

## Specific terms on the Forex and CFD transactions applicable to Clients whom the Retail Client MIFID Status is assigned.

“Specific terms on the Forex and CFD transactions applicable to Clients whom the Retail Client MIFID Status is assigned” are the integral part of the “Contract on rendering services on the financial and capital market” and are applicable to the relations of the Company and Client to whom the Retail Client MIFID status has been assigned in relation of CFD and Forex transactions.

**FX and CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Between 74-89 % of retail investor accounts lose money when trading FX and CFDs. You should consider whether you understand how Forex and CFDs work and whether you can afford to take the high risk of losing your money.**

### 1. Terms and abbreviations

- 1.1. The terms and abbreviations used in the “Contract on rendering services on the financial and capital market” are used “Specific terms on the Forex and CFD transactions applicable to Clients whom the Retail Client MIFID Status is assigned”, if it is not specified otherwise.
- 1.2. **Security Deposit (SD)** – Financial collateral (Margin) for entering into FX and/or CFD transactions submitted to the Company and placed on relevant Client’s Account with the Company.
- 1.3. **EU** – European Union
- 1.4. **ESMA** – European Securities Markets Authority
- 1.5. **ESMA Decision** – adopted on July 26, 2019 FCMC rules “On Limitations in advertising, distribution and sale to private customers of CFD and binary options” by means of which European Securities Markets Authority Decision (EU) 2018/796 of 22 May 2018 to temporarily restrict contracts for differences in the Union in accordance with Article 40 of Regulation (EU) No 600/2014 of the European Parliament and of the Council was transferred into RL national legislation.
- 1.6. **Financial Collateral (FC)** – financial collateral in the meaning of RL law «On Financial Collateral» submitted by the Client in favour of the Company.
- 1.7. **FX and CFD terms** – “Specific terms on the Forex and CFD transactions applicable to Clients whom the Retail Client MIFID Status is assigned”.
- 1.8. **FX** – margin currency transactions (Forex), specified in the Clause D.IV. of Conditions.
- 1.9. **Contract** – “Contract on rendering services on the financial and capital market”.
- 1.10. **MIFID status** – Status, assigned to the Client by the Company in accordance with Conditions, “Law on Markets of Financial Instruments” of RL and directly applicable laws of EU.
- 1.11. **Stop Out** – the type of Stop Loss, or occurrence of situation when all Opened Position existing on relevant Account shall be closed by the Company.
- 1.12. **Eligible Counterparty** – Client to whom Company assigned MIFID Status – Eligible Counterparty.

### 2. FX and CFD terms

- 2.1. FX and CFD terms are the integral part of the Contract and Conditions. In case of controversy between FX and CFD terms and Conditions of the Contract, FX and CFD terms shall prevail.
- 2.2. FX and CFD terms are applicable only to:
  - FX transactions, if such transactions are entered by a Client whom the Retail Client MIFID Status is assigned in relation of FX transactions;
  - CFD transactions, if such transactions are entered by a Client whom the Retail Client MIFID Status is assigned in relation of CFD transactions;
- 2.3. FX and CFD terms are no longer valid if legal grounds cease to exist, and namely, if ESMA Decision is no longer valid / loses its force or is cancelled. If FX and CFD terms lose force, the Contract and Conditions remain in force, and FX and CFD terms are considered as excluded from the Contract.
- 2.4. FX and CFD terms does not apply to the relations of the Company and Clients to whom the Professional Client or Eligible Counterparty’ MIFID Status is assigned

### 3. Limits of Leverage

- 3.1. Under ESMA Decision leverage available to the Retail Client must be not more than specified below:

Forex and CFD underlying asset	Leverage
FX Majors (USD, EUR, GBP, JPY, CAD, CHF)	1:30
FX Minors	1:20
Gold	1:20
Major Indices (FTSE100, CAC40, DAX30, DJIA, S&P500, NASDAQ100, NASDAQ, NIKKEI225, ASX200, EURO STOXX50)	1:20
Commodities (Energies, Softs, Agricultures)	1:10
Minor Indices	1:10
Individual Stocks	1:5
Other Financials	1:5

Cryptocurrencies	1:2
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3.2. Company has the rights to decrease Leverage specified in the clause 3.1. of FX and CFD terms.

## 4. Minimal Security Deposit

4.1. Under ESMA Decision a Retail Client must ensure Security Deposit. The proportion of Security Deposit to notional amount of Opened Position in FI (i.e.) shall be not less than specified below

Forex and CFD underlying asset	Margin r., %
FX Majors (USD, EUR, GBP, JPY, CAD, CHF)	3.33
FX Minors	5
Gold	5
Major Indices (FTSE100, CAC40, DAX30, DJIA, S&P500, NASDAQ100, NASDAQ, NIKKEI225, ASX200, EURO STOXX50)	5
Commodities (Energies, Softs, Agricultures)	10
Minor Indices	10
Individual Stocks	20
Other Financials	20
Cryptocurrencies	50

4.2. Company has the rights to increase the proportion of Security Deposit specified in the clause 4.1. of FX and CFD terms and to request ensuring the greater amount of Security Deposit on relevant Accounts.

## 5. Stop Out and Account negative balance protection

5.1. On occurrence of Stop Out, namely, if amount of Security Deposit on relevant Account, including loss that did not have settlement yet, decreases to 50% of Initial Margin, Company shall, Company shall close Open positions existing on relevant Account.

5.2. Company does not guarantee, that closing of Open positions will occur at prices existed on occurrence of Stop Out. Client must assess risks of rapid price change resulted in losses and that such losses may reach and exceed the amount of Security Deposit on Account. However, on occurrence of negative balance on Account, Company within 5 (five) working days ensures the compensation of negative balance of Account, and in the result Client's obligations (obligation arisen from the transactions performed on Account (Account where Stop Out occurred)) toward to the Company will be zero.

5.3. Client bears all potential risks of losses related to closing of Opened positions in CFD or FX.

## 6. Notification on Risks

6.1. Despite the protection of Retail Client from negative balance foreseen in FX and CFD terms, FX and CFD transactions have risk of rapid loss of invested amount. FX and CFD transactions are highly speculative and are not suitable for all Retail Investors, and especially, for those who are informed by the Company that FX and/or CFD are not suitable or appropriate for them.

6.2. Company does not recommend trading in FX and/or CFD, if Client received notification stating that FX/CFD are not suitable and/or appropriate for him. For the purposes of limitation of risks of losses, Company has the rights to refuse the provision of services and/or Opening Positions in FX/CFD partially or at all.

6.3. Before entering into FX/CFD transaction Client should familiarize with key information about FX/CFD to make sane and conscious decision about entering into transaction. Key information is available on the Company's web page.

## 7. Miscellaneous

7.1. Nothing in FX and CFD terms are not decreasing Company's liability in relation to FX/CFD foreseen by applicable laws.

7.2. Nothing in FX and CFD terms are not limiting Company's rights foreseen in the Contract and in the Conditions.