FX, Contracts for Difference & Spread Betting Product Disclosure Statement

AxiCorp Limited

May 2019

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1. IMPORTANT INFORMATION

1.1 ABOUT THIS PDS

This Product Disclosure Statement (**PDS**), is issued by AxiCorp Limited who are regulated by the Financial Conduct Authority [FCA] number 509746. ("AxiTrader", "**we"** or "**us"**) in relation to its Margin Foreign Exchange, Contracts for Difference and Spread Bet products. This PDS is designed to assist you in making an informed decision regarding opening an Account and trading our products. Before deciding whether to trade on our Products, you should read this PDS, the Client Agreement, the Product Schedule and other relevant information to consider whether our products are suitable for you.

The PDS is made available on our Website and we will provide a paper copy free of charge upon request. The information contained in the PDS is current at the date of publication and replaces all previous versions. We may issue a supplementary or replacement PDS from time to time by us publishing it on our Website. The version of this PDS published on our Website at the time of entering into a Transaction governs that Contract and supersedes all previous PDS, oral or written representations.

The PDS should be read in conjunction with the Client Agreement and all other documents for clarification purposes.

Additional information referred to in this document may be found directly on our website or in other documents which are located on our website.

1.2 GENERAL ADVICE WARNING

Information we provide is general information only. Any information provided to you in this PDS, on our Website, through the Trading Platform, by our Client Services team, via email, chat or telephone or otherwise is generic and does not take into consideration your individual objectives, financial situation, needs or circumstances.

Accordingly, before applying to trade with us, you must decide whether our Products are suitable for you. To this end, we recommend that you obtain independent financial, taxation or other professional advice.

Our Products are leveraged and speculative and may not be suitable for you. Their prices and those of the Underlying Instruments, securities or currencies may fluctuate rapidly and widely because of events or conditions which may not be foreseeable and cannot be controlled. When leveraged, our Products can place a significantly greater risk on your investment than non-leveraged investment products.

You should read and consider the risk factors associated with trading our Products in Section 6

Risk Warning

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **70% of retail investor accounts lose money when trading CFDs with this provider.**
You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

1.3 ROLE OF FCA IN AUTHORISING AXITRADER

The role of the Financial Conduct Authority in authorising and regulating AxiTrader does not imply approval or endorsement of the business, its trading or solvency or the content of this document.

The FCA has not approved this PDS, the Client Agreement or any other document.

1.4 JURISDICTION NOTICE

This material is not to be construed as a recommendation; or an offer to acquire, buy or sell; or the solicitation of an offer to acquire, buy or sell any security, financial product, or instrument; or to participate in any particular trading strategy in any jurisdiction in which such an offer or solicitation, or trading strategy would be illegal.

There are legal requirements in various countries that may restrict the information that we are lawfully permitted to provide to you. Accordingly, unless expressly stated otherwise, the information in this document should be deemed to be for European residents only although it may be relevant for residents of other countries as well.

You must be over 18 years of age to use the services of AxiTrader.

1.5 CONFLICT OF INTEREST DISCLOSURE

AxiTrader's employees, officers and directors, including those involved in the preparation of this PDS are paid in part based on the profitability of AxiTrader, which includes earnings from AxiTrader's trading.

Although we act as a market maker we do not take positions and hedge all trades instantly with our parent company.

Please see our full Conflicts of Interest Policy which is available on our website.

1.6 OUR CONTACT DETAILS

Registered Office	55 Baker Street London. W1U 7EU United Kingdom
Place of Business	36 – 38 Leadenhall Street London. EC3A 1AT United Kingdom
Postal Address	Client Services 36 – 38 Leadenhall Street London. EC3A 1AT United Kingdom
Phone	0800 612 7070 (+44 203 544 9646)
Email	service@axitrader.com
Website	www.axitrader.com

1.7 TRADING & OFFICE HOURS

Trading hours for Margin FX Contracts and CFDs vary and will depend on the relevant Underlying Instrument's hours of operation. They are set out in the Product Schedule published on our website.

We are under no obligation to quote prices or accept orders or instructions on Contracts to which Limited Trading Hours applies.

Client Services are available during trading hours and can be contacted through online chat available on the Website, by email or phone.

