MiFID II

Ex-Ante Summary of Costs and Charges

v1.0 September 2020

Contents

1 Introduction

As part of the enhanced investor protection rules imposed by the Markets in Financial Instruments Directive (MiFID II), ETX Capital is required to provide information about our costs and charges.

This information is provided to you in two forms:

- **Pre-Trade ("Ex-Ante")** – We are required to disclose details of any costs and charges that you may incur prior to providing services to you. This document explains the potential costs and charges that you could incur as a result of engaging our services. We advise you to carefully study the information contained in this document prior to trading with us. Further details can also be found in the PRIIPs Key Information Documents on our website.
- **Post-Trade ("Ex-Post")** – We are required to provide you with an annual statement summarising the costs and charges that you have incurred. This will be provided to you each January covering the previous calendar year. A further breakdown of these charges is available via your regular account statements, downloadable from your account at the end of each month. You may at any time request a breakdown of the charges listed in this statement by contacting our customer services team.

Contact details for our customer services team can be found in section 9 of this document.

2 Scope

This document breaks down the costs and charges related to service(s) provided by ETX Capital to you. All brokers charge fees for certain services, and this document details what each fee we charge is, why it is being taken and how much you may be charged. We provide you with formulae and worked examples to facilitate your understanding. This will allow you to be able to calculate what your costs and charges would be before engaging our services.

2.1 Items not within scope of this document

2.1.1 Equity and index dividend adjustments

Equities will periodically pay dividends out to shareholders. When they do so, this causes the share price to go ex-dividend, i.e. the share price will no longer factor in the present value of the dividend, so the price will fall by the amount of the dividend. Similarly, indices will also fall when this is the case, as they consist of a collection of equities that are a weighted by market capitalisation. Any equity that goes ex-dividend, will cause a weighted fall in the index which it is listed on.

Where dividends are paid out, this price fall in the equity or index would result in a change in your position's profit or loss as a result of this dividend event. Given that these are scheduled events, we ensure that no profit or loss can be made from these events. Where a price falls as a result of a dividend, we make a corresponding adjustment to your cash balance to cancel out the effect of the price movement.

Worked Example

You open a long position in UK 100 at £10 a point.

Various dividends are paid out at the underlying market close, leading to a 55-point drop in the UK 100 price.

As you are long, you incur a movement in your position, so your profit or loss decreases by:

$$\text{£}10 \text{ a point} \times -55 \text{ points} = -\text{£}550$$

We therefore credit your cash balance by £550 so there is no effect from this dividend induced price fall.

N.B: Should your position have been short, your profit or loss would have increased by £550 and we would have debited your cash balance by £550.

Given that there is a net zero effect on your return on investment, we do not consider these a cost nor a charge, and as such, we do not include this on your MiFID II ex-post costs and charges statement. You will see the dividend adjustment debit/credit on your regular account/trading statements however.

Details of the times that these dividend adjustments may be applied can be found in section 4.8.2.

2.1.2 Oil point adjustments

Simliarly to equity and index dividend adjustments, you may also see similar price adjustments, which are offset by a debit or credit to your account when trading Nymex or Brent Crude rolling daily.

Our Nymex Crude & Brent Crude oil daily rolling prices are synthetically created using the price of the two front month oil future contracts. Point adjustments are made each evening to reflect the move from one futures price to the next. This adjustment can be positive or negative based on the direction of the position and if the front month price is lower or higher than the next month. The adjustments are made on positions held at the market close time (see section 4.8.2). On a Friday the adjustment is applied three times to account for the weekend.

The adjustment can be calculated as:

$$\text{Stake} \times \frac{(\text{Difference in price between the two contracts})}{(\text{Difference in days between two contracts} \times \text{Tick Size})}$$

Worked Example

You go long £10 a point on a Nymex Crude spreadbet daily rolling contract.

The front month Nymex Crude May Future (expiring 20 April 2020) has a market close price of \$41.49. The following month's Nymex Crude June Future has a market close price of \$43.87.

$$\text{Stake} \times \frac{(\text{Difference in price between the two contracts})}{(\text{Difference in days between two contracts} \times \text{Tick Size})}$$

$$= £10 \times \frac{(43.87 - 41.49)}{(28 \times 0.01)}$$

$$=£85$$

The +0.085 ticks (8.5 points) adjustment is added to our Nymex Crude daily rolling price at the market close. To offset this, the long position will be debited £85 to offset the open profit or loss gain on the points adjustment on that particular day.

N.B: As per the example as above, a £10 a point short position would receive a £85 credit to offset this open profit or loss adjustment.

2.1.3 Third party commissions

If you have been introduced to ETX Capital by a third party, i.e. an affiliate, introducing broker or tied agent, there may be costs and charges that are implicit in the cost and charges associated with the service(s) ETX Capital provide to you. These third-party commissions are beyond the scope of this document. For further details, please contact our customer services team.

3 Costs and charges and your statements

There are two ways that you may incur costs and charges:

- **Explicit costs** - charged directly to your account as separate individual charges.
- **Implicit costs** - these are not charged directly to your account but are included within those charges. An example of this is spread, which is already factored into the price you trade at.

We have summarised where you may find details of the costs detailed in this document in both your MiFID II ex-post costs and charges statement and your regular account/trading statements.

MiFID II Statement	Cost/charge	Section in this document	TraderPro Account/Trading Statement	MT4 Account/Trading Statement
Financial Instruments - Ongoing Costs	Commission	6.3.2	Guaranteed Stop Charge	Commission
	Funding	6.1.1, 6.2.1, 6.3.1, 6.5.1	Funding	Swap
	Rolling Daily		Debit/Credit for Rolling Trade transaction	Swap
	Spread	5.1	This cost is implicit in the price that you trade at, and will thus not appear as a separate charge on your statement.	
	Swap Charges	6.4.1	Funding/ Debit/Credit for Rolling Trade transaction	Swap
Financial Instruments - Incidental Costs	Deposit Charges	7.1	Transfer funds out of account	Debit Deposit Charge
	Dormant Account Charges	7.3	Transfer funds out of account	Dormant Account Charge
	Interest	5.3	Transfer funds out of account	N/A
	Special Borrowing	5.2	Transfer funds out of account	N/A
	Withdrawal Charges	7.2	Transfer funds out of account	Debit Withdrawal Charge
Amounts Paid to Third Parties	Affiliate Fees	These third-party commission fees are implicit in the costs and charges levied on your account. These are beyond the scope of this document. For further details, please contact our customer services team.		
	IB Fees			
	Tied Agent Fees			

