

Terms of business

1. Currency market

IFC Markets, on behalf of the I-Securities company, performs contracts in Forex market at 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.

“Trading platform” – is a program product called MetaTrader 4. With the use of this platform, Client can receive information regarding 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 there is a rate of exchange of one currency to another.

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

“Floating profit/loss” – not realized profits/losses on the open positions in dependence on current exchange rates.

“Margin 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 leverage and the volume 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” – amount of currency bought (or sold) 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 then 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**” – 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, Micro and Standard.

General Conditions

	DEMO ¹	MICRO ²	STANDARD
Minimal initial deposit	10 USD	10 USD	300 USD
Maximum Initial Deposit	Unlimited	3000 USD	Unlimited
Maximum allowed equity	Unlimited	5000 USD	Unlimited
Leverage	1:1 - 1:400	1:1 - 1:400	1:1 - 1:200
Phone dealing 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 \$5 000, the opening of new positions in the account will be automatically suspended. To continue trading the account type will have to be changed to Standard or the funds surplus withdrawn in order to reduce the account’s Equity so that it does not exceed \$3 000.

A client can only trade on one Micro account.

Trading Conditions

Trading Instruments	Spread ³	Order Distance ⁴	Lot size	1 pip value ⁵	Margin at 1:400	Margin at 1:200
Forex						
AUD/CAD	8	15	100 000 AUD	10 CAD	250 AUD	500 AUD
AUD/CHF	8	15	100 000 AUD	10 CHF	250 AUD	500 AUD
AUD/JPY	5	8	100 000 AUD	1 000 JPY	250 AUD	500 AUD
AUD/NZD	12	18	100 000 AUD	10 NZD	250 AUD	500 AUD
AUD/USD	3	5	100 000 AUD	10 USD	250 AUD	500 AUD
CAD/CHF	8	15	100 000 CAD	10 CHF	250 CAD	500 CAD
CAD/JPY	5	8	100 000 CAD	1 000 JPY	250 CAD	500 CAD
CHF/JPY	4	6	100 000 CHF	1 000 JPY	250 CHF	500 CHF
EUR/AUD	10	15	100 000 EUR	10 AUD	250 EUR	500 EUR
EUR/CAD	9	14	100 000 EUR	10 CAD	250 EUR	500 EUR
EUR/CHF	3	5	100 000 EUR	10 CHF	250 EUR	500 EUR
EUR/GBP	2	3	100 000 EUR	10 GBP	250 EUR	500 EUR
EUR/JPY	3	5	100 000 EUR	1 000 JPY	250 EUR	500 EUR
EUR/NZD	12	18	100 000 EUR	10 NZD	250 EUR	500 EUR
EUR/SEK	50	75	100 000 EUR	10 SEK	250 EUR	500 EUR
EUR/USD	2	3	100 000 EUR	10 USD	250 EUR	500 EUR
GBP/AUD	10	15	100 000 GBP	10 AUD	250 GBP	500 GBP
GBP/CAD	11	17	100 000 GBP	10 CAD	250 GBP	500 GBP
GBP/CHF	7	8	100 000 GBP	10 CHF	250 GBP	500 GBP
GBP/JPY	7	8	100 000 GBP	1 000 JPY	250 GBP	500 GBP
GBP/NZD	30	30	100 000 GBP	10 NZD	250 GBP	500 GBP
GBP/SEK	70	105	100 000 GBP	10 SEK	250 GBP	500 GBP
GBP/USD	3	5	100 000 GBP	10 USD	250 GBP	500 GBP
NZD/CAD	10	15	100 000 NZD	10 CAD	250 NZD	500 NZD
NZD/CHF	10	15	100 000 NZD	10 CHF	250 NZD	500 NZD
NZD/JPY	9	14	100 000 NZD	1 000 JPY	250 NZD	500 NZD
NZD/USD	5	8	100 000 NZD	10 USD	250 NZD	500 NZD
USD/CAD	4	6	100 000 USD	10 CAD	250 USD	500 USD
USD/CHF	3	5	100 000 USD	10 CHF	250 USD	500 USD
USD/DKK	40	60	100 000 USD	10 DKK	250 USD	500 USD
USD/JPY	3	5	100 000 USD	1 000 JPY	250 USD	500 USD
USD/NOK	50	75	100 000 USD	10 NOK	250 USD	500 USD
USD/SEK	50	75	100 000 USD	10 SEK	250 USD	500 USD
USD/SGD	8	12	100 000 USD	10 SGD	250 USD	500 USD
CFD on Metals						
XAUUSD	65	98	100 oz	1 USD	0.25%	0.5%
XAGUSD	65	98	5 000 oz	5 USD	0.25%	0.5%
CFD on Stock Indices						
SP500	75	225	100 contr	1 USD	0.25%	0.5%
Nd100	100	300	100 contr	1 USD	0.25%	0.5%
DJI	70	210	10 contr	1 USD	0.25%	0.5%
FTSE100	500	1500	10 contr	0.1 GBP	0.25%	0.5%
DAX	500	1500	10 contr	0.1 EUR	0.25%	0.5%
CAC40	500	1500	10 contr	0.1 EUR	0.25%	0.5%
CFD on Commodities						
OIL	10	30	1 000 bbl	10 USD	0.25%	0.5%

