Leverage and Margin Policy

Finateqs Corp
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INTRODUCTION

Finateqs Corp is a company incorporated under the Laws of Belize with Registration Number Number 137723 IBC 2019 having its head office at Second Floor, No. 24, Albert Hoy Avenue, Belize City, Belize, BZ and rendering the investment and ancillary Services (hereinafter the "Company") to its Clients through the Trading Platform. For more information please visit www.forexmart.com

SCOPE

This Leverage and Margin Policy (the "Policy") sets out how we set leverage and margin levels and procedures when you trade in Foreign Exchange and Contracts of Difference ("CFDs") with us. The purpose of this Policy is to explain the key aspects of leverage trading with margin and what leverage levels we make available. s. It also outlines the impact on your margin and account where negative market movements occur.

COMPANY'S COMMITMENT

Treating Customers fairly is vital to our corporate culture and ethos and attitude. The Company has a duty to act honestly, fairly, professionally and in the best interests of our clients when dealing with them.

In relation to Leverage and Margin, the Company is required :

- To have regard to the underlying performance fundamentals of the financial instrument, including historic volatility, depth of market liquidity and trading volumes, market capitalization of the issuer and country of issuer of the underlying financial instrument, our ability to hedge market risk and the general political and economic environment. We adjust and calibrate the above variables in determining the leverage levels we offer for asset classes or financial instruments;

- Given that we effectively provide the leverage for which you trade, 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;

FACTORS CONSIDERED

The Company takes into consideration the following factors when determining the maximum allowed leverage: the Client's financial strength, financial knowledge, trading experience and trading style.

LEVERAGE RATIOS FOR DIFFERENT ASSET CLASSES AND FINANCIAL INSTRUMENTS

We enable you to trade CFDs via our web and any mobile trading platforms. The Company offers different categories of margin requirements depending on the particular asset in order for the client to manage the exposure of the account in a more efficient way during volatile markets. The main idea is to protect the clients' accounts by requiring lower margin requirements for less volatile instruments and higher margin requirements for higher volatile instruments. This concept is illustrated below.

CFDs relate to underlying asset classes and financial instruments. We set out here below these classes together with the maximum leverage levels we make available through our trading platforms:

Margin Collected at opening transactions referred to Financial Instruments Listed in			
(Values Expressed as % of the nominal value of open positions)			
	FX Pairs	Metals	Shares
Investors	**0.2%**	**1%**	**5%**

Maximum Leverage at opening transactions referred to Financial Instruments Listed in			
(Values Expressed as Maximum Leverage Granted per Category)			
	FX Pairs	Metals	Shares
Investors	**1:500**	**1:100**	**1:20**

FX Pairs: All currency pairs.

Metals: Currency pairs composed with one of the following: XAU, XPT, XAG.

Shares: All shares.

Note that certain jurisdictions apply a cap on leverage ratios irrespective of any retail client categorization into Experienced or Less Experienced: the maximum leverage for clients from Poland is set to 1:100, with a margin of 1 percent. Clients from Malta shall be restricted to a maximum leverage of 1:50 if the client is categorized as retail, and 1:100 for retail clients opting to be treated as professional clients.

KEY TERMS - LEVERAGE TRADING AND MARGIN

- **What is Leveraged Trading?**

Trading on leveraged capital means that you can trade amounts significantly higher than the funds you invest, which only serve as the margin. High leverage can significantly increase the potential return, but it can also significantly increase potential losses. Please see below an explanation on our “Negative Balance Protection” where we guarantee that you cannot lose more funds than what you have invested.

Example: If the leverage is 1:20 and if you as our client have $1,000 in your account, it means that you can now open trades worth $20,000.

- **What is Spread?**

The spread is the difference between the Bid price (selling price) and the Ask price (buying price) of the CFD. Example: If the quote for the EURUSD pair is 1.2910 against 1.2913, then the spread is 3 pip

- **What is Initial/Required Margin?**

Also known as the Initial Margin Requirement, the Initial Margin is the percentage of a financial instrument price that you, as the client, need to pay for with your own money. This requirement is basically the amount of collateral needed in order to open a margin position.