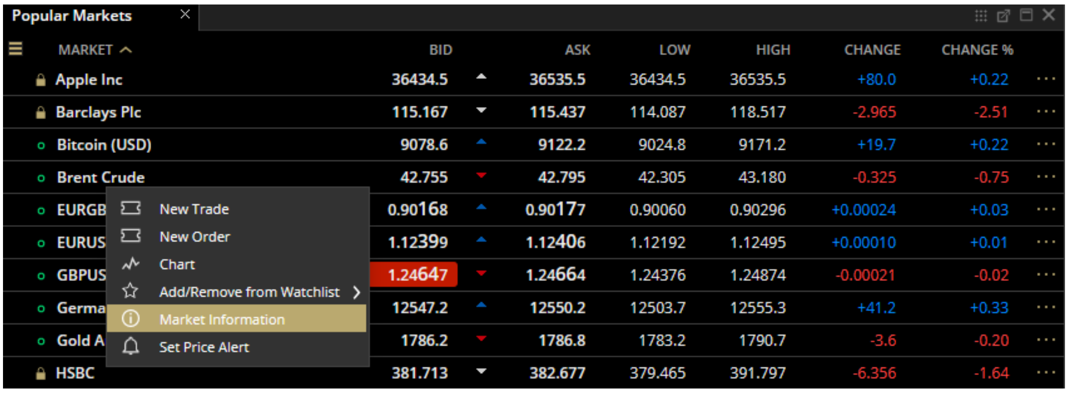
Other items may appear on your regular account/trading statements, but these fall outside the scope of this document. See section 2.1 for details.

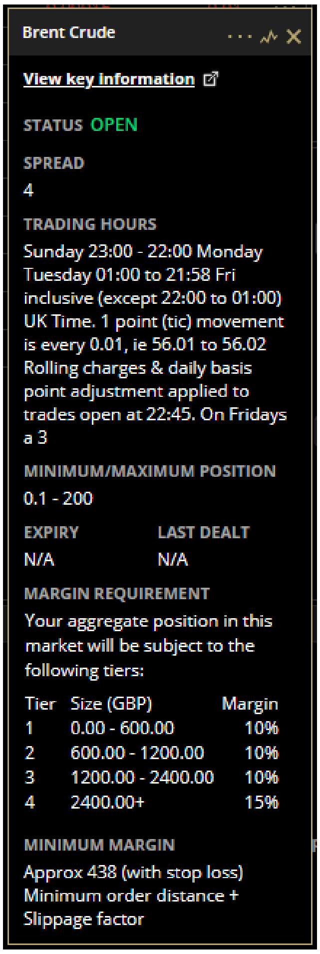
4 Introduction/Background

4.1 Market information

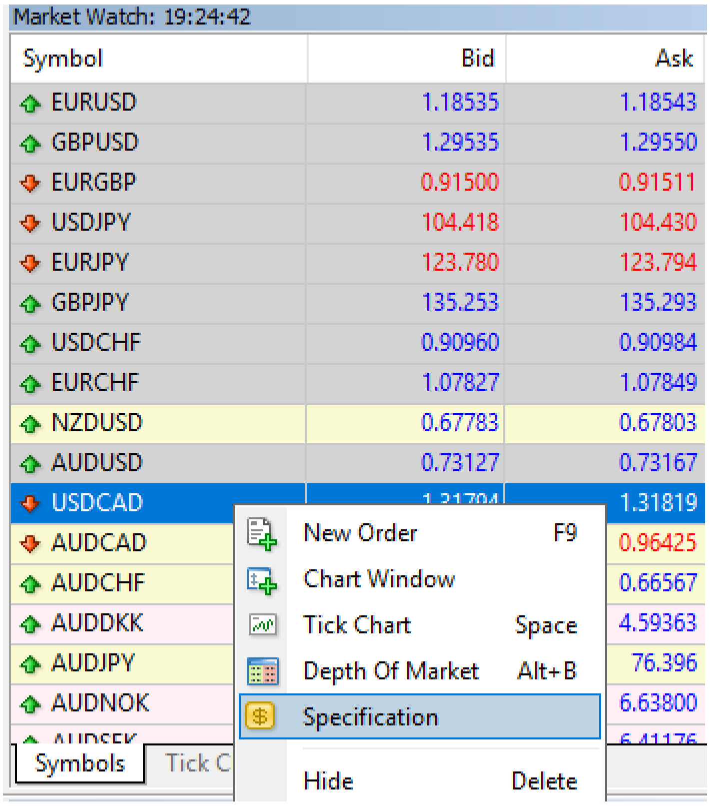
To facilitate your calculations, you can view detailed information on all the markets you trade on your ETX trading platforms by:

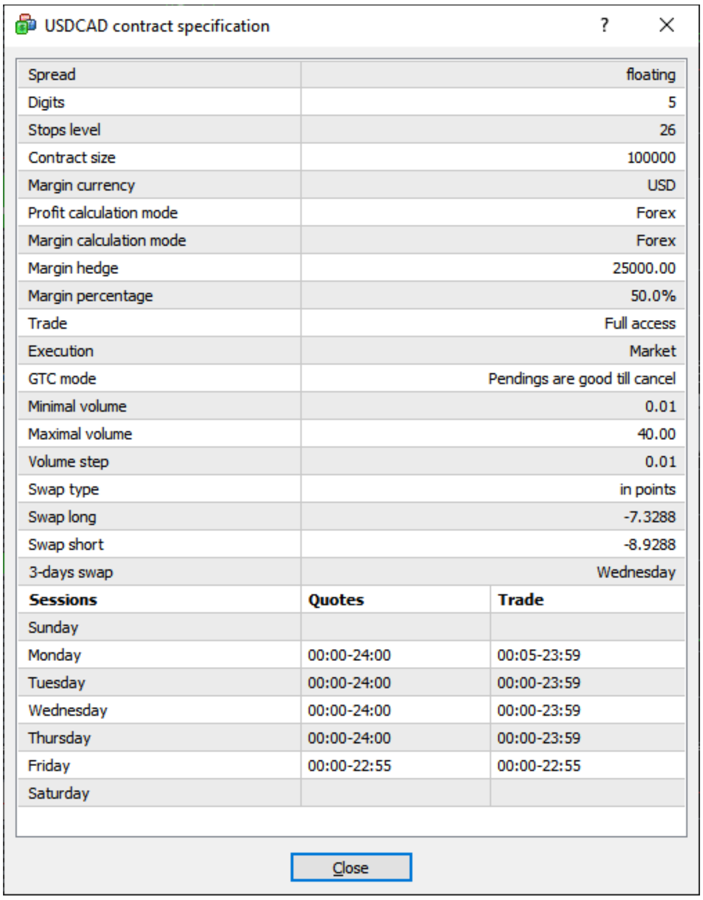
- **TraderPro** - right-clicking on a market in the platform and selecting "Market Information" from the resulting list.





- **MT4** – in the "Market Watch" panel, right click on market and click on "Specification" from the resulting list.




