

# Order Handling & Best Execution Policy - Revolut Digital Assets Europe Limited

## 1. Introduction

This Order Handling and Best Execution Policy (“Policy”) sets out how Revolut Digital Assets Europe Limited (“we”, “us”, “our”, “RDAEL”) is handling Client (“yours”, “you”, “yourself”) orders in order to meet the best execution requirements as defined in the Markets in Crypto Assets Regulation (EU) 2023/1114 (“MiCA”). This Policy applies to all clients, natural persons and legal entities.

### 1.1. Scope and Purpose

This Policy lays out the general approach to how we handle orders to obtain consistently the optimal results for you when we provide the investment services of reception and transmission of orders (“RTO”) for crypto-assets on behalf of clients and execution of orders for crypto-assets on behalf of clients. You should read it carefully.

A link to this Policy is provided in our [Terms and Conditions](#). In order to become our client you need to complete our onboarding process, explicitly agree to our Terms and Conditions and attest acceptance and consent to this Policy and also consent that the transactions in crypto-assets are executed outside a trading platform.

Any material changes to this Policy will be communicated to you via email.

## 2. Orders

### 2.1 Retail & Business

2.1.1 Exchange orders are placed via Revolut platforms (Revolut app or via web). Orders can be submitted in a variety of ways:

- ‘Buy’ or ‘Sell’ buttons on the relevant token screen in the Crypto tab on both the Retail and Business platform
- ‘Exchange’ button on the Home tab on the Retail platform.
- ‘Buy collection’ button in the collection section on the Retail platform

2.1.2 (a) Orders placed via Revolut platforms are registered automatically in our systems, meeting our record retention obligations. These systems immediately capture the following data about the orders placed via Revolut platforms:

- date and exact time of the order;
- client identification data;

- crypto asset identification data in relation to placed order;
- order direction (buy, sell);
- order type (e.g. market, stop order, etc.).

2.1.2 (b) Orders placed via Revolut platforms can be retrieved by you in-app. These statements will show overall value per token held as well as a breakdown of transactions made in the requested period and can be made available for transactions dating back at least 5 years.

2.1.2 (c) Orders placed via Revolut platforms can be made available to regulatory bodies for a period of up to 7 years.

2.1.3 All successful market orders received from you are settled on your account on a near real-time basis. Standing orders (Recurring buy, limit, stop and take profit orders) will be settled in the same way should the conditions of the order be met.

Once orders are received by RDAEL, they will be transmitted promptly to our intragroup legal entity, Revolut Ltd, who will execute them, acting as a principal. However, there are exceptions and some orders might be refused to be executed if identified to harm market integrity (see paragraph 3.3.1.3 below)

All orders we receive are transmitted promptly, are stored in the order they are received by Revolut Ltd and each transmission indicates that it is a transmission of an order received from you.

2.1.4 Market orders are settled on a near real-time basis and cannot be reverted once placed. However, for recurring buys, stop and limit orders, you will have the option to cancel these order types by selecting the "cancel" button in the respective order screen. Once the "cancel" button is hit, you will receive a warning describing the consequence of such cancellation with the option to either reject or accept it. Once the cancellation request is accepted, the order will be deemed to be not placed and will not be transmitted for execution. Information on the cancellation of the order will be provided via the relevant Revolut platform.

For recurring buy orders, only future, non-executed orders can be canceled. Orders completed in the past cannot be reversed.

For limit and stop orders and take profit/stop loss orders, canceling of orders is only available when the order has not been executed.

2.1.5 Partial execution of orders is not possible on the Retail & Business platforms

## 2.2 Revolut X

2.2.1 In Revolut X, orders are placed via the "Order Form" widget under the "Trade" section in the website version, and using the "Buy" and "Sell" button under the "Trade" section after selecting the trading pair in the app.

2.2.2 Orders are placed under your instruction to buy or sell a certain quantity of one asset (the "Base Asset") at a certain price in another asset (the "Quote Asset"). This pairing of a

Base Asset and a Quote Asset is known as a "Trading Pair".

2.2.3. You are able to place the orders with specific instructions for execution by selecting the order type:

- An Order to buy or sell a certain amount of an asset at a specified price (a "Limit Order").
- An Order to buy or sell a certain amount of an asset at the best available price of existing Orders in the Order Book (a "Market Order").

2.2.4. Under the "Limit Order" type you are also able to instruct the condition the order can get executed:

- Post-Only: Order can be only placed if it will not immediately lead to matching it fully or partially based on the "Price and Time Priority", i.e. order will only be placed if it can be added integrally to the order book.
- Allow-Taker: Permits the order to be immediately executed if there is at least one existing order in the order book matching it according to "Price and Time Priority", filling at the price instructed if available on the market or at a better available price (taking liquidity from Revolut X market).

