



# ROUTING SETTINGS

Tailoring Parfin's SOR to fit your business requirements



## 1. PARFIN'S SOR

The Smart Order Router (SOR) is a crucial component of Parfin's CaaS and is designed to optimize the execution of trading orders by efficiently routing them across various counterparties, like CEXs (Centralized Exchanges) and OTCs (Over-The-Counter).

Upon interacting with different liquidity providers, the SOR computes quote prices for each counterparty and subsequently identifies the one with the best price.

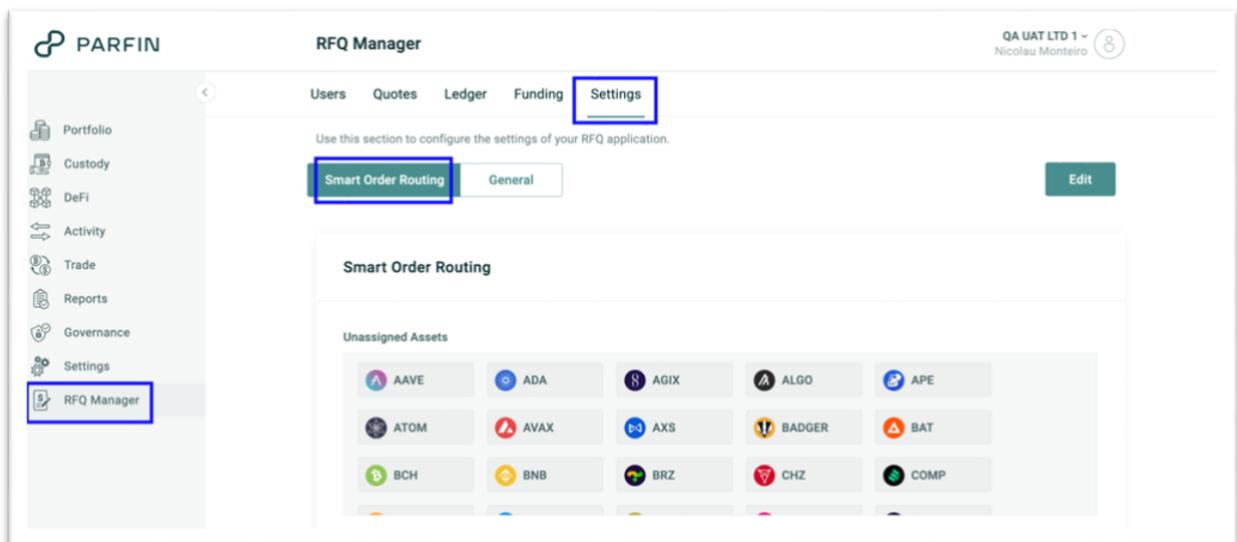
*💡 Please refer to [this article](#) to understand how Parfin's SOR calculates the price of a quote.*

Given its importance, Parfin's CaaS offers customization options for tailoring the SOR to fit many business requirements. **This flexibility ensures that the SOR aligns seamlessly with the unique needs and objectives of your application.**

## 2. ACCESSING SOR CONFIGURATIONS

To access the configuration of the SOR, follow these steps:

1. Navigate to the Parfin Platform
2. Access the RFQ Manager
3. Select the "Settings" tab
4. Select the "Smart Order Routing" subtab

