



HANABI Liquidity Provider Best Execution Policy

1. Introduction

HANABI LIMITED ("the Company"), a Seychelles-based entity, is committed to providing superior liquidity services in accordance with international best practices and the applicable regulatory framework of Seychelles, including the Seychelles Financial Services Authority (FSA) Act, the Securities Act, 2007, and other relevant financial regulations. This policy outlines our approach to achieving the best execution in our role as a liquidity provider, ensuring transparency, fairness, and efficiency in all executed transactions.

2. Scope and Purpose

This policy applies to all transactions executed by the Company when providing liquidity to counterparties, including brokers, trading platforms, institutional clients, hedge funds, proprietary trading firms, and other financial entities. The policy is designed to ensure that all orders are executed in a manner that seeks to achieve the best possible outcome for counterparties while maintaining compliance with Seychelles financial regulations and industry standards.

3. Best Execution Obligations

The Company aims to achieve the best possible execution results by considering the following factors:

Price: Providing tight bid-ask spreads based on real-time market conditions derived from aggregated liquidity sources.

Speed of Execution: Delivering ultra-low latency execution through optimized routing technologies.



Liquidity Depth: Maintaining deep liquidity pools to accommodate high-volume trades and reduce market impact.

Market Conditions: Adjusting liquidity provision dynamically based on market volatility and external economic factors.

Transparency: Offering detailed execution reports to ensure counterparties have visibility into pricing and execution quality.

Cost Efficiency: Minimizing spreads and execution costs while ensuring market stability.

Execution Consistency: Ensuring reliable execution standards across various market conditions.

Slippage Control: Employing risk management mechanisms to minimize adverse slippage and ensure order integrity.

4. Order Execution Process

(a) Price Formation and Quotation:

Prices are derived from multiple tier-1 liquidity providers, including major global banks, ECNs, non-bank market makers, and decentralized liquidity pools.

The Company applies a sophisticated price aggregation engine to deliver competitive, real-time bid and ask prices.



Dynamic pricing models incorporate algorithmic adjustments to optimize execution in rapidly changing market conditions.

(b) Order Handling and Execution Methods:

Orders are processed using a fully automated execution engine to reduce latency and improve efficiency.

The Company employs both STP (Straight Through Processing) and internalized execution models, ensuring optimal order fulfillment.

Limit, market, stop-loss, and take-profit orders are executed promptly, with minimal slippage.

Orders may be routed internally when beneficial, reducing transaction costs and increasing execution speed.

(c) Risk Management:

The Company employs advanced risk management measures, including real-time exposure monitoring and hedging strategies, to mitigate market risks.

Counterparty risk assessment is conducted periodically to ensure financial stability and compliance.

Compliance with Seychelles Anti-Money Laundering (AML) and Counter-Terrorism Financing (CFT) Regulations is strictly enforced.



5. Conflict of Interest Management

To prevent conflicts of interest and ensure fair execution, the Company has implemented the following measures:

Segregation of proprietary trading activities from liquidity provision functions.

Transparent execution reporting to clients to ensure accountability.

Internal monitoring of execution practices to prevent unfair pricing strategies.

Clear policies against front-running and unfair order handling practices.

6. Regulatory Compliance

The Company operates in full compliance with Seychelles Financial Services Authority (FSA) regulations, including:

Securities Act, 2007

Financial Institutions Act, 2004

AML/CFT Act, 2020

Companies Act, 1972



The Company also follows international best practices, including compliance with relevant global regulatory frameworks, ensuring high standards of market integrity and execution transparency.

7. Reporting, Monitoring, and Auditing

Execution quality is continuously monitored using advanced real-time analytics and trade surveillance systems.

Monthly and quarterly reports on execution performance are generated and reviewed internally to identify areas for improvement.

Regular reports are submitted to the Seychelles FSA, as required by law, to demonstrate compliance.

Independent third-party audits are conducted to ensure the effectiveness of the best execution framework and risk management controls.

8. Review and Amendments

The Company reserves the right to update this policy periodically in response to:

Changes in regulatory requirements or legal frameworks.

Market developments that impact execution quality or liquidity provision.

Technological advancements in liquidity aggregation and order execution.



Client feedback and risk assessments.

Significant economic or geopolitical events affecting market stability.

Counterparties and clients will be notified of significant amendments, and the revised policy will be made publicly available through our official channels.

9. Contact Information

For inquiries related to this Best Execution Policy, please contact:

HANABI LIMITED Seychelles

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