Our office hours are Monday to Friday, 7.00am to 7:00pm UK time in the winter and 9.00am to 9:00pm UK time in the summer, with coverage provided 24hrs by our other offices.

2. APPLYING TO TRADE WITH AXITRADER CLIENT SUITABILITY

AxiTrader's derivative Products are not suitable for all investors due to the significant risks involved. Our products are most suitable for those with investment experience in leveraged products gained either by trading their own accounts, using similar products in the course of their employment or through demonstrated knowledge of the products and understanding of the risks.

In order to qualify to trade with us, potential clients undertake a Suitability Assessment, also known as an Appropriateness Test.

The Client Suitability Assessment does not amount to personal financial product advice. We will only be providing you with general advice and as such, this advice will not take into account your objectives, financial situation or needs. Accordingly, you should obtain your own financial, legal, taxation and other professional advice as to whether Margin FX Contracts, Spread Bets or CFDs are an appropriate investment for you.

2.1 SUITABILITY ASSESSMENT

In order to establish that an individual has had sufficient trading experience, potential clients should be able to demonstrate that they have operated an OTC FX/CFD/Spread Bet account within the last three years and that they have at least two months trading experience while being an active trader. In addition to the above educational and work related experience will be taken into account.

In the event of an applicant being found to have less than the desired amount of experience they may be asked to complete a training course and carry out simulated trading on a Demo Account.

2.2 OPENING AN ACCOUNT

Your dealings in AxiTrader's Products will be conducted in accordance with the following documents that you will have received from AxiTrader, viewed or downloaded from our Website:

- Client Agreement;
- Application Form; and
- Product Schedule.

You must complete an Application Form and be approved by us to open an account.

The Application Form requires applicants to provide personal information to meet our legal and regulatory requirements. You may not be required to provide us with all of the information requested but if you fail to provide some information we may be unable to offer you our Products or they may be provided on a restricted basis. You should refer to the Privacy Policy published on our Website which explains how we collect, use, maintain and disclose that information.

2.3 ANTI-MONEY LAUNDERING

We may require further information from you from time to time to comply with our obligations to the MLR 2017, The Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007) the NCA and other government or regulatory bodies.

By opening an account and transacting with us, you undertake to provide us with all additional information and assistance that we may reasonably require to comply with any legal obligation that we may have.

You also warrant that:

a) you are not aware and have no reason to suspect that:

    - the monies used to fund your transactions have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities whether prohibited under UK law, international law or convention or by agreement;
    - the proceeds of your investment will be used to finance any illegal activities; and

b) you are not a politically exposed person or organisation as the term is used in the Anti-Money Laundering and Counter Terrorism Rules Instrument 2007 (No. 1).

2.4 ACKNOWLEDGMENTS

By signing and returning or submitting an Application Form electronically you will be deemed to have also agreed to the following items. In addition, after having commenced trading with AxiTrader you will be deemed to have agreed to the following matters if you continue trading after receiving a Supplementary PDS and/or replaced or amended Client Agreement:

- that you are aware that investing in derivatives carries a high level of risk to capital and due to the potential volatility and fluctuations in value, you may not get back the amount of your original investment and in certain circumstances you may be liable to pay a far greater sum, with losses being higher than all the monies you have deposited with us;
- that you have given consideration to your objectives, financial situation and needs and the significant risks of loss that accompany the prospects of profit associated with dealing in AxiTrader's Products and have formed the opinion that dealing in them is suitable for your purposes;
- that you were advised by AxiTrader to obtain independent legal and financial advice concerning the Client Agreement and our products;
- that you have obtained appropriate and sufficient independent personal advice;
- that you consent to AxiTrader collecting, maintaining, using and disclosing personal information about you and provided by you in our Privacy Policy;
- that you agree that AxiTrader will provide its services to you on the basis of the Client Agreement and in particular that you will receive documents such as trade confirmations and daily statements in electronic form and that Margin Calls, if made, will be delivered by email or phone.

2.5 DEPOSITING FUNDS

Clients may deposit funds through various channels. All funds must be cleared funds on your account before they are made available to use in dealing in AxiTrader's Products.

We do not accept cash as an initial deposit or to meet any of your ongoing obligations.