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

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

NOTE: Each client may only trade with one account at trading conditions Micro

Trading Volumes

Trading Instruments	Demo		Micro		Standard	
	Minimum Volume	Maximum Volume	Minimum Volume	Maximum Volume	Minimum Volume	Maximum Volume
Forex ⁶	0.01 lot	Unlimited	0.01 lot	1 lot	0.1 lot	Unlimited
XAUUSD	0.01 lot	Unlimited	0.01 lot	1 lot	0.1 lot	Unlimited
XAGUSD	0.01 lot	Unlimited	0.01 lot	1 lot	0.1 lot	Unlimited
SP500	0.01 lot	Unlimited	0.01 lot	1 lot	0.1 lot	Unlimited
Nd100	0.01 lot	Unlimited	0.01 lot	1 lot	0.1 lot	Unlimited
DJI	0.01 lot	Unlimited	0.01 lot	1 lot	0.1 lot	Unlimited
FTSE100	0.01 lot	Unlimited	0.01 lot	1 lot	0.1 lot	Unlimited
DAX	0.01 lot	Unlimited	0.01 lot	1 lot	0.1 lot	Unlimited
CAC40	0.01 lot	Unlimited	0.01 lot	1 lot	0.1 lot	Unlimited
OIL	0.01 lot	Unlimited	0.01 lot	1 lot	0.1 lot	Unlimited

4. Types of orders and terms of performance

The trading system executes various order types:

4.1. Market order.

Market order is a command to buy or sell a currency pair at the current market price. The transaction is performed instantly via the trading platform and at the price shown in the market order window or via telephone at the price quoted by the dealer.

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

- While opening the position, a Client may be offered to accept a new market price which will be different to the price originally announced to the Client.
- A Client can also set a deviation range in which the acceptable execution price may fluctuate. In this case a position will be opened by no additional confirmation requests if within the set range.

Quotations received by a Client via the trading platform over the trading instruments are indicative and might not coincide with the execution price offered by the dealer in return to the position opening command. All questions regarding the execution prices are in full competence of the dealer.

4.2. Pending order.

Pending order – is a command to open a trading position at a price different to the current market price. The ordered transactions are performed at the time when the market price reaches the requested execution price level specified in a pending order submitted by a Client.

In conditions of high volatility and due to possible price gaps (after weekends, on holidays, after macroeconomic data releases) all submitted pending orders are filled at the first price available after the price gap.

In certain market conditions, when filling an order (Sell Limit, Buy Limit, Sell Stop, Buy Stop, Stop Loss and Take Profit) at the requested price is impossible, the Company has the right to fill the order at either requested or the current market price. Such situations occur at times of abrupt market price changes during or at the beginning of a trading session.

4.3. Linked limit and stop orders.

There are two main types of orders linked to an open position or a pending order: stop-loss and take-profit:

- Stop-loss order is a type of linked order designed to limit possible losses either on an already open position or on a position that will be opened by a pending order.
- Take-profit order is a type of linked order designed to close for a profit an already open position or a position that will be opened by a pending order.

Active linked orders are automatically deleted if the parent trading position is closed or a pending order is deleted.

Linked stop-loss and take-profit orders are executed solely at the price set by a Client.

4.4. OCO (one cancels other) order.

OCO order – is a combination of two pending orders set to open a position at a price different to the current market price. Execution of one of the two orders leads to an automatic removal of the remaining one.

OCO order filling policy is the same as that of the pending order.

4.5. Activation order.

Activation order – is a pending order activated once the current market price has reached the level of activation.

Activation order filling policy is the same as that of the pending order.

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.

Swap is added from Monday to Friday singly, except for Wednesday to Thursday rollover when it is in threefold (for weekends). 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.

Further information about Swaps can be found on the web site of the Company <http://www.ifcmarkets.com>.

6. Trading times

Forex and Metals trades are performed from Monday 00:00 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 (FTSE100).

CFD on Light Sweet Crude Oil is traded from Monday to Friday from 00:00 to 23:15 CET (till 22:00 CET on Friday).

7. Margin requirements

Factors		Maximum leverage (Margin)
Micro account type		1:400 (0.25%)
Standard account type deposits	< 50000 USD	1:200 (0.5%)
	50000 - 100000 USD	1:100 (1%)
	> 100000 USD	1:50 (2%)

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".

When total amount of open positions equals or exceeds \$20.000.000, maximum available leverage is 20:1 (or 5% margin of a total open position volume).

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 in 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 than 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