2.2.5 Orders placed via Revolut X are registered automatically in our systems, meeting the legal requirements of providing a durable medium. These systems immediately capture the following data about the orders placed via Revolut platforms:

- date and exact time of the order;
- client identification data;
- base asset and quote asset;
- order direction (buy, sell);
- order type (e.g. market, limit order)

2.2.6 The orders will be received from RDAEL and transmitted to Revolut Ltd for execution, except for the orders in relation to which refusal to transmit applies (see paragraph 3.3.2.2 below). The orders will be transmitted in a sequence of their receipt and exactly in the content as placed by you.

2.2.7. In Revolut X, clients will have the option to cancel their non executed order at any time in the "open orders" list before it is executed. Clients are also able to edit the instructions of their order while it is pending execution. If an order has partially executed, clients may request to cancel the un-executed portion of the order in question. Cancellation requests may not be processed immediately, and therefore an open Limit Order may be executed after a cancellation request for that order has been submitted. No fees are charged for successfully canceled orders. **In Revolut X, Market Orders are executed immediately. As a result, clients will not have the option to cancel Market Orders.**

2.2.8 Partial Executions are possible in certain scenarios, including situations

where the assets' market liquidity is too low or when there is not enough volume to fill order amount at the desired limit price. The overall cost of the transaction will be also proportionally lower.

2.2.9 We have established a non-exhaustive list of situations in which we will refuse transmission of orders for execution (see paragraph 3.3.2.2 below). They are also part of our Terms and Conditions which you will be required to consent to in order to become our client.

## 3. Selected Broker and Execution Criteria

### 3.1 Selected Broker

3.1.1 RDAEL has selected Revolut Ltd to act as its execution venue / broker. As part of this arrangement, we will not receive any form of remuneration, discount or non-monetary benefit in return for routing orders received to Revolut Ltd. We reserve the right to add or remove execution venues / brokers as deemed appropriate in order to obtain the best possible result for you.

3.1.2 For the Retail and Business platforms, Revolut Ltd acts as principal in the execution of your order.

3.1.3 For Revolut X, orders will be individually routed to the exchange order book, and it will be executed against other participants' orders according to matching principles set by the exchange.

3.1.4 When selecting an execution venue / broker, we undertake an initial due diligence review of the said execution venue / broker in accordance with our Outsourcing Policy, part of which includes a review of the execution venue / broker's best execution policy, procedures and processes to ensure that the execution venue / broker has arrangements in place to consistently obtain best execution results. In addition, Service Level Agreements ("SLAs") are in place setting out agreed minimum service levels across various execution criteria of the execution services quality. These SLAs are monitored on an ongoing basis.

3.1.5 We are committed to regularly monitoring and reviewing the execution quality outcome achieved by Revolut Ltd, by comparing the execution details to market conditions, through the perspective of the above mentioned execution factors. We reserve the right to offboard Revolut Ltd if it does not meet our best execution requirements.

3.1.6 It is noted that extensive analysis has been carried out and reviews undertaken to ensure that Revolut Ltd can provide the highest quality of execution for our clients. Given the relationship with Revolut Ltd, we are able to understand its operations on a more detailed level than we would be able to assess an external execution venue / broker or crypto exchange. In light of the above, it is RDAEL's view that, based on the options available in the market and considering all of the execution factors listed above, Revolut Ltd represents an optimal option than any other external venue.

3.1.7 RDAEL ensures that all orders are handled in alignment with our established Best Execution Policy. We maintain records and processes to demonstrate adherence to this policy and meet applicable regulatory requirements. Relevant information can be made available when required, ensuring transparency and compliance with the principles outlined in this policy.

### 3.2 Execution Criteria

#### 3.2.1 Retail & Business

Revolut Ltd is responsible for the execution of the received orders, and RDAEL is enforcing its Best Execution standards through arrangements with Revolut Ltd having your best interest in mind.

We will not conclude any agreements with any third parties to execute any buy, sell, lend or staking orders for crypto assets belonging to you.

#### 3.2.2. Revolut X

We are responsible for receiving and transmitting orders to the Revolut X crypto exchange based on your instructions. Depending on your instruction, the order can be considered as 'Taker Order' (i.e when a trader removes liquidity from the order book by immediately executing an order against an existing limit order) or a 'Maker Order' (i.e. when a trader adds liquidity to the market by placing a limit order that sits on the Order Book and waits for another order to match it).

Execution occurs when a Taker Order is successfully matched by Revolut Ltd with one or more Maker Orders (at the same or different prices). Orders that are executed successfully are referred to as "Trades".