USDCAD contract specification

Spread		floating
Digits		5
Stops level		26
Contract size		100000
Margin currency		USD
Profit calculation mode		Forex
Margin calculation mode		Forex
Margin hedge		25000.00
Margin percentage		50.0%
Trade		Full access
Execution		Market
GTC mode		Pendings are good till cancel
Minimal volume		0.01
Maximal volume		40.00
Volume step		0.01
Swap type		in points
Swap long		-7.3288
Swap short		-8.9288
3-days swap		Wednesday
Sessions	**Quotes**	**Trade**
Sunday		
Monday	00:00-24:00	00:05-23:59
Tuesday	00:00-24:00	00:00-23:59
Wednesday	00:00-24:00	00:00-23:59
Thursday	00:00-24:00	00:00-23:59
Friday	00:00-22:55	00:00-22:55
Saturday		

Close

Additionally, you can find detailed information on our markets on our Trading Costs page.

4.2 Foreign currency translations

Non forex CFDs are undertaken in the currency of the CFD contract. So if you trade an Apple CFD, the underlying market, Apple, is priced in USD, so your contract will be priced in USD, and your profit or loss will be in USD.

For forex CFD contracts, you trade in "lots" of the first named currency and the profit or loss of the contract will be in the second currency. For example the PROFIT OR LOSS on 1 lot of EURUSD will be in USD.

Spread bets are undertaken in the account currency. For example, if you hold a GBP spread bet account, and trade Apple shares, despite Apple shares being priced in USD, your profit or loss will be in GBP as you are trading a set number of £ for each point movement in the underlying Apple share price.

Foreign currency translations/sweeps may occur to ultimately convert profits or losses, transactions or balances into your account currency.

These rates are detailed below.

Account Type	Forex translation into account currency	Translation
TraderPro CFD	Profit/Loss	For non FX CFD trades – your profit or loss is in the underlying currency and will be automatically swept into your account base currency at 01:30 AM BST/GMT (unless you chose to opt out of this process). For FX CFD trades – your profit or loss will be in the second named currency and will be automatically swept to your account base currency at 01.30 AM BST/GMT (unless you chose to opt out of this process).
	Transactions	See section 4.2.1.
MT4 CFD	Profit/Loss	For CFDs in MT4, your profit or loss is automatically converted to your account base currency when you trade.
	Transactions	No currency sweep is necessary.
TraderPro spread bet	Profit/Loss	Your profit or loss is already in your account currency. However it is possible to have multiple currencies on your spreadbet account and trades in a different currency to your base currency will be automatically swept into your account base currency at 01:30 AM BST/GMT (unless you chose to opt out of this process).
	Transactions	If your account has multiple currencies, any trades in another currency will be swept to your base currency. See section 4.2.1.
MT4 spread bet	Profit/Loss	Your profit or loss is already in your account currency thus no translation/sweep is needed.

	Transactions	Not applicable.

4.2.1 Currency sweeps

If your account is made up of multiple CFD or Spreadbet currency sub-accounts, we will sweep your realised profits/losses and transactions in those individual currency sub-accounts into your base currency.

Clients are set for automatic currency sweeps which occurs at 01.30 AM BST/GMT, but have the ability to opt out if they request to do so. They need to contact customer services to do this. They can also contact their sales manager/customer service to arrange for an ad-hoc sweep to be done outside of this automated time i.e. request for all/some of the non-base currency accounts to be swept into the account base currency.

Such conversions will occur basis our market spot rate at 01:30 AM BST/GMT plus/minus an ETX charge. This charge is currently 0.75%.

As stated above, Currency sweeps are processed by our systems starting at 01:30 AM BST/GMT. You will see these on your statements at that time or shortly thereafter.

Worked Example

The market spot rate for GBPUSD is 1.2550. The currency sweep charge is thus:

$$1.2550 \times 0.75\% = 0.0094 \text{ pips}$$

If you are selling GBP (and buying USD), the rate we use will be 1.2456 and if you are buying GBP (and selling USD) then the rate will be 1.2644.

4.3 Nominal value

Unlike with traditional forms of investing, when you trade CFDs or spread bets, you don't own the underlying asset you are trading on. Instead you trade a derivative (CFD or spread bet) that matches the price movements on the underlying market.

When trading CFDs or spread bets, you are undertaking a leveraged trade. Leverage is the use of borrowed funds to increase one's trading position beyond what would be available from one's cash balance alone.

Nominal value is the underlying value of the derivative (CFD or spread bet) position that you are trading. The nominal value is the total value of the position held, while the market value is the price at which that position can be bought or sold in the market.

Nominal value can be calculated as:

$$\text{Non-FX markets: Stake} \times \frac{\text{Price}}{\text{Tick Size}}$$

$$\text{CFD FX markets: Stake} \times \text{Lot Size} \times \text{Price}$$

$$\text{Spread Bet FX markets: } = \text{Stake} \times \frac{\text{Price}}{\text{Tick Size}}$$

$$\text{TraderPro CFD Equity markets: Stake} \times 0.01 \times \frac{\text{Price}}{\text{Tick Size}}$$

Lot Size: see section 4.3.1.

Price: the market price as shown on your ETX trading platform. This could be the current market price, end of day price, or market close price depending on your calculation. The relevant price is explained in each section of this document.

Stake: how much per point (spread bets) or how many lots (CFDs) you trade. This is the value you enter into your trade ticket.

Tick Size: See section 4.3.2.

4.3.1 Lot size (CFD only)

Lot sizes differ for each CFD contract. See below for a summary of general lot sizes across our markets. Details of how you can see the individual market's information can be found in section 4.1.

Market Type	1 Lot Equivalent
Equities	1 share in the underlying equity.
Forex	100,000 of the base currency (i.e. first currency in the pair).
Other	1 of the underlying currency of the contract (e.g. 1 lot of Wall Street is equivalent to USD 1 per point).

4.3.2 Tick size

When a price on a market moves up or down, this will affect your profit or loss. The total price movement is split into various price increments, these being the number of individual points your position has moved. This is known as the tick size and is used to calculate the "point" movement in your position. The tick size for each market will vary. These are expressed either as an integer or in decimals. A movement of one tick, is the equivalent to a "point". You may find that many similar markets will have common tick sizes.

Worked Example

Most currencies are priced to four decimal places. If the market price were to change by 0.0001, this would be representative of a 1-point move.

The tick size for these markets is thus 0.0001.

Details of how you can see the individual market's information can be found in section 4.1.

4.4 Margin requirement

The margin requirement is the amount of available-to-use funds that you will have to hold in your account to open a position. The amount of margin required to keep that same position open will vary as market prices move and the notional value of your position changes.

Margin requirement rates differ from market to market. You can see the individual margin requirements for each market by viewing the market information screen on your trading platform.

Details of how you can see the individual market's information can be found in section 4.1.

The margin requirement on a trade can be calculated as follows:

$$\text{Nominal Value} \times \text{Margin Requirement Rate}$$

Margin requirement rate: the amount of money that you will have to put up to open/maintain your position expressed as a percentage of the nominal value.

Nominal Value: See section 4.2.1.

N.B: The price used in calculating the nominal value is the opening price for the initial margin requirement when opening the trade, and the current market price for an ongoing margin requirement.