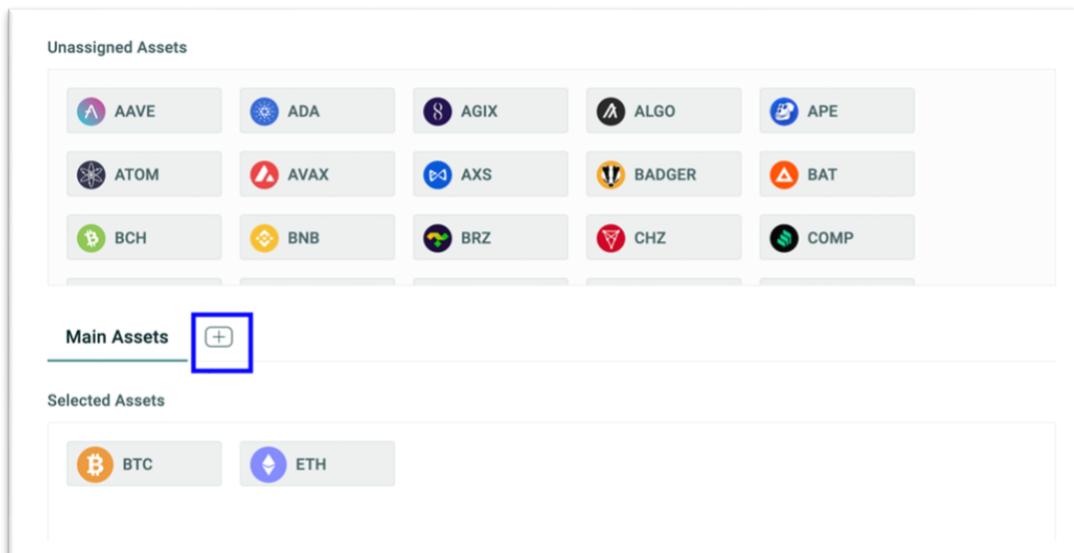


## 3. ROUTING SETTINGS

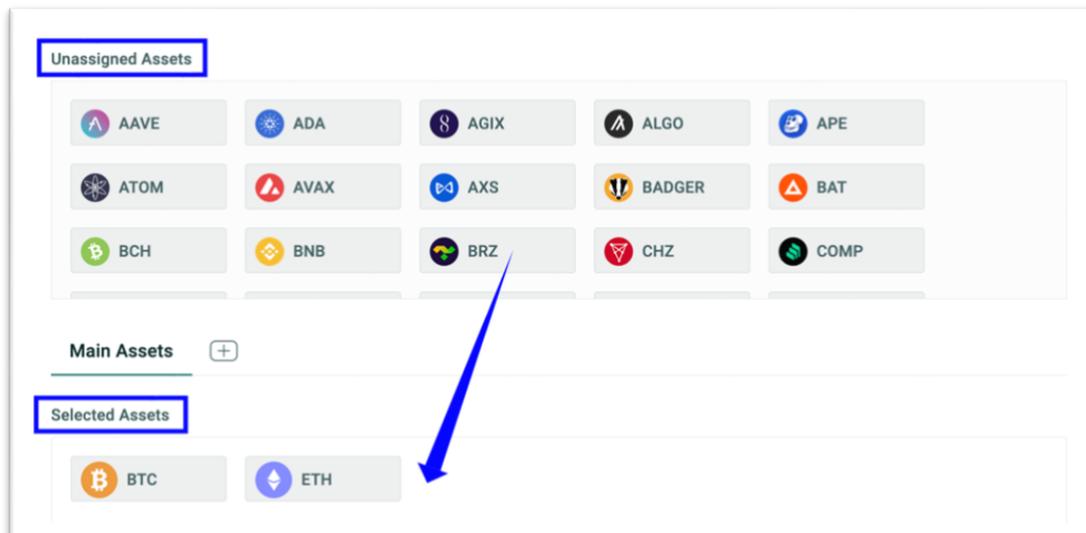
The routing settings involve creating groups of assets and specifying which counterparties these asset groups will be directed to for a trading order. Keep in mind that within a group of assets, it is possible to create different sets of counterparties while determining which set of counterparties should be prioritized first for the trading order.

### 3.1. GROUP OF ASSETS

Once on the "Smart Order Routing" subtab, to create a group of assets, click on "Edit" and then click on the "+" (plus) button, as indicated in the image below.



To populate a new group with assets, simply drag the asset from the "Unassigned Assets" area to the "Selected Assets" area.