It is your responsibility to ensure that monies sent to AxiTrader are correctly designated in all respects, including, where applicable, that the monies are by way of Margin and to which Account they should be applied. Payments by you under the Client Agreement must be free of any withholding tax or deduction by a third party.

You must ensure that any transfer made to AxiTrader is from an account in your name and not from that of a third party.

AxiTrader may in its absolute discretion, without creating an obligation to do so, return any transfer of monies from a third party account, unless we have previously agreed in writing to accept such a transfer.

AxiTrader will not accept or bear any liability or responsibility whatsoever for any loss incurred by you as a result of, or arising out of, or in connection with, AxiTrader returning any transfer of monies from a third party account including any loss incurred by you because you are subsequently in default of your obligations under the Client Agreement.

2.6 CHANGING YOUR MIND – COOLING OFF PROVISIONS

See section 1.11 of the AxiCorp Client Agreement which explains your cancellation rights.

2.7 DEBTS

Where you have more than one account with us, we may treat your accounts as aggregated for the purposes of settling any money owed, by using money on one account to pay off a debt on another. Please note that this does not apply for Margin Requirements as each account is treated separately.

3. QUESTIONS & ANSWERS

3.1 WHAT ARE MARGIN FX CONTRACTS?

A Margin FX Contract is an agreement under which you may speculate on fluctuations on the value of an underlying currency relative to another. The price of our Margin FX Contracts is based on the price of an underlying currency (Underlying Instrument). **However, when dealing in Margin FX Contracts with us you will not own or have any interest or right in the Underlying Instrument or have an ability to receive the currency.**

If you have a need to purchase the underlying currency (i.e. to receive the purchased currency), our Margin FX Contracts are not appropriate for you because they do not involve an exchange of one currency for another. The amount of any profit or loss made on a Margin FX Contract will be the net of:

- the difference between the Opening Price of the contract and the Closing Price of the contract;
- any Commission charged by us on the transactions; and
- any Swap Charges or Benefits relating to the Contract.

The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as interest on debit balances.

3.2 WHAT IS A CFD?

A contract for difference or CFD is an agreement under which you may speculate on fluctuations in the price of an underlying financial asset. The price of the CFD is based on the price of a financial asset whether that is an index, commodity or futures contract (Underlying Instrument). **However, you will not own or have any interest or right in the underlying financial asset and cannot close an open Position through an exchange or other CFD provider.**

The amount of any profit or loss made on a CFD will be the net of:

- the difference between the Opening Price of the CFD and the Closing Price of the CFD;
- Commissions charged by us on the transaction; and
- any Swap and rollover charges or Benefits relating to the CFD.

The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as exchange fees and interest on debit balances.

3.3 WHAT IS A SPREAD BET?

A Spread Bet, like a CFD or Margin FX, is an agreement under which you may speculate on fluctuations in the price of an underlying financial asset which can be an FX currency pair, Index, Commodity, Share or other financial market.

The difference between a Spread Bet and a CFD or Margin FX is that Spread Bets are tax free (for those eligible in the UK & Ireland).

At AxiTrader, our Spread Bet accounts operate just like our FX and CFD accounts in that you trade in lots equating to a notional amount, which can be seen on the Product Schedule. We do not offer Spread Bet accounts where you trade in pounds per point movement in the price like some brokers may do.

3.4 WHAT IS A POSITION?

A Position is a Margin FX Contract, CFD or Spread Bet entered into by you under the Client Agreement. It may be a bought ("long") or sold ("short") position. You may have multiple contracts open at any one time either bought or sold and your position is the net of all contracts open at any one time.

3.5 WHAT IS "OVER THE COUNTER"?

Over the counter ("OTC") means that our products are not offered or traded on a regulated exchange. Rather, transactions are between you and us ("bilateral") with each party responsible for assessing the credit standing and capacity of the other party before trading. You do not have the protections normally associated with trading on a regulated exchange.

This means you can only close contracts in our products with us and the prices offered by other derivative providers or on an exchange do not apply to your open positions with us.

It is not possible to close a Margin FX Contract, CFD or Spread Bet by giving instructions to another provider, broker or financial services company.

Refer to the Risk Warning for further information.