Worked Example **(Spread Bet)**

You open a long position on Apple at £1 a point. The margin requirement for this market is 20%. Apple is currently trading at 30,000 cents.

$$\text{Nominal Value} \times \text{Margin Requirement Rate}$$

$$= \left(£1 \text{ a point} \times \frac{30{,}000}{1}\right) \times 20\% = £6{,}000$$

Thus, to open the position you will need an initial £6,000 trade funds available in your account. The margin you are required to hold in your account to maintain the position will fluctuate according to the current market price.

N.B: The margin requirement is not a cost nor a charge and as a result, you will not find this on your statement. It is a temporary funding requirement to enable you to open and maintain a trade. Once the trade is closed, these funds are no longer held and are returned to your trade funds available and can be used to open new trades. For partial closures of trades, a proportionate amount of margin will not longer be held and will be made available for you to trade with. You may see margin adjustments on your account. These are not a charge and are thus beyond the scope of this document.

4.5 Underlying interbank rates

The underlying interbank rate is referred to throughout this document. It refers to the rate determined by several banks at which they are prepared to lend money at, with an average taken across all the figures provided. These rates vary depending on markets. ETX Capital does not define nor alter the underlying interbank rate, it simply takes the figure from an external source.

For the purposes of the examples contained in this document, we have used fixed underlying interbank rates (see table below). These rates are not fixed and may not necessarily be reflective of the real market rates that will be applied at the time you place a trade with us. We acquire our 6-month rates from our pricing providers. A list of sources is provided below of actual market rates that will approximate to the rates we use.

Market	Underlying interbank rate	Indicative rate used in examples	Market rates
CZ	CZ interbank rate	N/A	Czech National Bank website
DK	DK interbank rate	N/A	Danmarks Nationalbank website
Europe	EURIBOR (Euro Interbank Offered Rate)	0.35%	EURIBOR rates website
SE	STIBOR (Stockholm Interbank Offered Rate)	N/A	Swedish Financial Benchmark Facility website
UK	LIBOR (London Interbank Offered Rate)	0.85%	ICE website
US	US LIBOR	2.0%	ICE website

4.6 ETX Fixed Rates

ETX applies some standard fixed rates when calculating overnight funding charges. Worked examples of these can be found in sections 6.1.1 (commodities), 6.2.1 (cryptocurrencies), 6.3.1 (equities), and 6.5.1 (indices).

Market Type	Markets	ETX Fixed Rate (p.a.)
Commodities	Applies to Gold, Silver, Brent Crude and Nymex Crude rolling daily contracts	4.5%
Cryptocurrencies	All	Long positions: 30% Short positions: Receive interbank rate (see 4.5).
Equities	All	6%
Indices	All	4.5%

4.7 ETX Commission Rate

The ETX commission rate applies to Trader Pro equity CFDs only. These are standard commission charges per market. Details of the standard commission charge and minimum commission charge for trading equity CFDs in each country is shown below:

Country/Region	Standard Commission charge (equity CFDs)	Minimum Commission charge (equity CFDs)
Australia	0.2%	AUD 15
Eurozone	0.1%	EUR 10
Czech republic	0.1%	CZK 300
Denmark	0.1%	DKK 100

Country/Region	Standard Commission charge (equity CFDs)	Minimum Commission charge (equity CFDs)
Hungary	0.1%	HUF 3500
Norway	0.1%	NOK 100
Poland	0.1%	PLN 50
Singapore	0.4%	SGD 15
Sweden	0.1%	SEK 100
Switzerland	0.1%	CHF 10
UK	0.1%	GBP 10
US	Greater of 2 ticks or mininum $15 charge.	USD 15

4.8 Cut off times

The underlying market close times are relevant for your determination of prices and the nominal value of your position when calculating various costs and charges.

4.8.1 ETX end of day time

Our end of day time is midnight GMT/BST. We use this time to determine the end of the calendar day per your ETX trading statements.

4.8.2 Market close time

Market close times are determined by the exchange that the underlying market is traded on and are not determined by us. We use this point to calculate your overnight funding and tom-next charges, as well as any dividend and point adjustments.

To facilitate your calculations, you can view detailed information on these times can be found in section 4.1. These are also listed below:

Market	Overnight Funding/ Tom Next* (Sections 6.1.1, 6.2.1, 6.3.1, 6.4.1 and 6.5.1) (GMT/BST)	Dividend/Point Adjustments**(Section 2.1.1 and 2.1.2) (GMT/BST)
FX	22:00*	N/A
Cryptocurrencies	22:00	N/A
<u>Indices</u>		
Australia	07:00	07:00
Euro Stocks 50	16:30	16:30
France 40	16:30	16:30

Market	Overnight Funding/ Tom Next* (Sections 6.1.1, 6.2.1, 6.3.1, 6.4.1 and 6.5.1) (GMT/BST)	Dividend/Point Adjustments**(Section 2.1.1 and 2.1.2) (GMT/BST)
Germany 30	16:30	16:30
Hong Kong 50	09:00	09:00
Italy 40	16:30	16:30
Japan 225	07:00	07:00
SP 500	21:00	21:00
Spain 35	16:30	16:30
UK 100	16:30	16:30
US Tech	21:00	21:00
Wall St	21:00	21:00
Equities		
Belgium	16:30	16:30
Czech Republic	15:20	15:20
Denmark	15:55	15:55
Finland	16:25	16:25
France	16:30	16:30
Germany	16:30	16:30
Italy	16:25	16:25
Netherlands	16:30	16:30
Portugal	16:30	16:30
Sweden	16:25	16:25
UK	16:30	16:30
US	21:00	21:00
Commodities		
Brent Crude	22:45	22:45**
Gold	18:30	N/A
Nymex Crude	22:45	22:45**

Market	Overnight Funding/ Tom Next* (Sections 6.1.1, 6.2.1, 6.3.1, 6.4.1 and 6.5.1) (GMT/BST)	Dividend/Point Adjustments**(Section 2.1.1 and 2.1.2) (GMT/BST)
Silver	18:25	N/A

5 Variable costs and charges

5.1 Spread

Market spread is the difference between the buy and sell price of a market. Each trade you execute will automatically incur spread. It is incurred at two points, when the trade is opened and when it is closed. Half the market spread (i.e. the difference between the mid-price and the ask price (if buying) or the bid price (if selling)) will be taken upon opening a trade and half upon closing a trade.

Almost all brokers charge a spread. We ensure ours is competitive in comparison to others in the industry. Spread charged can be calculated with the following formulae:

$$\text{If buying: Stake x (Ask Price - Mid-Price)}$$

$$\text{If selling: Stake x (Mid-Price - Bid Price)}$$

Ask Price: The Higher of the two quoted prices on a market and the price you would trade at if you were to execute a buy.

Bid Price: The Lower of the two quoted prices on a market and the price you would trade at if you were to execute a sell.

