

Terms of business

1. Currency market.

Contracts on Forex market within the IFC Markets are performed due to SPOT conditions. A spot transaction is a straightforward (or outright) exchange of one currency for another. The spot rate is the current market price or 'cash' rate. Spot transactions do not require immediate settlement, or payment 'on the spot'. By convention, the settlement date, or value date, is the second business day after the deal date on which the transaction is made by the two parties.

2. Glossary.

“Conversion arbitrage operations” – transactions between the company and its counteragent for buying or selling foreign currency of one type for foreign currency of another type due to the exchange course on the date when the transaction was performed.

“Arbitration” – performing operations in order to gain profit due to changes of currency courses on international currency markets. This operation is a transaction that consists of two actions, selling and buying, of different kinds of currencies on the same sum.

“Current market course” – current course of performing transactions for this currency pair on interbank market.

“Bid/Ask prices” – there are two types of prices on Forex market . These are 1) the price of buying (ask) and 2) the price of selling (bid).

“Spread” – difference between Ask and Bid prices. The information flow that the client receives through the trade terminal includes both of these prices. Current spread for currency pair represents liquidity level of traded instrument.

“Base currency and quoted currency” – each currency item on Forex market includes two currencies. First currency in indication is named “base currency”, second is “quoted currency”. It is essential to understand that all the transactions are performed in base currency. Because of this, profit or loss and cost of the point are received in quoted currency. To get these figures to the balance currency the company automatically re-counts it due to the current market course. There is no commission for this type of converting.

“Point or pips” – the majority of quotations for currency pairs are written up to four figures after hitch. That is why the minimum value of the price is 0,0001 of the quoted currency, and it

is called “point” or “pip”. For currency pairs with Japanese yen the value of the point is 0,01.

“Balance” – is a total finance result of all completed transactions and operations of paying in/removal of money from the trade account.

“Trade terminal” – is a program product called NetTradeX. Over this terminal, clients can receive information about trading processes on financial markets (within the capacity set by the company) on-line, perform technical analysis of the markets, perform trade operations, to put forward, modify or delete orders, and receive messages from the company. This trade terminal is available with free access on the company’s website.

“Contract’s specification” – main trade conditions (spread, minimum/maximum value of transaction, step of changing value for transaction, starting margin, margin for locked positions etc.) for each tool.

“Currency pair” – an object of trade operation at the heart of which is the price changing of one currency to another.

“Equity” – current state of account including open positions. It is counted as balance + changing profit/loss.

“Floating profit/loss” – unfixed profits/losses on the opened positions due to the current value of the currency courses.

“Marginal trading” – performing of arbitrage operations for the sum of several times greater than the value of the client’s own money (free margin). In this case, possible loss over this arbitrage due to this must be covered by the current sum of the client’s free margin.

“Necessary margin” – demanded by the Company, this is the sum of money that needs to support opened positions. For each tool this sum will be determined by credit holder and the value of the opening position.

“Free margin” – total balance of client’s trade account over the currencies in dollars, in case of reevaluation of opened positions by the current courses in online, money from this account can be used to open a new position. Free margin is calculated by the formula: Free margin = equity - margin.

“Hedged margin” – this is demanded by the company as a security for opening and supporting locked position.

“Direction” – client’s order to the company for opening or closing of the position, placement, removing or changing of the order’s level.

“Indicated quotation” – quotation which shows that the company will not accept client’s orders.

“Instrument” – traded currency pair or contract.

“Open position” – sum of bought (or sold) currency bought for another currency which is not covered by selling (or buying) of the same currency. As a result of opening position the client is able to:

- perform a reverse transaction of the same value;
- support Equity no lower than 10% of Necessary margin.

“Locked positions” – long and short positions, simultaneously opened on the same tool and on the same trade account.

“Long position” – buying of the tool hoping that its course will rise. Applied to currency pairs: buying of base currency for quoted currency.

“Short position” – selling of the tool hoping that its course will fall. Applied to currency pairs: selling of base currency for quoted currency.

“Value of the transaction” – it is the sum of transaction in base currency.

“Order” – any command of the client for performing trade operations.

“Orders level” – price, shown in the order.

“Quotation” – information about the current course of the tool shown in Bid and Ask view.

“Course” – cost of the unit of base currency shown in quoted currency.

“Request” – client’s instruction to the company to get a quotation. Request is not the same as a client’s obligation to perform this operation.

