

# **LEVERAGE POLICY**

**UR Trade Fix Ltd**

<b>Previous Version Date:</b>	2018
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<b>Next Review Date:</b>	November 2020

Tradeo is operated by UR TRADE FIX Ltd, a Cyprus Investment Firm (CIF) supervised and regulated by the Cyprus Securities and Exchange Commission (CySEC) with CIF Licence number 282/15 and Company registration number HE336677, located at 140 Vasileos Constantinou, 1<sup>st</sup> floor Tofias Building, 3080, Limassol, Cyprus.

## 1. Introduction

UR TRADE FIX Limited the "Company", "we" or "us") is a Cypriot Investment Firm licensed and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under license number 282/15.

## 2. Scope

The purpose of this Policy is to define how we set leverage and procedures when our clients trade in Contracts of Difference ("CFDs"). It explains the key aspects of leverage trading with margin and what leverage levels we make available depending on our clients' knowledge and experience along with regulatory requirements. It also outlines the impact on the margin and clients' accounts where negative market movement occur.

This Policy applies when the Company executes Retail Clients' orders according to the Regulations, as defined below. It does not apply to Professional or Eligible Counterparties as these are defined under the relevant Regulations.

## 3. Our Obligations and Commitment

Treating customers fairly is our main obligation to our corporate culture and ethos.

The Company, as a regulated investment firm, has a duty to act honestly, fairly, professionally and in the best interest of our clients when dealing with them.

In relation to Leverage, we are required:

- a. To set leverage levels that reflect retail clients' knowledge and experience in trading in complex financial instruments like CFDs given that trading with leverage and margin is a key characteristic of trading in CFDs;
- b. To avoid any aggressive leverage practices towards our retail clients;
- c. To have regard to the underlying performance fundamental of the financial instrument on which the CFD is based, including among others historic volatility, depth of market (liquidity and trading volumes), market capitalization of the issuer and country of issuer of the underlying financial instrument, hedging capabilities, general economic climate and geopolitical events. We adjust and calibrate the above variables in determining the leverage levels we offer for asset classes or financial instruments;
- d. Given that, we effectively provide leverage, to have regard to our own risk management appetite and risk bearing capacity and to have in place policies, procedures and practices to manage our (primarily) market risk emanating from such leverage and margin trading by our clients. Following the aforementioned, the Company has a neutral risk appetite. We take into consideration both the leverage provided to our clients and the leverage provided by our execution venues with which we hedge clients' positions along with our available own funds.

- e. To apply regulatory requirements and caps as set out by our supervisory authority, CySEC, or any other supervisory authority in any jurisdiction we offer our services to.

#### **4. Leverage Trading and Margin**

Trading on leveraged capital means that clients can trade amounts significantly higher than the funds invested, which only serve as the margin. High leverage can significantly increase the potential return, but it can also significantly increase potential losses. This means that clients, can trade with amount higher than could invest in a particular CFD without the margin the Company provided.

##### **4.1 Leverage Ratios for Different Asset Classes and Financial Instruments and Different Clients**

We enable our clients to trade via our online platforms.

For retail clients, lower leverage limits apply which cannot exceed the maximum level as depicted in the following table.

It shall be noted that CySEC prescribes maximum default leverage ratio of 1:30 on major FX instruments however, certain jurisdictions may apply other regulatory caps of leverage ratios based on their national product intervention measures.

We reserve the right to reduce leverage ratios for CFDs in financial instruments that maybe the subject of actual or anticipated corporate actions, with or without notice to the clients, in order to address likely market and financial instrument volatility. Whenever possible, we might give 3 business days' notice of such changes so as to enable the clients to take any actions might consider appropriate.

Furthermore, we also reserve the right to apply a specific leverage per single instrument in the event that client orders are exceeding a predetermined position size limit.

The applicable leverage ratios can be found at the Company's websites at any point in time.

<b>CFDs</b>	<b>Updated default Leverage</b>
Major FX pairs (The major currencies are currency pairs comprising any two of the following currencies: USD, EUR, JPY, GBP, CAD or CHF)	30:1 (3.33%)
All other currencies	20:1 (5%)
Gold	20:1 (5%)

Major Indices (The major indices are any of the following equity indices: FTSE 100, CAC 40, DAX, DOW, S&P 500, NASDAQ, Nikkei 225, ASX 200, EURO STOXX 50)	20:1 (5%)
All other indices	10:1 (10%)
Commodities (other than Gold)	10:1 (10%)
Equities	5:1 (20%)
Cryptocurrencies	2:1 (50%)

\*The Company takes into account the National Product Intervention Measures introduced by each Member States from time to time.

#### **4.2 Margin Close out Rule**

Following, the Cyprus National Product Intervention Measures, margin close out, was introduced, when the clients' funds fall to 50% of the margin needed to maintain their open positions on their CFD account;

#### **5. Negative Balance Protection**

The Company offers Negative Balance Protection, meaning that Clients can never lose more than the amounts available in their trading account.