Mid-Price: the current market price of a market. The bid and ask prices are equidistant from this price point, being higher and lower that the mid-price, respectively.

Stake: how much per point (spread bets) or how many lots (CFDs) you trade in.

Worked Example **(CFD and Spread Bet)**

You open a long position in HSBC. It is trading at a price of 600.00p (mid-price), but the long position would have to be opened at 601.00p (ASK price). The spread incurred is thus:

$$\text{(Ask Price - Mid-Price)}$$

$$= (601.00 - 600.00) = 1.0 \text{ point}$$

Here, one point/tick of spread has been incurred.

Then, if we imagine the price does not change from the 600.00 level, when you come to close the trade (sell), 1 more point will be taken in spread. This is because the actual price of HSBC might be 600.00, but the sell (bid) price will be 599.0.

$$\text{(Mid-Price - Bid Price)}$$

$$=(600.00 - 599.00) = 1.0 \text{ point}$$

In total, 2 points of spread have been taken, 1 when the trade was opened and 1 when it was closed. This can be multiplied by the stake to calculate the actual spread incurred (in monetary terms) on the opening and closing of the trade.

N.B: The examples contained within this document exclude the cost of spread as this is implicitly factored into the price of markets and is therefore taken automatically. As spread is implicit in the price you trade at, this is not shown as a separate charge on your account/trading statement. We include this value explicitly in your MiFID II ex-post summary of costs and charges to allow you to assess the return on investment on the service(s) ETX Capital provide to you. See section 3 for more details.

5.2 Special borrowing

Special borrowing charges will be applied to short equity positions that you open. We reserve the right to do this as we pass on the borrowing costs that we incur to you, plus a reasonable mark-up when hedging the trade's exposure. If you are unable to pay these charges or we become unable to continue to borrow (short) the underlying market, we may either close your trade at a price that we reasonably deem appropriate or increase your margin requirement. This is at our discretion.

In instances where ETX hedge their risk in the market, they will have to secure a borrow with a prime broker to allow this trade to be opened. The borrow rate from the broker will be communicated to the client along with the premium added. The minimum annualised special borrow charge is 1%. If the market borrow rate is 10-19.9%, we add a premium of 2% and if the market borrow rate is over 20% we add a premium of 5. If a broker borrow rate is available to ETX this will become known as the market borrow rate for the contract and will be applied to all short positions in that contract.

Market borrow rates can change at the discretion of the borrower, and where possible ETX will communicate this to clients. The specific borrow rate for a stock is available on request to clients. If no market borrow rate is available short positions on the contract will be charged at the ETX base rate of 1%.

The special borrowing charge is calculated daily and charged weekly.

The daily special borrowing rate is calculated using the formula:

$$\text{Nominal Value} \times \frac{(\text{Annualised Market Borrow Rate} + \text{ETX Charge})}{\text{Annual Total Days}} \times \text{Number of days position held open}$$

Annual total days: 360 days for equities of all countries.

Annualised market borrow rate: the market rate for holding the short position

ETX charge: the minimum annualised special borrow charge is 1%. If the market borrow rate is 10-19.9%, we add a premium of 2% and if the market borrow rate is over 20%, we add a premium of 5%.

Nominal Value: See section 4.2.1.

Number of days position held open: calculated up to the end of that trading day.

N.B: The price used in calculating the above is the market close price. See section 4.8 for details of market close times.

The special borrowing charge is applied to client accounts as a cumulative amount at the beginning of each week for positions held the previous week. This includes weekends and bank holidays.

Worked Example 1 **(Spread Bet)**

You hold a short position of £100 a point in Barclays spread bet at price of 102 for 2 days. The market close price is static for both days (for ease of calculation). The market borrow rate is 2%.

The ETX charge is thus 1% based on this market borrow rate.

$$\text{Nominal Value} \times \frac{(\text{Annualised Market Borrow Rate} + \text{ETX Charge})}{\text{Annual Total Days}} \times \text{Number of days position held open}$$

$$= \left(£100 \times \frac{102}{1}\right) \times \frac{(2\% + 1\%)}{360} \times 2 = £1.70$$

Worked Example 2 **(CFD)**

You hold a short position of 1,000 lots in Deutsche Bank CFD at price of 652 Euro cents for 11 days. The market close price is static for both days (for ease of calculation). The market borrow rate is 3%.

The ETX charge is thus 1% based on this market borrow rate.

$$\text{Nominal Value} \times \frac{(\text{Annualised Market Borrow Rate} + \text{ETX Charge})}{\text{Annual Total Days}} \times \text{Number of days position held open}$$

$$= \left(1{,}000 \times 0.01 \times \frac{652}{1}\right) \times \frac{(3\% + 1\%)}{360} \times 11 = €7.97$$

The charge for the first week (7 days) would be €5.07 and the charge for the second week (4 days) would be €2.90.

5.3 Interest

We reserve the right to charge interest at a daily rate of 8% above the prevailing base rate of the Bank of Scotland plc or another financial institution selected at our discretion. This will be accrued on a daily basis in respect of any debit balance, unpaid margin or any other sums overdue to us.

This interest charge can be calculated as:

$$\text{Outstanding Amount} \times \frac{(\text{Bank of England Base Rate} + 8\%)}{365}$$

Worked Example

You have an outstanding debit balance of £1,000. The Bank of England base rate is 0.1%.

$$\text{Outstanding Amount} \times \frac{(\text{Bank of England Base Rate} + 8\%)}{365}$$

$$= £1{,}000 \times \frac{(0.1\%\% + 8\%)}{365} = £0.22$$

6 Product specific variable costs and charges

6.1 Commodities

6.1.1 Overnight funding charges

Overnight funding fees for commodities are charged for holding a position from one day to the next, past the market close cut-off time (see section 4.8 for details). You may see these appear on your account statement as "Rolling Daily" (if trading spread bets) or "Funding" (if trading CFDs).

The overnight funding charge will be taken, and your account funds will be adjusted based on this charge at the market close time. You will receive an e-mail every time your account is charged, outlining the exact amount.

Daily overnight funding charges are calculated using the formula:

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying Interbank Rate})}{\text{Annual Total Days}}$$

Annual total days: 360 days for the US markets (thus all commodities).

ETX fixed rate: See section 4.6.

Nominal Value: See section 4.2.1.

Underlying interbank rate: See section 4.5 for more details. This will either be applied as a positive or negative adjustment based on whether the position is long or short, respectively.

N.B: The price is the market close price. See section 4.8 for details.

The overnight funding charge will be applied to your account each day that your position remains open (including weekends and holidays), and your account may be debited instead of credited for short positions depending on the interbank rate. If your trade is open past the market close time on a Friday, you will be charged an overnight funding fee for three days in total (to account for Saturday and Sunday as well).

Worked Example **(Spread Bet)**

You hold a long position in Gold at £1 a point. Gold is trading at $1,500.00. The underlying interbank rate is 2%.

As this is Gold position, ETX's standard fixed rate is 4.5%.