3.6 WHAT CHARGES ARE PAYABLE WHEN DEALING IN OUR PRODUCTS?

The common fees and charges you will incur when dealing in our products may include any or all of the following:

- Payment of Margins;
- Commissions;
- Swap and rollover charges calculated at our Swap and Rollover Rates;
- Interest applied to debit balances in your Account; and
- Administration charges.

In addition, AxiTrader's Products are quoted in bid / offer terms. The difference between bid and offer prices is called the "spread". Because of the difference, the price must move favourably before you can break even. In other words, even if the price does not move at all and you close out your Position, you will incur a loss to the extent of the spread and any other fees.

3.7 HOW DO WE DETERMINE THE PRICES OF MARGIN FX CONTRACTS AND CFDS?

FX & CFDs: we derive our prices from those available to us in the Underlying Instrument through our various counterparties. We aggregate the prices available to us and derive our bid and offer from the best bid and ask available. The published prices are the prices on which you deal with us and prices quoted or published by others do not apply to our Products.

On occasions our prices can have very wide spreads that can cause stop losses to be triggered. [See 4.18]

Index Future CFDs: our prices for Index Future CFDs are based on the prevailing price of the Underlying Instrument, which is a futures contract based on an Equity Index. We derive our price by applying our spread to the prevailing bid and offer price in the Underlying Instrument.

Commodity CFDs: our Commodity CFDs are based on the prevailing price of the Underlying Instrument, which is a futures contract. We derive our price by applying our spread to the prevailing bid and offer price in the Underlying Instrument.

Spread Bets: our Spread Bets are based on the prevailing price of the Underlying Instrument, which may be a futures contract depending on the market. We derive our price by applying our spread to the prevailing bid and offer price in the Underlying Instrument.

We offer Spread Bet markets on most of the markets that we offer for FX and CFDs.

3.8 CAN WE CHANGE OR RE-QUOTE THE PRICE AFTER YOU HAVE ALREADY PLACED YOUR ORDER?

Yes. Our prices reflect those in the Underlying Instrument. Prices can vary quickly and in some circumstances prices that we publish may not be available for large volumes. In addition, errors can occur and where there are material errors in pricing we have the right to alter the price or even void the transaction.

3.9 WHAT IS "SLIPPAGE"

Slippage is the difference between a requested price of a transaction and the price at which the order is executed or filled.

Slippage may be positive (a price improvement) or negative. When executing client transactions AxiTrader's execution price will reflect both positive and negative movements in the underlying price.

Slippage should not be confused with a market gap. Markets may gap, either over the weekend or due to significant unexpected news events. In this case, there is no trading between one price and another. No transactions are conducted in the Contract and the market price is discontinuous.

3.10 IF THERE IS LITTLE OR NO TRADING GOING ON IN THE UNDERLYING MARKET FOR AN ASSET, CAN YOU STILL TRADE MARGIN FX CONTRACTS AND CFDS OVER THAT ASSET?

If the underlying currency is suspended due, for example, to a change in currency policy by a government then our products may be suspended. If the Underlying Instrument is suspended from trading or trading restrictions are introduced then AxiTrader may suspend or introduce trading restrictions on its products. . If market conditions in the Underlying Instrument become erratic or prevent us from determining a fair price we may suspend trading, refuse to accept orders or transactions. We are not under any obligation to quote or deal in these circumstances but may do so if we are reasonably satisfied that we can provide our services effectively.

The Trading hours for our products are set out in the Product Schedule and are also available in the trading platform.

Typically, Foreign exchange markets trade continuously from 05:00pm American Eastern Standard Time (EST) Sunday evening until 05:00pm, American EST on Friday. Consequently, we price our Margin FX Contracts for those periods in which we can offer an orderly market. If the underlying currency is suspended due, for example, to a change in currency policy by a government then our Products may be suspended, In addition, we may suspend trading over the close of business (05:00 pm American EST) in order to process end of day transactions, and spreads may widen considerably depending on available liquidity at that time.

For our commodities, index future CFD products and Spread Bets, we typically price Products whenever the Underlying Instrument is open. If the Underlying Instrument is subject to exchange halts or suspensions then our pricing will typically be suspended or halted and clients will not be able to enter or exit positions.

Clients should be aware that where a suspension occurs we may restrict account withdrawals and raise Margin Requirements to ensure we have sufficient security against open positions.