These trades are executed in a "Price and Time Priority" under the following

process: ● All orders are subject to the same Price and Time Priority

- A Maker Order will be matched only when there is a Taker Order in the opposite direction that fulfills with the "Price and Time Priority" requirements i.e. taker order is post after the maker order (time priority) and taker order price is equal or better than market order (price priority)
- Since Taker Orders are matched with the most fitting available existing Maker orders in the Order Book, a Limit Order placed outside the market (for example, an Ask below the highest existing Bid, or a Bid above the lowest existing Ask) will be executed against the best available existing Order, instead of an existing Order with the same price as the Limit Order.
- If a Taker Order is not executed fully against a Maker Order (i.e. it is partially executed), then:
  - If instructed as a Limit Order: it is matched with any subsequent Maker Orders with a better price, following the sequence in which those counterparty Maker Orders were posted, then if it still does not have enough liquidity, the

remaining amount will be pending and added to the order book (becoming a Maker Order).

- If instructed as a Market Order: the remaining, non-executed, amount gets canceled due to insufficient liquidity.

### 3.3 Execution Factors

#### 3.3.1 Retail and Business App

3.3.1.1 Under the agreements we have with Revolut Ltd, when executing orders, RDAEL takes the following factors into account:

- **Price**

- The fair price at which a crypto asset is executed, depending on market conditions, geographies/regions, size of the orders, liquidity of the exchanges
- RDAEL achieves this by sourcing prices from Revolut Ltd, which fetch price information from multiple market data sources to ensure prices quoted in-app are representative of prices in the market

- **Costs**

- All costs related to the order or transaction, including implicit costs such as the possible market impact when large orders are executed which can affect the market price, explicit external costs including exchange fees and explicit internal costs
- Costs associated with trades placed via RDAEL are in line with market standards because of Revolut Ltd having multiple liquidity partners to reduce market impact and competitive fee structures

- **Speed of execution**

- The time it takes to execute the order or transaction.
- RDAEL offers near real-time settlement of orders, once executed

- **Likelihood of execution and settlement**

- The likelihood of being able to complete the order or transaction
- Trades placed via RDAEL are highly likely to execute and settle if the transaction value does not exceed the user's crypto assets for sale, no account limits apply, and standard market conditions exist.

- **Size of the order**

- The size of the order or transaction executed, accounting for how this affects the price of execution
- RDAEL offers competitive limits per order with high daily transaction limits, which clients can see in-app if these limits are reached

RDAEL also considers additional factors, such as trust and the nature and conditions of custody for assets, to ensure users have an optimal trading experience on our platforms. We assume that your primary wish is not to have a reduced cost at the expense of the security of your assets, therefore RDAEL gives equal prominence to all factors that could benefit you, resulting in a balance of cost, trustworthiness and execution quality. Therefore, RDAEL gives equal weighting to all of the following considerations:

- RDAEL's ability to appropriately assess the execution venue's processes and procedures to a significant level of detail, to manage issues such as execution quality, pricing processes and conflicts of interest;
- The trustworthiness and track record of the execution venue;
- The regulatory status of the execution venue and the standards that it operates to;
- Liquidity available for the asset in question;
- Speed of execution and settlement; and
- Pricing and costs.

3.3.1.2 Where specific instructions are given by you regarding the execution of an order or an element of an order, RDAEL will ensure execution in accordance with those instructions. RDAEL will consider itself as having satisfied its best execution obligations in respect of the part of the order when those instructions have been correctly carried out. When a client order is specific in relation to only one factor, then RDAEL will not be released from its best execution obligations with respect to the remaining factors of the orders. Such a scenario is only possible if a user sets a standing order (recurring buy, stop, limit, take profit or stop loss order). This means such orders will not be executed on a near real-time basis, as they are subject to price or time conditions being met. These specific instructions will override the procedures related to price or time outlined in this Policy to ensure the best possible result according to your instructions.

3.3.1.3 Revolut Ltd implements some practices to ensure market integrity from orders placed via Retail and Business Apps, which can affect execution of your orders:

- Some orders may not be executed when:
  - There are not enough assets available in your pocket to support the exchange request.
  - Revolut Ltd, or one of the exchanges or third parties Revolut Ltd works with to provide Revolut Ltd crypto services, are not available (for example, due to service disruption or scheduled maintenance).
  - We have good reason to suspect that your instruction was for illegal purposes (for example, to commit fraud).
  - We have good reason to believe that your instruction could badly affect our reputation or goodwill.

- Your order is not in compliance with Revolut Ltd's trade limits on crypto in relation to size and number of crypto transactions made in the 24-hour period.