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying Interbank Rate})}{\text{Annual Total Days}}$$

$$= \left(£1 \times \frac{1{,}500}{0.1}\right) \times \frac{(4.5\% + 2\%)}{360} = £2.71$$

The underlying interbank rate is added due to it being a long position.

The position remains open beyond the market close time on a Friday so you will be charged for three days taking into account the weekend. In this case, you would be charged:

$$£2.71 \text{ per day x } 3 \text{ days} = £8.13$$

Worked Example (CFD)

You hold a short position selling 5 lots of Brent Crude Oil. It is trading at $50.00 and the underlying interbank rate is 2%.

As this is Brent Crude Oil position, ETX's standard fixed rate is 4.5%

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying Interbank Rate})}{\text{Annual Total Days}}$$

$$= \left(5 \text{ lots} \times \$1 \text{ value per contract} \times \frac{50.00}{0.01}\right) \times \frac{(4.5\% - 2\%)}{360} = \$1.74$$

The underlying interbank rate is deducted due to it being a short position.

6.2 Cryptocurrencies

6.2.1 Overnight funding charges

Overnight funding fees for cryptocurrencies are charged for holding a position from one day to the next, past the market close cut-off time (see section 4.8 for details). You may see these charges appear on your account statement as "Rolling Daily" (if trading spread bets) or "Funding" (if trading CFDs). Your account funds will be adjusted based on this fee after the market closes each day.

The daily overnight fund charge can is calculated using the formula:

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying interbank rate})}{\text{Annual Total Days}}$$

Annual total days: 360 for cryptocurrencies.

ETX fixed rate: See section 4.6.

Nominal Value: See section 4.2.1.

Underlying interbank rate: See section 4.5 for more details. This will either be applied as a positive or negative adjustment based on whether the position is long or short, respectively.

N.B: The price is the market close price. See section 4.8 for details.

The overnight funding will be applied to your account each day that your position is open (including weekends and holidays), and your account may be debited instead of credited for short positions depending on the underlying interbank rate. If your trade is open past market close on a Friday, you will be charged an overnight funding fee for three days in total (to account for Saturday and Sunday as well).

Worked Example **(Spread Bet)**

You hold a short position in Bitcoin (USD) at £1 a point. It is currently trading at 10,000.00. ETX's fixed rate is zero for short positions in cryptocurrencies and the underlying interbank rate is 0.85%.

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying interbank rate})}{\text{Annual Total Days}}$$

$$= \left(£1 \times \frac{10{,}000}{1}\right) \times \frac{(0\%\text{- }0.85\%)}{360} = £0.24 \text{ credit}$$

The underlying interbank rate is deducted as it is a short position and there is no ETX Fixed charge for short positions on cryptocurrencies so in this example the client receives a small credit for their short position. The annual total days are 360 as this is a USD market.

Worked Example **(CFD)**

You hold a long position buying 2 lots of Bitcoin (USD) CFD. It is currently trading at 10,000.00. ETX's fixed rate is 30% and the underlying interbank rate is 2%.

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying interbank rate})}{\text{Annual Total Days}}$$

$$= \left(2 \text{ lots} \times \$1 \text{ value of contract} \times \frac{10{,}000}{1}\right) \times \frac{(30\% + 2\%)}{360} = \$17.78$$

The underlying interbank rate is added as it is a long position. The annual total days are 360 as this is a USD market.

6.3 Equities

6.3.1 Overnight funding charges

Overnight funding fees for equities are charged for holding a position from one day to the next, past the market close cut-off time (see section 4.8 for details). You may see these charges appear on your account statement as "Rolling Daily" (if trading spread bets) or "Funding" (if trading CFDs). Your account funds will be adjusted based on this fee after the market close each day.

Daily overnight funding charges are calculated using the formula:

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying Interbank Rate})}{\text{Annual Total Days}}$$

Annual total days: 365 for UK and 360 for US and European equities.

ETX fixed rate: See section 4.6.

Nominal Value: See section 4.2.1.

Underlying interbank rate: See section 4.5 for more details. This will either be applied as a positive or negative adjustment based on whether the position is long or short, respectively.

N.B: The price is the market close price. See section 4.8 for details.

The overnight funding charge will be applied to your account each day that your position is open (including holidays and weekends), and your account may be debited instead of credited for short positions depending on the underlying interbank rate. If your trade is open past market close on a Friday, you will be charged an overnight funding fee for three days in total (to account for Saturday and Sunday as well).

Worked Example **(Spread Bet)**

You hold a long position in HSBC at £10 a point. It is trading at 600.00p. ETX's fixed rate is 6% and the underlying interbank rate is 0.85%.

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying Interbank Rate})}{\text{Annual Total Days}}$$

$$= \left(£10 \times \frac{600}{1}\right) \times \frac{(6\% + 0.85\%)}{365} = £1.13$$

The underlying interbank rate is added as it is a long position.

Worked Example **(CFD)**

You hold a short position selling 5,000 lots of HSBC. It is trading at 600.00p. ETX's fixed rate is 6% and the underlying interbank rate is 0.85%.

$$\text{Nominal Value} \times \frac{(\text{Fixed Rate} \pm \text{Underlying Interbank Rate})}{\text{Annual Total Days}}$$

$$= \left(5{,}000 \text{ lots x } £0.01 \text{ value of each lot} \times \frac{600}{1}\right) \times \frac{(6\% - 0.85\%)}{365} = £4.23$$

The underlying interbank rate is subtracted as it is a short position.

6.3.2 ETX Capital commission (CFD Equities only)

For equity CFD trades, a small commission fee is charged on both the opening and closing of a position. This charge is not applied when spread betting shares. The addition of this commission fee for shares is an industry-wide practice, and we offer highly competitive rates compared to other market commissions. A minimum charge of £10 commission for both opening and closing a trade is applicable for trading UK shares through CFDs.

$$\text{Nominal Value} \times \text{ETX Commission Rate}$$

Commission Rate: See section 4.7.

Nominal Value: See section 4.2.1.

Worked Example (CFD)

The rate of the commission for UK shares is the greater of 0.1% or £10 applied to both the opening and closing of the trade. A client sells 5000 lots of HSBC at a price of 600 so the calculation would be as follows:

$$\text{Nominal Value} \times \text{Commission Rate}$$

$$= \left(5000 \text{ lots} \times £0.01 \text{ value of each lot} \times \frac{600}{1}\right) \times 0.1\% = £30$$

So, to keep this CFD trade open overnight, the total costs your trade would incur would be:

$£4.23$ (Overnight funding charge, see previous example in 6.1.2.1) $+ £30$ (commission) $= £34.23$.