3.11 WHAT PAYMENT OPTIONS DO I HAVE?

We offer a full suite of payment options for Clients to open and fund their accounts and provide credit card funding for the ease of providing secure electronic payment system to our Clients. This is used for both instantaneously funding accounts and meeting Margin Calls.

We do not encourage the use of leverage products with borrowed funds and do not accept "cash equivalents" as opening collateral (e.g. no securities as deposits).

3.12 WHAT IS THE MINIMUM BALANCE TO OPEN AN ACCOUNT?

We do not impose a minimum deposit for Standard and Pro Accounts, although this policy is subject to change.

3.13 HOW DO YOU DEAL IN FX OR CFDS WITH US?

You may place orders to deal in Margin FX Contracts, CFDs or Spread Bets in two ways:

- using our Trading Platform through a computer connected to the internet or your mobile telephone/tablet; or
- by telephoning on +44 203 544 9646 or 0800 612 7070 (within UK Toll Free).

We will not accept orders or instructions from you through any other means, such as email.

It is possible for a third party to place orders on your behalf provided that a written and executed Limited Power of Attorney has been received and accepted by us.

3.14 WHAT ARE "LONG" AND "SHORT" POSITIONS?

You can take both 'long' and 'short' Positions. If you anticipate the rate or price of the contract to rise in value then you take a 'long' or bought Position. If you anticipate the rate or price of the contract to fall in value then you take a 'short' or sold Position.

You may sell a contract without having bought initially and in this way benefit from a fall in the value of the Underlying Instrument. However, if the value of the Underlying Instrument rises against your expectation and you subsequently close the position by buying at a higher price, you will suffer a loss.

3.15 WHAT ARE MY "FREE EQUITY" AND "TOTAL EQUITY"?

Your "Total Equity" is the aggregate of:

- the current cash balance in your Account;
- any accumulated Swap Charges; and
- your current unrealised profits and losses.

The Free Equity is Total Equity less any Initial Margin requirements and unrealised profit or loss on open Positions. This Free Equity is the amount you have available to satisfy any additional changes in Margin Requirements.

3.16 WHAT IS MARGIN?

Margin is initially the minimum amount of Free Equity required to enter into a Margin FX Contract, CFD or Spread Bet with us. This is also referred to as Initial Margin.

The level of Margin required to maintain open Contracts is called the "Total Margin Requirement" and includes "Variation Margin" and is denominated in your Account Currency. Variation Margin is effectively the value of unrealised losses (if any) on open contracts.

Initial and Total Margin Requirements will fluctuate with the value of the Underlying Instrument on which the contract is based. Further, where you deal in a contract that is denominated in a currency other than your Account Currency, your Total Margin Requirement will be affected by changes in value of the respective currencies.

See section 8.

3.17 WHAT IS A MARGIN CALL?

A Margin Call is a demand for additional funds to be deposited into your Account to meet your Total Margin Requirement because of adverse price movements in your open Positions or a change in Margin Requirement.

Your Total Margin Requirement can be reduced by electing to close one or more Positions.

See section 8.

3.18 HOW DO I CLOSE OUT A POSITION?

You close a Position by selecting a Position in the Trading Platform and clicking the 'Close' button.

3.19 CAN I HOLD LONG AND SHORT POSITIONS AT THE SAME TIME?

Yes, the Trading Platform will allow long and short positions in the same instrument to be held at the same time.

You can partially close an open position by opening up the order ticket and reduce the volume to the number of contracts to be closed. This will execute a transaction closing a portion of the open position resulting in a settlement of profit or loss on the closed portion and a reduction in Margin Requirement. The balance of the open position will be retained.

Alternatively, you can enter into a transaction in the relevant instrument in the opposite direction to the open trade. This will open a new Contract partially offsetting the existing open position. Your Initial Margin Requirement will reduce reflecting the net open position in the instrument.

In addition, both long and short open positions will be revalued against our current price at the bid and offer respectively meaning that there is a net Variation Margin across the combined position equal to the bid – offer spread.

The wider the spread, the greater the Variation Margin and therefore the greater the Total Margin Requirement on the Account.