“Nonmarket quotation” – quotation that meets the conditions of:

- existing of large price difference.
- the return of the price to the starting point that leads to the price gap.
- absence of rapid price change after the release of this quotation.
- absence of any macroeconomic events or any corporate news that can seriously affect the real course of the tool, during the time when this quotation appeared

“SWAP” – operation consists of two opposite conversion transactions for the same sum of traded currency with different dates of value date and different changing courses. Result is presented as a balance operation ‘SWAP’ on trade account.

“Value date” – date of accounting and transactions over performed operations. For operations performed with a currency within the system and for all the accounts performed with the spot date, the value date will be the second work day after the transaction was performed, excluding weekends and holidays.

“Volatility” – is the index that shows tend of market price or income to change during the time.

“Full finished transaction” – consists of two opposite trade operations with the same value (opening position and closing position): of buying and following selling or selling and following buying.

“Web-site” – company’s web-site located in the Internet can be found at this address <http://www.ifcmarkets.com>.

“Written notification” – solid or electronic copy of any document (including faxes, e-mails, inner post of client’s terminal etc.)

3. Account types and trading conditions.

IFC Markets offers three types of trading accounts: Demo, Beginner and Standard.

General Conditions

	DEMO ¹	BEGINNER ²	STANDARD
Minimal initial deposit	1 USD	1 USD	200 USD
Maximum Initial Deposit	Unlimited	200 USD	Unlimited
Maximum allowed equity	Unlimited	400 USD	Unlimited
Leverage	1:2 - 1:100	1:2 - 1:100	1:2 - 1:100
Phone dealing service	-	+	+
Market news service	-	+	+

¹ Demo account operates virtual funds. It is introduced to learn the Trading Platforms’ functionality and test trading strategies.

² If value of Equity reaches an amount equal or greater than \$400, the opening of new positions in the account is automatically terminated. For continuation of trade it is necessary for client either to change type of the account to Standard, or to withdraw surplus of funds to make the Equity not exceeding the amount of \$200.

A client can trade only on one Beginner account.

Trading Conditions

Trading Instruments	DEMO			BEGINNER			STANDARD		
	Spread ³	Order Distance ⁴	1 pip value ⁵	Spread ³	Order Distance ⁴	1 pip value ⁵	Spread ³	Order Distance ⁴	1 pip value ⁵
Forex									
AUD/JPY	5	8	1000 JPY	6	9	10 JPY	5	8	1000 JPY
AUD/NZD	12	18	10 NZD	20	20	0.1 NZD	12	18	10 NZD
AUD/USD	3	5	10 USD	4	6	0.1 USD	3	5	10 USD
CAD/JPY	5	8	1000 JPY	6	9	10 JPY	5	8	1000 JPY
CHF/JPY	4	6	1000 JPY	6	9	10 JPY	4	6	1000 JPY
EUR/AUD	10	15	10 AUD	15	20	0.1 AUD	10	15	10 AUD
EUR/CAD	9	14	10 CAD	12	18	0.1 CAD	9	14	10 CAD
EUR/CHF	3	5	10 CHF	5	8	0.1 CHF	3	8	10 CHF
EUR/GBP	2	3	10 GBP	4	6	0.1 GBP	2	8	10 GBP
EUR/JPY	3	5	1000 JPY	4	6	10 JPY	3	5	1000 JPY
EUR/SEK	50	75	10 SEK	75	100	0.1 SEK	50	75	10 SEK
EUR/USD	2	3	10 USD	3	5	0.1 USD	2	5	10 USD
GBP/AUD	10	15	10 AUD	12	18	0.1 AUD	10	15	10 AUD