When creating/modifying a group of assets, keep in mind the following rules:

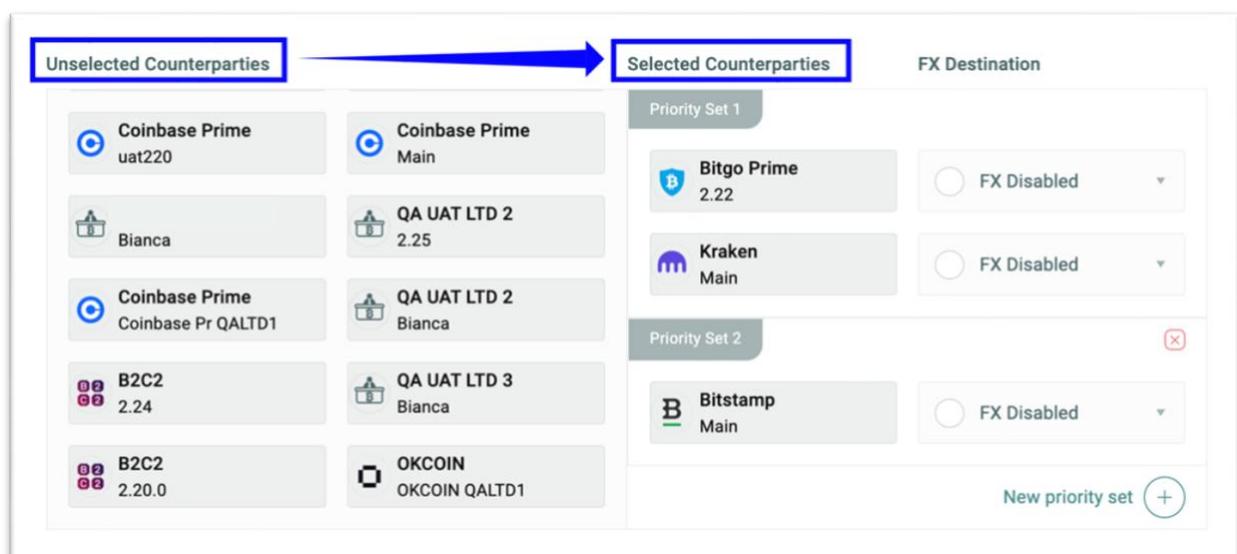
- Each group of assets must have at least one asset.
- An asset can only belong to one group.
- It is necessary to have at least one group of assets defined.

- If an asset does not belong to any group of assets (the asset is on the “Unassigned Assets” area), it will be not available for trade.

### 3.2. SELECTION OF COUNTERPARTIES

After creating a new group, the next step involves specifying which counterparties can execute a trading order for assets within this group.

For this step, drag the counterparties from the “Unselected Counterparties” area to the “Selected Counterparties” area.



Furthermore, on this step, you have the option to create sets of counterparties and define their execution priority. This functionality allows you to prioritize the counterparties based on your preferences, ensuring a more nuanced and strategic approach to order execution within the designated asset group.

To grasp the notion of priority sets, refer to the configuration depicted in the image above. With this setup, the SOR will initially attempt to secure the best price from the first priority set (Bitgo Prime and Kraken). If, for any reason, executing the trade with these counterparties is not possible, the SOR will subsequently attempt to execute the trade with the counterparties in the next priority set (in this instance, only Biststamp).

### 3.3. SELECTING THE FX PROVIDER

Finally, for each counterparty you have the option to select the FX provider. Should an FX conversion be required for a quote, this configuration determines the provider of the FX rate that enables the conversion.

For example, consider a company that offers CRYPTO/BRL trading pairs to its users. At the same time, this company connected a counterparty to the SOR that offers only CRYPTO/USD trading pairs. To utilize this counterparty, the company must convert the quoted prices from USD to BRL. Therefore, an FX rate is necessary to facilitate this conversion.



It's worth noting that the available options for selecting an FX Provider will come from a list of financial institutions with which the company holds an FX account and that are already integrated into the Parfin platform. If no FX Provider has been chosen for a specific counterparty ("FX Disabled" option) and an FX conversion is required for a quote, the system will automatically retrieve an FX rate from a default FX data provider.