Alternatively, the open position can be fully hedged by entering into a new offsetting Contract for the full amount of the open position. The Initial Margin Requirement on the net open position will be nil. However, again, all open Contracts will be revalued against our current Price and, given the difference between the bid and offer, there will be a Variation Margin on the net open position which must be maintained.

A widening of the bid – offer Spread at any time may trigger the Liquidation Level. Positions may be closed causing all open Contracts to be settled and all profit and losses to be realised.

3.20 HOW ARE PAYMENTS MADE IN AND OUT OF MY ACCOUNT?

You may deposit funds by various methods including credit card and electronic transfer. All funds must be Cleared Funds in your Account before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in Margin FX Contracts, CFDs or Spread Bets.

Withdrawals from your Account will be processed either by payment back to your card or through electronic funds transfer. We do not make payments to third parties and may need to request proof of bank account details prior to making a payment to an account not previously used by a client.

3.21 DO I RECEIVE INTEREST ON MONEY HELD IN MY ACCOUNT OR PAY INTEREST ON MONEY I OWE TO YOU?

We do not pay interest on credit balances, although we reserve the right to change this policy and you will be notified in advance of such a change.

We will charge interest on any debit balances owed to us in accordance with the Client Agreement.

3.22 WHAT HAPPENS IF I HOLD A POSITION OVERNIGHT?

In relation to Margin FX Contracts and Bullion CFD's, a Swap charge or benefit may accrue daily for any trades held past the market close at 5PM American EST(00:00 MT4 Server time) Monday to Friday. The Swap value is based on the relative interest rate between the two currencies. For example, if you were buying the AUD and selling the USD, and the Australian interest rate is higher than the US Interest rate, you would typically receive a positive Swap benefit overnight. If you were selling the AUDUSD or going 'short', you would pay a Swap charge. The Swap process is completed at 5PM American EST (00:00 MT4 Server time) Monday to Friday.

For FX positions, usually on a Wednesday at 5PM American EST, the Swap charge or benefit is made to cover three days as the market which prices are derived from deals two days ahead and at the Wednesday close the vale date changes from a Friday to Monday.

This can vary depending on the FX pair and is applicable to certain other products that we quote or may introduce in the future.

In relation to other products and for further information see section 9.3.

3.23 HOW DO I LEARN TO USE THE TRADING PLATFORM AND HOW TO DEAL WITH YOU?

Our Trading Platform contains an extensive user guide which is accessible from the 'Help' menu. AxiTrader also provides free practice accounts also known as "Demo" accounts. Contact our Client Services Department for further details.

3.24 WHAT IF I NEED FURTHER INFORMATION?

You should speak to your financial advisor, or, alternatively, you can contact us by:

- Telephone: +44 203 544 9646 or 0800 612 7070 (within UK Toll Free).
- Email: service@axitrader.com
- Internet: www.axitrader.com

4. SPREAD BETTING

4.1 WHAT IS SPREAD BETTING?

Spread Betting is just like any other form of online trading: you select a financial instrument – whether it be Forex, CFDs or Indices – then speculate whether the price is going to go up or down. You're essentially 'betting' on whether the price will have increased or decreased at a specified point in time.

4.2 WHAT'S THE DIFFERENCE BETWEEN FX TRADING AND SPREAD BETTING?

With AxiTrader the answer is: not much. Both FX trading and Spread Betting work in the same way, using the same MT4 trading platform – if you know how to place a Forex trade, you can place a Spread Bet. The fundamental difference is that Spread Betting is classified differently to regular trading, giving it tax free* status in the UK.

*under current UK tax law and depending on your circumstances.

4.3 HOW IS SPREAD BETTING DIFFERENT WITH AXITRADER?

AxiTrader operates differently to most Spread Betting operators.

The most common form of Spread Betting operates on a "pound per point" basis whereby you get an incremental return for every pound you put down, based on how much the market moves – this is a characteristic typical of sports betting. For example, if the current price is $100 and you think it was going to go up, you could place a £5 Spread Bet. If the price increased to $105, you would take a £25 profit. If it went down to $95, you would incur a £25 loss.

Our Spread Betting works in exactly the same way as our standard Forex and CFD trading. Unlike typical sports betting, our pricing is not fixed – it ebbs and flows with the normal movement of the markets. In effect, Spread Betting with AxiTrader is simply standard FX trading with a different tax classification.