Trading Instruments	DEMO			BEGINNER			STANDARD		
	Spread ³	Order Distance ⁴	1 pip value ⁵	Spread ³	Order Distance ⁴	1 pip value ⁵	Spread ³	Order Distance ⁴	1 pip value ⁵
GBP/CAD	11	17	10 CAD	13	20	0.1 CAD	11	17	10 CAD
GBP/CHF	7	8	10 CHF	10	10	0.1 CHF	7	8	10 CHF
GBP/JPY	7	8	1000 JPY	10	10	10 JPY	7	8	1000 JPY
GBP/NZD	30	30	10 NZD	35	30	0.1 NZD	30	30	10 NZD
GBP/SEK	70	105	10 SEK	80	150	0.1 SEK	70	105	10 SEK
GBP/USD	3	5	10 USD	4	6	0.1 USD	3	5	10 USD
NZD/CAD	10	15	10 CAD	15	23	0.1 CAD	10	15	10 CAD
NZD/CHF	10	15	10 CHF	15	23	0.1 CHF	10	15	10 CHF
NZD/JPY	9	14	1000 JPY	12	18	10 JPY	9	14	1000 JPY
NZD/USD	5	8	10 USD	5	8	0.1 USD	5	8	10 USD
USD/CAD	4	6	10 CAD	5	8	0.1 CAD	4	6	10 CAD
USD/CHF	3	5	10 CHF	4	6	0.1 CHF	3	5	10 CHF
USD/DKK	40	60	10 DKK	75	100	0.1 DKK	40	60	10 DKK
USD/JPY	3	5	1000 JPY	4	6	10 JPY	3	5	1000 JPY
USD/NOK	50	75	10 NOK	75	100	0.1 NOK	50	75	10 NOK
USD/SEK	50	75	10 SEK	75	100	0.1 SEK	50	75	10 SEK
USD/SGD	8	12	10 SGD	12	18	0.1 SGD	8	12	10 SGD
Metals									
XAUUSD	65	98	1 USD	100	100	0.01 USD	65	98	1 USD
XAGUSD	65	98	5 USD	100	100	0.1 USD	65	98	5 USD
CFDs									
SP500	75	225	1 USD	100	300	0.01 USD	75	225	1 USD
Nd100	100	300	1 USD	125	375	0.01 USD	100	300	1 USD
DJI	70	210	10 USD	100	300	0.1 USD	70	210	10 USD
FTSE100	500	1500	10 EUR	-	-	-	-	-	-
DAX	500	1500	10 GBP	-	-	-	-	-	-
CAC40	500	1500	10 EUR	-	-	-	-	-	-

³ Spreads may vary in case of large volumes of transactions and low liquidity market.

⁴ Minimum Limit and Stop Order setting range may vary from 1 to 7 spreads from the market price depending on current market's liquidity.

⁵ 1 pip value is given per:

- Forex (Demo, Standard) - 100,000 units of base currency
- Forex (Beginner) - 1,000 units of base currency
- XAU/USD (Demo, Standard) - 100 oz
- XAU/USD (Beginner) - 1 oz
- XAG/USD (Demo, Standard) - 5.000 oz
- XAG/USD (Beginner) - 100 oz
- SP500, Nd100 (Demo, Standard) - 100 contracts
- SP500, Nd100 (Beginner) - 1 contract
- DJI, DAX, FTSE, CAC40 (Demo, Standard) - 10 contracts
- DJI (Beginner) - 0.1 contract

Trading Volumes

Trading Instruments	Account Type	Minimum Volume	Maximum Volume
Forex ⁶	Demo	100	Unlimited
	Beginner	100	2
	Standard	10	Unlimited
XAU/USD	Demo	1 oz	Unlimited
	Beginner	1 oz	3 oz
	Standard	20 oz	Unlimited

Trading Instruments	Account Type	Minimum Volume	Maximum Volume
XAG/USD	Demo	1 oz	Unlimited
	Beginner	5 oz	150 oz
	Standard	1,000 oz	Unlimited
SP500	Demo	0.2 contract	Unlimited
	Beginner	0.2 contract	2 contract
	Standard	10 contract	Unlimited
Nd100	Demo	0.1 contract	Unlimited
	Beginner	0.1 contract	2 contract
	Standard	10 contract	Unlimited
DJI	Demo	0.02 contract	Unlimited
	Beginner	0.02 contract	0.2 contract
	Standard	1 contract	Unlimited
FTSE100	Demo	0.01 contract	Unlimited
	Beginner	-	-
	Standard	-	-
DAX	Demo	0.01 contract	Unlimited
	Beginner	-	-
	Standard	-	-
CAC40	Demo	0.01 contract	Unlimited
	Beginner	-	-
	Standard	-	-

⁶ Volumes given in units of base currency

4. Types of orders and terms of performance.

Within the trade system there are several types of orders.

4.1. Market order.

Market order – is a command to performing of buy or sell a currency pair due to current market price. The transaction is performed instantly via the trade terminal at the price shown in the window of transaction or via phone quotation, presented by the dealer.

In conditions of high volatility the opening of position can be done in two ways:

- While opening the position, the client will be provided with new market price, This price will be different from the price that was originally announced by the client.
- Client can set a tick “any price” in the window of transaction. In that case position will be opened on the price that existed in the market when the request from the client was received. Slippage size can be chosen by the client.

