



OMEX

Order Management and Execution System

LOW LATENCY...FOR THE FAST MARKETS

"A good software design is more important than Colocation and Hardware acceleration"

BEST EXECUTION MANDATE

"SEC rules mandate that firms publish, on a public Web site, specific data that relate to order execution (Rule 605) and order routing (Rule 606) practices."

This means brokers and dealers are obliged to obtain the best possible result of a trade for a client, taking into account not just price but costs, speed, likelihood of execution and settlement, size, and other considerations.

Reg MNS and MiFiD never defined how to achieve best execution. The result is that brokers write their own best execution policies, which may differ from one to another.

In order for a brokerage firm to determine its compliance with the Best Execution mandate, the brokerage must evaluate the orders it receives from all customers in the aggregate and assess which competing markets, market makers, or electronic communications networks (ECNs) offer the most favorable terms of execution. Ultimately, the decision on best execution is made by selecting preferences of market centers or counterparties who consistently meet or exceed certain benchmarks for quality.

Some of the factors a broker needs to consider when executing its customers' orders for best execution are as follows:

The opportunity to get a better price than what is currently quoted.

The speed of execution and the likelihood trade will be executed. Best execution is often mistaken for trading at touch price without taking into consideration factors such as the size of trade or settlement period.

OMEX Dynamic Smart Order Routing was developed to meet the needs of traders for whom speed, price, strategy, size, cost of execution are important for meeting the best execution mandate. As liquidity continues to fragment, the smart order router sorts out which execution venue will provide the best possible execution for a trade and then sends the order to that venue.

As the market structure evolves and the level of smart routing sophistication develops while access and greater understanding of liquidity venues improves, the smart routing will become one of the cornerstones of best execution.



About OMEX

OMEX Systems Inc. designs and develops multi-asset trading systems for equities, options and futures trading. OMEX is a neutral, real-time platform that provides direct access to major global exchanges, dark pools, crossing networks, algo providers and leading market makers through a single trading interface. OMEX can be white labeled and branded to your firm's own trademark and look-and-feel.

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