4.4 WHAT IS THE 'SPREAD' IN SPREAD BETTING?

A spread is derived from two prices: The Buy price and the Sell price. The difference between these two prices is what's known as the 'Spread'.

The main factors influencing the spread include market liquidity, supply and demand; any time liquidity is low and there is an imbalance between supply and demand, the spread is likely to be wider. As a trader, you generally want – and you want your broker to offer – the narrowest spread.

4.5 IF I PLACE A SPREAD BET, DO I OWN ANY ASSETS?

No. When you open a spread bet you're simply investing in a price movement, like that of a currency or commodity.

This is different to buying stocks where you take physical ownership. In the case of stocks you need the price to increase in order to realise a profit, but the nature of Spread Betting means you can trade on the downside and profit even if the price of an instrument is falling.

5. KEY BENEFITS

The use of our Margin FX Contracts, CFDs or Spread Bets provide a number of benefits, which must, of course, be weighed up against the risk of using them. Benefits include the following: -

5.1 SPECULATION

You can use these financial products for speculation, or with the view to profiting from exchange rate fluctuations and the rises and falls in asset prices.

5.2 MARKET POSITION

You can potentially profit (and lose) from both rising and falling markets depending on the strategy you have employed. Strategies may be complex and strategies will have different levels of risk associated with each strategy.

5.3 LEVERAGE

The use of our financial Products involves a high degree of leverage. These contracts enable a user to outlay a relatively small amount (in the form of initial margin) to secure an exposure to the Underlying Instrument. But you must be aware that this leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

5.4 TRANSACTION COSTS

Over-the-Counter products typically offer access to a wide range of financial instruments at transaction costs that are lower than when dealing in the underlying asset. Acquiring an interest in bullion or a currency in the past typically required an investor to hold the asset in physical form. This involved transport and storage costs. As no right, obligation or entitlement to the physical asset attaches to dealing in OTC derivative products this reduces the transaction costs. For the same reason, the difference between the buying and selling price (spread) is typically smaller in OTC derivative products than in the physical markets.

5.5 MULTIPLE ASSET CLASSES

Over-the-counter derivative products allow investors to trade many different financial instruments in a single account without having to purchase the underlying currency and transfer funds internationally. Through a single AxiTrader account an investor can speculate in multiple asset classes from multiple underlying economies.

5.6 THE TRADING PLATFORM

There are significant benefits associated with the use of our Trading Platform. These include:

- the ability to trade in small notional amounts as little as 0.01 of a Standard Contract;
- Margin FX markets open at 05:00pm American EST[1] Sunday and close at 05:00pm American EST[1] on Friday.
- CFDs are available during times the Underlying Instrument is in operation;
- Real-time streaming of quotes and the facility to check your accounts and Positions in real time and 24 hours a day on any global market which is open for trading; and
- full control over your account and Positions.

5.7 WORKING ORDERS

We offer clients a range of order types to assist in managing their positions. Orders can be placed whilst ever the Underlying Instrument is open for trading.

Important notice about this section:

If you request placement of one of the types of orders described in this section, we have an absolute discretion whether or not to accept and execute any such request.

[1]Eastern Standard Time (America)

Stop-Loss Orders:

A Stop-Loss order is an order placed with the aim of limiting the potential loss on an open Position. A Stop-Loss order allows you to specify a price at which you wish to close out a Position or open a Position.

Stop-Loss orders must be placed at a minimum distance from our current bid and offer prices. The minimum distance is specified on the Trading Platform and will be advised to you upon request.

We will execute a Stop-Loss order once the offer price reaches the order price in the case of a buy-order, or our bid price has reached the order price in the case of a sell-order.

Note: Stop losses are not guaranteed and the execution of such orders will depend on market volatility and liquidity. Once the Stop-Loss price is reached, the Stop-Loss Order becomes a Market Order to buy or sell (depending on your instructions) and will be executed at the prevailing price. The execution price may be different from the stop-loss order price.

The operation of these order types should be discussed with one of our representatives. You should also refer to our Client Agreement with respect to the operation of these order types.