The prices' quotation received by the client through the clients terminal about the instruments are supposed to be indicative and might not coincide with the quotation offered by the dealer on answering the price overcharge. All the questions connected with the determination of the prices' level in the market are competence of the dealer.

4.2. Pending order.

Pending order – is a command to perform a transaction for a price that is different from current market. The sell and buy transaction is performed when prices on the market reaches the prices written in client's order.

In conditions of high volatility and due to price gaps, especially after weekends and holidays or after the release of macroeconomic data, posted orders for position opening will be performed on the first price that appears on the market after the quotation breach.

Under certain market conditions, when fulfilling the order (Sell Limit, Buy Limit, Sell Stop, Buy Stop, Stop Loss and Take Profit) by the client's claimed price are not possible, the company has the right either to fulfil the order or to reconsider the opening (closing) price of the order by the current market price. Such situation is possible on abrupt price changes of the financial instrument during or on the opening of the trading session.

4.3. Linked limit and stop orders.

Orders connected with an opened position or posted order for opening a position, can be divided into two main categories: stop-loss and take-profit.

Stop-loss is used to prevent possible losses and it is set lower than the price at the time of placing the order or at execution of a posted order.

Take-profit is used only to close the position. When the price hits a targeted level of profit, the position will be closed. It is set at a price higher than it was at the time of opening of position or execution of a posted order.

In case of deleting a posted order, the manual closing of the position or due to abrasion of stop-loss/take-profit order, all the remaining connected orders will be deleted automatically. Stop-loss/take-profit orders are executed based on the price declared by client.

4.4. OCO (one cancels other)

OCO orders – is a posted order to open a position at a price different from current market price. In case of abrasion of any order, the corresponding order will be deleted automatically. For OCO orders, the rules of execution will be the same as for simple posted orders.

4.5. Activated.

Activated order – is a pending order that is carried out if the price reaches the level of activation.

For execution of activated orders, the rules are the same as for simple posted orders.

5. Moving of transaction to new value date – SWAP.

Operation of moving transaction to a new value date is used to change a previous date for a current date. This is an operation of closing an old position and simultaneous opening a new position of the same currency pair, with the same volume and with the same price, but with the new value date. In this case, the Company takes a payment or pays out a compensation according to the direction and base currency of the transaction. This payment (the cost of move) is presented in the client account as a positive or a negative balance operation and depends on the difference of the interest rates between currencies.

From Wednesday to Thursday SWAP is added in threefold. For weekends, from Friday to Monday, it is added singly.

SWAP is counted every 24 hours at 00:00 server time, and it depends on the currency rate at the moment of SWAP calculation. For this reason, SWAP amount may differ from day to day.

6. Trading times

Forex and Metals trades are performed from Sunday 22:00 to Friday 22:00 CET (Central European Time) 24 hours a day.

US Stock Indices CFD trades are performed from Monday to Friday 02:00 to 22:00 CET.

European Stock Indices CFD trades are performed from Monday to Friday from 08:00 to 22:00 CET (DAX and CAC40) and from 09:00 to 22:00 CET

7. Margin requirements.

Maximum leverage for all accounts is 100:1 or 1% of the opening position.

Maximum leverage for accounts with deposit more than \$25.000 is 50:1 or 2% of the opening position.

In order to avoid any client liabilities towards the company, the company can close one or several client's positions if there are losses over them. Closing is performed if margin level, i.e. ratio of the balance taking into account open positions to the margin value, reaches 10%. In this case the first position to close will be the most unprofitable. This situation is called "**short margin**".

For weekends and holidays margin requirements may be increased twice with prior notification. This means that leverage 100:1 or requirement margin of 1% will become 50:1 or requirement margin 2%. The client must get his opened position according to the increased margin demands by the end of trading. If the client fails to do so, the company has a right, but not responsibility, to reduce the client's position according to the prices that set at the end of the trades. In this case the company will choose which of the client's positions will be reduced or closed.

8. Argument solution.

Confirmation documentation on performed operations over the account is in the form of a statement which is sent to the client every day, and also as the n the beginning of the month following the report. If there are no claims from the client regarding the statement of an account, it is considered to be confirmed.

If the client does not agree with a statement of an account, he must contact the Company (backoffice@ifcmarkets.com) no later then 48 hours after receipt, with a detailed description of the problem and the number of the transaction. All the letters of complaint will be dealt with in a timely fashion.

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Client