Required Margin or Margin Requirement refers to the amount you need in order to open and maintain a position, in addition to the initial loss that will occur due to the spread.
The Required Margin is derived from the following formula: (Amount * Instrument Price)/ Leverage + (Amount * Spread).

Example: trading 3 lots of EUR/USD using 1:200 leverage with an account denominated in USD, trade size: 300,000 and account currency exchange rate: 1.13798 would have a required margin of USD 1706.97 calculated by 300,000 / 200 * 1.13798 = $1706.97.

- **What is Equity?**

In short, Equity can be defined as the value of your portfolio with us. Effectively it is the value of your funds with the Company (which at any point in time include realized profits and losses) plus the unrealized profit and loss on your positions based on their latest quoted valuation.

- **Introduction to Margin Level**

The Margin Level indicates how close your account is to a margin call. It is calculated as Equity/Initial Margin and is typically shown in “%”. When the margin level decreases, your account bears an increased risk of liquidation. We call this the Close Out (stop out) Level and explain it further below. You are advised that you should monitor this margin level at all times. Whilst we may from time to time send you notifications of your Margin Level reaching certain thresholds, you are reminded that under the Agreement between you and us it is your responsibility to monitor at all times the margin level and take relevant actions.

Relevant actions that you can take to restore your Margin Level include:

• Closing or hedging some of your open positions;
• Depositing more funds that can help in averaging down your position.

Please note that we do not provide advice for the trading decisions and actions you take, including with respect to the actions you may take to address the Margin Level requirements such as the ones we refer to above.

- **What is Free Margin?**

Free Margin is the sum of funds you have available to use as initial margin for new positions. This is calculated by subtracting the margin used for your current open positions from your Equity.

- **What is Used Margin?**

Used Margin indicates the sum of margin being used by your current open positions. It is calculated by adding the initial margins of all your open positions.
Example: You open a position of 10,000 EURUSD at 1.1175.

Assume that the initial margin requirement is 5% (i.e. a leverage of 1:20). The margin used for your position is calculated as follows:

10,000/20 + 10,000*0.0002 =€ 560.02

In addition, you open a position of 10,000 of EURCHF at 1.1725.

Assume that the initial margin requirement is 5% (i.e. a leverage of 1:20). The margin used for your position is calculated as follows:

10,000/20 + 10,000*0.0002 = € 560.02

Therefore, the total Used Margin that you see in your account with us is 560.02 + 560.02 = € 1004.

- **What is Margin Call and Margin Stop-out?**

Although each client is fully responsible for monitoring their trading account activity, our Company follows a margin call policy to guarantee that your maximum possible risk does not exceed your account equity.
As soon as your account equity drops below **30%** of the margin needed to maintain your open positions, we will attempt to notify you with a margin call warning you that you do not have sufficient equity to support open positions.
In case you are a client accustomed to telephone trading and we feel that you can't maintain your open positions, you may receive a margin call from our dealers, advising you to deposit a sufficient amount in order to maintain your open positions.
The stop-out level refers to the equity level at which your open positions get automatically closed. For trading accounts held by retail clients the stop-out level is **10%.**

Please note that we reserve the right to change at our sole discretion the margin requirements without prior notification to you, based on actual or expected (in our opinion) market volatility or our view of market conditions in general.

NEGATIVE BALANCE PROTECTION

We offer all our Retail clients Negative Balance Protection. This means that our clients will never lose more than the amounts they invested with us.

CONFLICTS OF INTEREST

The Company is required to establish, implement and maintain an effective conflict of interest policy which shall specify the procedures put in place by the Company for identifying and responsibly managing and controlling and, where necessary, disclosing the conflicts of interest arising in relation to its business. For more information, please refer to the Company's Conflicts of Interest policy.

OFFERING CFDs IN CERTAIN JURISDICTIONS

CFDs are not eligible for sale in certain jurisdictions or countries. This Policy is not directed to any jurisdiction or country which is included in the Company's Banned Jurisdictions as this is defined in the Investment Services Agreement. The Policy does not constitute an offer, invitation or solicitation to buy or sell CFDs.

APPLICABLE LANGUAGE

Please note that where you have been provided with a copy of this Policy other than in the English language, such Policy is provided to you for information purposes only. The English version of this Policy is the version that is always binding on the Company.