### 3.3.2 Revolut X

3.3.2.1 Under the agreements we have with Revolut Ltd, when executing orders, RDAEL takes the following factors into account:

- **Price**

- Revolut Ltd having different market making capabilities to ensure order books in the Revolut X markets have robust liquidity and aiming for the best bid-ask spreads available

- **Costs**

- All transaction costs, including both implicit and explicit costs. Implicit costs could include the spread between matched orders, while explicit costs cover Revolut X fees
- Costs are optimized through Revolut Ltd's efficient matching algorithm and minimizing the bid-ask spread impact on order prices

- **Speed of execution**

- The time taken to match buy and sell orders within the platform, ensuring minimal delay
- Revolut Ltd matching engine operating with a high-speed infrastructure to process orders with minimal latency and stability

- **Likelihood of execution and settlement**

- The likelihood of Revolut Ltd successfully matching, executing, and settling orders
- Revolut X leverages a robust network of market makers and a high matching rate to ensure that client orders have a high probability of execution

- **Size of the order**

- The ability to handle orders of varying sizes, being able to replace liquidity taken from the order book or matching efficiently

RDAEL also considers additional factors, such as trust and security and the nature and conditions of custody for assets, to ensure users have an optimal trading experience on our platforms.



3.3.2.2 Revolut Ltd takes into account that the matched principles of its executions are aligned with its customers' instructions. So, Revolut X platform gives equal importance to the orders posted, not prioritizing any order, but following the Price and Time priority. However, some practices are implemented to ensure market integrity, which can affect execution of your orders:

- **Integrity enforcement cancellations:** some orders may not be executed when:
  - They are placed by customers who appear, in our sole discretion, to have engaged in abusive use of Revolut X, for example market manipulation, or have used Revolut X in a way that unreasonably burdens the platform
  - They appear, in our sole discretion, to display or involve an obvious error with respect to price, volume, or other parameters, and are therefore clearly erroneous
  - They are required to be canceled in accordance with any applicable law, regulation, or direction from a regulatory authority
  - Your account has been suspended or terminated, hence leading to automatic cancellation of all your orders
- **Self-matching:** orders that would result in the same account acting as both the maker and taker are canceled.

### 3.4 Management of Conflicts of Interest

RDAEL has put in place arrangements and controls to prevent the misuse of any information relating to your orders by its employees. This is achieved in a number of ways:

- Only a small number of designated employees within Revolut have access to stop and limit order information. Permissions that control these designations are reviewed on a frequent basis to prevent misuse of customer orders. Granting of these permissions are typically restricted to teams that require this information.
- RDAEL has a Personal Account Dealing (PAD) policy which relates to disclosures of trading on employees' personal accounts. These accounts are monitored regularly.
- RDAEL does not have any incentives, financial or otherwise, in place with an exchange that may result in breaches of conflicts of interest.

## 4. General Risks

4.1 You should be aware of the below risks in relation to execution of trades of crypto-assets:

4.1.1 Slippage - refers to the risk of a difference that might appear between the expected price of a trade when the order is submitted and the price at which the trade is executed. We monitor timing and price of trades together with other execution factors and take necessary steps to address weaknesses in controls; however we cannot guarantee the

best possible result for clients for each trade (although we take all sufficient steps to obtain that), especially in circumstances of decreased liquidity, market movements and other stress scenarios outside our control.

4.1.2 Trading Outages - can arise from either technical failures, malfunctions, connectivity issues or other events of similar nature. We have SLAs in place to ensure and monitor system uptime and escalation processes in place where SLAs are not met.

4.1.3 Technical problems and cybersecurity - Unlike normal money, when you buy, sell or transfer crypto-assets you are dealing with a digital asset, not a tangible asset. This means that, like any other digital system, crypto-assets are at risk of being hacked or affected by technical problems. This could result in you losing your crypto-assets or delay your ability to sell, transfer or spend it.

4.1.4 Regulation - The regulation (or lack of regulation) of crypto-assets and crypto service providers across different geographies, can change at any time. Any change is likely to affect the value of any crypto-assets we hold for you.

4.1.5 Volatility - The value of crypto-assets can fall (and is more likely to do so than normal money is). This could happen if, for example, a new, better crypto-asset is created, software developers make unexpected changes to how the crypto-asset works, or there is a change in crypto-asset regulation. The price or value of crypto-assets can rapidly increase or decrease at any time. It may even fall to zero. Unlike normal money, no bank or government can stabilize the value of crypto-assets if it changes suddenly.

4.1.6 Asset Delisting - in certain situations, RDAEL or Revolut Ltd can choose on its own to delist a token due to several reasons, including among others, regulatory and compliance issues, insufficient liquidity, token security issues or negative publicity. Such situations can make the price or the crypto-asset rapidly decrease. Neither RDAEL nor Revolut Ltd is liable for losses if a token's value falls to zero or if it must be delisted due to unforeseen external events.

## 5. Monitoring, Review and Update

5.1 We are reviewing the Policy on at least an annual basis, unless material changes impacting the best execution standards will occur. Any material changes to this Policy will be communicated to you via email, in-app and push communications in the Revolut app.