that the clients can open and close their positions with the Company. In such instances, Sheer Markets does not transfer its execution obligations to any other execution venue and retains the responsibility of delivering best execution to its clients.

(e) How order execution differs according to client categorization

As previously mentioned, clients' trades are executed in the same manner irrespective of the client categorization. Sheer Markets strives to ensure compliance with its overarching obligation to obtain the best possible result of both Retail and Professional Clients.

(f) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders

There were no cases where other criteria were given precedence over immediate price and cost when executing retail client orders.

(g) Data or tools relating to the quality of execution

Several methodologies and tools have been deployed by Sheer Markets for the monitoring of its execution quality. The Brokerage Department has been assigned with the responsibility, to monitor, on a daily basis, the execution arrangements by selecting representable samples of executed orders and evaluate such samples pursuant to the metrics described below. As at the end of the reporting year 2021, no automatic solutions have been used for the monitoring of the order execution factors.

The monitoring of the quality of execution covers the assessment of the execution venues used over the execution factors shown in the above table. In particular, the Brokerage Department checks the pricing frequency, speed of execution, costs associated with orders, as well as the slippage in terms of volume, types of orders and number of orders. In respect to the fairness of the price, the Brokerage Department checks pricing from existing counterparties, as well as other investment firms offering similar products.

(h) Use of consolidated tape provider

Sheer Markets has not used any CTP for the year ending 2021.

V. Conclusions

Sheer Markets takes all sufficient steps to obtain best execution for its clients, as per the procedures and controls established in its Order Execution Policy. Also, the control functions (i.e. Compliance Function and Internal Auditor) scrutinize the monitoring procedures conducted by the Brokerage Department and the actions taken are reported to the Company's Board of Directors, at least annually.

VI. Appendices

Table 1 – Retail Clients

Class of Instrument	Contracts for Difference (CFDs)				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Sheer Markets (Cyprus) Ltd 984500SCD944FFBCB421	65%	65%	N/A	65%	N/A
Finalto Financial Services Limited 549300FSY1BKNGVUOR59	18%	18%	N/A	18%	N/A
MTG Liquidity Ltd 9845002C9B4DR1COEE25	12%	12%	N/A	12%	N/A
CMC MARKETS UK PLC 213800IU529ADVZ1GL50	4%	4%	N/A	4%	N/A
KGI Securities (Singapore) Pte. Ltd 5493002NVX7JSAMGVE42	1%	1%	N/A	1%	N/A

Table 2 – Professional Clients

N/A

Table 3 – Securities Financing Transactions

N/A