If this position were kept open for three days (past market close) and assuming HSBC's price remained at 600.00, the total charge would be:

$$(£4.23 \times 3 \text{ days open}) + £30 = £42.69$$

The commission fee is charged on both the opening and closing of the trade. If the trade is closed the following day before the market close, it would not incur a fourth day of overnight funding charges but would incur the further £30 commission upon closing the trade. The total cost for the whole trade would be:

$$(£4.23 \times 3 \text{ days open}) + (£30 \times 2) = £72.69$$

Worked Example (CFD)

Taking the example above but where the trade is only for 500 lots. Using the same formula, this means the commission on the trade will be:

$$\text{Nominal Value} \times \text{Commission Rate}$$

$$= \left(500 \text{ lots} \times £0.01 \text{ value of each lot} \times \frac{600}{1}\right) \times 0.1\% = £3$$

In this case the total commission incurred by the trade will be £10 in order to satisfy the minimum commission amount. This £10 commission would be applied again on closing the trade so total commission would be £20.

6.4 Forex

6.4.1 Swaps charges

When trading foreign currency, you are effectively buying ("going long") on a currency whilst simultaneously selling ("going short") on a second currency. For example, if you felt GBP was going to appreciate against USD, you could buy GBP against USD ("going long" GBPUSD), thus effectively buying GBP whilst simultaneously selling USD.

In foreign currency trading, "spot" refers to the standard settlement convention in the underlying market of two business days after the trade date (known as T+2). This expected delivery day is known as the spot date. Our spot spread bets and CFDs are synthetic products that replicate the underlying market but do not adhere to the T+2 spot value or "settlement" date. When trading "spot" CFDs or "spot" spread bets, those trades do not settle, i.e. there is no actual delivery nor settlement of the two currencies. Instead, if you hold your position past the market close cut-off (see section 4.8.2), then the position will be "rolled" into the next available business day using a one-day swap (we base this on the interbank market one day or "Tom-Next" swap plus/minus a small additional ETX charge).

The "roll" or swap, refers to a foreign currency trade that simultaneously buys and sells two currencies over two separate business days .Using this mechanism extends the position and keeps it live/open. The overnight position is efffectively "swapped" for an equivalent contract that starts the next day. Using the roll or swap mechanism allows your position to be rolled over (i.e. stay open) indefinitely until you (or we) decide to close your position. This allows you the freedom to be able to continue to speculate on the prices of the underlying spot markets, without delivery or settlement of the two currencies.

As previously stated, for the purpose of rolling your position, we use the market one-day Tom-Next (swap) rates (swap in this context being an agreement to make an exchange from one currency to another). This rate will be positive or negative depending on whether the currency trades at a premium or discount, and to which we add a small ETX spread/admin charge (see section 6.4.2). Trading at a premium means the forward rate is greater than the spot rate, whereas trading at a discount means the forward rate is less than the spot rate.

ETX's overnight swap rates are updated daily, and the prices are derived from market-making banks/liquidity providers with whom we have trading relationships. The underlying swap rates will move in line with market movements and changes in interest rates. These can change from trading at a premium to a discount and vice versa depending on the currencies involved and the underlying interest rates and liquidity. As there is an actively traded market we cannot provide you with these rates in advance.

The swap "pips" charge can be calculated as:

$$\text{If CFD:}$$

$$\text{Stake} \times \text{Lot Size (CFD Only)} \times \text{Tick Size} \times \text{ Underlying swap (Tom-Next) rate} \times \text{Number of days}$$

$$\text{If spread bet: Stake} \times \text{Underlying swap (Tom-Next) rate} \times \text{Number of days}$$

Lot Size: see section 4.3.1.

Nominal Value: see section 4.3.

Number of days: number of days the position is held overnight. If a position is held open on Wednesday evening at market close (see section 4.8.2), the underlying market is trading at the spot value for Monday (i.e. two working days later as the FX market trades at T+2) then a three-day swap will be levied on your account for each day to cover the weekend (Friday, Saturday and Sunday). This is a standard industry procedure.

Stake: how much per point (spread bets) or how many lots (CFDs) you trade. This is the value you enter into your trade ticket.

Tick Size: See section 4.3.2.

Underlying swap (Tom-Next) rate: Effective rate between spot and forward currency rates.

Worked examples can be found in section 6.4.2.

6.4.2 ETX admin fee

As highlighted above , in additional to the swap charge, we add a small daily ETX admin fee of 0.0054% of the all-inclusive rate (spot rate +/- swap rate), i.e. you add the swap rate if it is traded a premium, and deduct if at a discount. This is common industry practice and we ensure our rates remain highly competitive in comparison to other market participants.

The credit or debit is then applied to your account at the market end of day (see section 4.8.2) or shortly thereafter, to reflect the rollover and admin fee charges.

The ETX admin fee is calculated using the formula:

$$\text{Nominal Value x ETX admin fee rate}$$

ETX Admin Fee Rate: 0.0054% of the all-inclusive rate (i. e. spot rate +/- swap rate). You add the swap rate if it is traded a premium and deduct if at a discount.

Nominal Value: See section 4.2.1.

N.B: The price is our snapshot of the market close price. See section 4.8 for details. Should the foreign currency trade be held over the weekend, the ETX admin charge will be divided by three to cover the three days.

Worked Example **(CFD)**

You open a short position of 1 lot in GBPUSD (notional £100,000). You hold this position open for one night. The underlying swap (Tom-Next rate) in the market is +0.389/+0.416.

As the trade is a short position, we take the left-hand side rate (+0.389) and that is credited. (the points are added as it is currently trading at a "premium"). As the trade is a short position and GBPUSD trades at a premium, the swap rate is in your favour as you are effectively buying for the currency value date and selling for the new value date (to keep the position open) and the swap points are added so you are selling at a higher rate.

$$\text{Stake} \times \text{Lot Size (CFD Only)} \times \text{Tick Size} \times \text{Underlying swap (Tom-Next) rate} \times \text{Number of days}$$

$$= 1 \text{ contract} \times 100{,}000 \times 0.0001 \times 0.389 \times 1 = \$3.89$$

We then add the ETX Capital admin fee of 0.0054%. The ETX admin fee would be:

$$\text{Nominal Value x ETX admin fee rate}$$

$$= (100{,}000 \times 1.2260) \times 0.0054\% = \$6.62$$

Therefore, the total charge for the trade is:

$$= \text{-\$3.89 (credit)} + \$6.62 = \$2.73$$

N.B: The CFD charges are calculated in the second named currency. This is the currency that your CFD profit or loss is denoted in. If your account currency is different to this currency, this will be translated into your account currency. See section 4.2 for details.

N.B: It should be noted that the underlying swap rates will change in line with market movements and actual changes or perceived changes in interest rates plus supply and demand. They are actively traded, can change daily and can also change from trading at a premium to a discount and vice versa, depending on the currencies involved and the underlying interest rates and liquidity.

Worked Example **(Spread Bet)**

You hold a short position on GBPUSD at £10 a point, held for one night. The underlying swap (Tom-next rate) in the market is +0.389/+0.416. The ETX admin fee is 0.0054%. GBPUSD is trading at 1.2260 at market close.

As the trade is a short position, we take the left-hand side rate (+0.389) and that is credited. (the points are added as it is currently trading at a "premium"). As the trade is a short position and GBPUSD trades at a premium, the swap rate is in your favour as you are effectively buying for the currency value date and selling for the new value date (to keep the position open) and the swap points are added so you are selling at a higher rate.

$$\text{Stake} \times \text{Underlying swap (Tom-Next) rate} \times \text{Number of days}$$

$$=10 \times 0.389 \times 1 = £3.89$$

We then add the ETX Capital admin fee of 0.0054%. The ETX admin fee would be:

$$\text{Nominal Value x ETX admin fee rate}$$

$$= \left(10 \times \frac{1.2260}{0.0001}\right) \times 0.0054\% = £6.62$$

Your total charge will therefore be the credit from the Tom-next rate less the ETX admin fee:

$$£3.89 \text{ (credit)} + £6.62 = \text{-}£2.27$$

6.5 Indices

6.5.1 Overnight funding charges

Overnight funding fees for indices are charged for holding a position from one day to the next, past the market close cut-off time (see section 4.8 for details). You may see these charges appear on your account statement as "Rolling Daily" (if trading spread bets) or "Funding" (if trading CFDs). Your account funds will be adjusted based on this fee after the market closes each day.

The daily overnight fund charge can is calculated using the formula:

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying interbank rate})}{\text{Annual Total Days}}$$

Annual total days: 365 for UK and 360 for US and European markets.

ETX fixed rate: See section 4.6.

Nominal Value: See section 4.2.1.

Underlying interbank rate: See section 4.5 for more details. This will either be applied as a positive or negative adjustment based on whether the position is long or short, respectively.

N.B: The price is the market close price. See section 4.8 for details.

The overnight funding will be applied to your account each day that your position is open (including weekends and holidays), and your account may be debited instead of credited for short positions depending on the underlying interbank rate. If your trade is open past market close on a Friday, you will be charged an overnight funding fee for three days in total (to account for Saturday and Sunday as well).

Worked Example **(Spread Bet)**

You hold a short position in UK 100 at £5 a point. It is currently trading at 7,000.00. ETX's fixed rate is 4.5% and the underlying interbank rate is 0.85%.

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying interbank rate})}{\text{Annual Total Days}}$$

$$= \left(£5 \times \frac{7{,}000}{1}\right) \times \frac{(4.5\%\text{- }0.85\%)}{365} = £3.50$$

The underlying interbank rate is deducted as it is a short position. The annual total days are 365 as this is a UK market.

Worked Example **(CFD)**

You hold a long position buying 3 lots of the Germany 30. It is currently trading at 12,000.00. ETX's fixed rate is 4.5% and the underlying interbank rate is -0.375%.

$$\text{Nominal Value} \times \frac{(\text{ETX Fixed Rate} \pm \text{Underlying interbank rate})}{\text{Annual Total Days}}$$

$$= \left(3 \text{ lots} \times €1 \text{ value of each lot} \times \frac{12{,}000}{1}\right) \times \frac{(4.5\% + \text{-}0.375\%)}{360} = €4.13$$

The underlying interbank rate is added as it is a long position but in this actual example it actually reduces the overall overnight funding rate because the Eurozone interbank lending rate is negative. The annual total days are 360 as this is a European market.

7 Fixed costs and charges

7.1 Deposit Charges

We do not charge a fee to deposit funds via any of the methods shown on the Payments section of our website. Deposits are subject to the minimum deposit amounts below:

Currency	Minimum Deposit
AED	500
AUD	200
CAD	200
CHF	100
CNH	900
CZK	3,000
DKK	1,000
EUR	100
GBP	100
HKD	1,000
HRK	1,000
HUF	40,000
IDR	2,000,000
ILS	600
JPY	18,000
MXN	2,500
NOK	1,000
NZD	250
PLN	500
RUB	10,000
SEK	1,250
SGD	200
THB	5,000
TRY	450

Currency	Minimum Deposit
TWD	5,000
USD	100
YEN	18,000
ZAR	1,000

7.2 Withdrawal Charges

For any withdrawal under our minimal withdrawal threshold there is a standard processing fee of £10. This is to cover fees that we incur when processing withdrawals.

We offer each client five withdrawals for any amount over our minimal withdrawal thresholds in each calendar month without a processing fee. Due to fees ETX Capital incurs when processing withdrawals, clients who withdraw funds more than five times in a calendar month will incur a charge for each subsequent withdrawal. Clients will not be charged retrospectively for the previous five withdrawals.

Details of the minimum thresholds and charges for both the above scenarios can be found below:

Currency	Limit/Threshold	Charge
AUD	100	25
CAD	100	25
CHF	100	15
CZK	3,000	300
DKK	1,000	100
EUR	100	15
GBP	100	10
HKD	1,000	100
HRK	1,000	100
HUF	34,000	3,400
JPY	20,000	2,000
NOK	1,000	100
PLN	600	60
RON	500	50
SEK	1,000	100

Currency	Limit/Threshold	Charge
SGD	100	25
USD	100	25
ZAR	2,000	200

Worked Example

You make seven withdrawals in a calendar month for £50, £150, £200, £400, £500, £800, and £900.

You will be charged £20 for these withdrawals, £10 for the £50 withdrawal (as the amount is less than £100) and £10 for the seventh withdrawal (as this is the sixth withdrawal over £100 in the calendar month).

7.3 Dormant Account Charges

Fees are applicable to dormant accounts. An account will be considered dormant if there has been no trading nor deposit activity over a period of six months. Should the account meet these criteria, the charge is imposed entirely at the discretion of ETX Capital.

The charge is £25 (or equivalent at our prevailing foreign exchange rates at the time the charge is levied). This will be taken monthly from dormant accounts that are have a balance and will continue to be charged until the account balance is reduced to zero, trading recommences on the account or the account is closed. Balances on accounts will not suffer a negative balance as a result of dormant account charges.

Should you recommence trading on your account, you will receive a refund for up to the previous three months where dormant account charges were levied. You will need to contact us to request a refund of these charges.

Worked Example

Your account has had no trading or deposit activity in 6 months and is therefore considered dormant. Your account then remains dormant for six months and you then begin to trade again, you will have incurred total dormant account charges of £150 (£25 per month x 6 months).

Should you resume trading, you will be refunded £75 of the total £150 charged (£25 per month x 3 months).

8 Disclaimer

This guide covers all the costs and charges that you may incur while trading with ETX Capital. Any rates, prices, and other factors used in calculations are solely for illustrative purposes and may not reflect the actual rate, price or other factor that may apply at the time you place a trade. Where this is the case, and where possible, we have linked you to where you may source the rates, prices, and other factors that you may use to calculate your charges.

9 Further information

If a cost or charge appears that is not covered in this document, or should you have any questions about any costs and charges you incur, please contact our customer services team:

Tel: +44 (0)207-392-1494

E-mail: customer.service@etxcapital.com