Stop-Entry Orders:

A Stop-Entry order is an order placed to open a new Position or increase an existing Position at a price which is inferior to the current market price. You may choose to use this type of order when you only want to enter a position after confirmation of a change or establishment of a trend.

Stop-Entry orders can be placed to open new Positions in all of our Products.

You should also note that stop-entry orders must be placed at a minimum distance from a current bid and offer prices, which distance is determined at our discretion. The minimum distance is specified on the Trading Platform.

Limit Orders:

A Limit Order may be used by you to either open or close a Position at a predetermined price that is more favourable to you than the current market price.

We will execute your Limit Order when our offer price has reached the price of your buy-Limit Order or our bid price has reached the price of your sell-limit order.

How to place working orders with us:

Orders may be placed online via our Trading Platform. If you require assistance you should contact one of our representatives.

Fees for placing working orders:

There are no fees specifically associated with using working orders via our online Trading Platform.

Our right to impose order limits:

We retain the right to impose a limit on the number of open pending orders of each account to prevent the degradation of the Trading Platform. The limit is currently set at 100 orders – we retain the right to change this limit.

6. RISK WARNING

6.1 ARE AXITRADER'S PRODUCTS APPROPRIATE FOR YOU?

You must carefully consider whether AxiTrader's Products are appropriate for you in the light of your personal circumstances, financial markets experience and investment objectives. In making this decision you should be aware you could both gain and lose large amounts of money. You could lose all the margin funds you deposit with AxiTrader. In addition, you could lose further amounts as explained below.

- If the market moves against your Position, or in the case of Commodity CFD's your Position is rolled over you may be required, at short notice, to deposit with AxiTrader further monies as margin in order to maintain your Position. Those additional funds may be substantial. If you fail to provide those additional funds your Position may be liquidated. You will be liable for any shortfall in your Account resulting from that liquidation.
- You could lose all your money deposited with AxiTrader, and in addition, be required to pay AxiTrader further funds representing losses and fees on your open and closed Positions. For example, although you may only invest $1,000 in an Account, if the market moves against your Position, you could lose the full value of the Position.
- Under certain conditions, it could become difficult or impossible for you or us to close or liquidate a Position. For example, this can happen when there is a significant change in prices over a short period or some change in government policy causes an Underlying Instrument to be suspended, closed or revalued. Refer to sections 6.4 and 6.9 for a more detailed explanation about these risks.
- AxiTrader will not or may be unable, in all circumstances, to accept your request to place an order. Refer to sections 6.4 and 6.9 for further details.
- If AxiTrader accepts your request to place an order, such an order may not always limit your losses to the amounts that you had intended. Market conditions may make it impossible to execute such orders. Refer to Section 6.4 for more detailed explanation about these risks.
- The high degree of leverage that is obtainable in dealing in AxiTrader's Products because of small Margin Requirements can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

We will not give you any personal financial product advice in relation to Margin FX Contracts, Spread Bets or CFDs. Further, the Client Suitability process does not amount to personal financial product advice. We will only be providing you with general advice and as such, this advice will not take into account your objectives, financial situation or needs. Accordingly, you should obtain your own financial, legal, taxation and other professional advice as to whether Margin FX Contracts, Spread Bets or CFDs are an appropriate investment for you.

6.2 CRYPTOCURRENCIES / BITCOIN RISKS

Cryptocurrencies like Bitcoin are extremely volatile and can move or jump in price with no apparent reason due to lack of liquidity and adhoc news. There is little or no fundamental reasoning behind its pricing and as such trading CFDs in Bitcoin pose a significant risk to Retail Clients. While AxiTrader only quotes Bitcoin during the week, it can trade over the weekend, meaning there could be a significant price change between Friday and Monday. It should only therefore be traded by those clients with sufficient experience to understand that they risk losing all their investment, or more (depending on whether they are a Retail of Professional Client), in a short period of time, and only a very small part of their portfolio should be used.

6.3 NEGATVE BALANCE PROTECTION

Clients who are classified as a Retail Clients are given the added protection of Negative Balance Protection. This means that you cannot lose more than the amount of money held with AxiTrader.

For the avoidance of doubt clients have one trading account with AxiTrader, but may have multiple sub accounts in the form of trading platform logins. Therefore, the aggregate sum of monies held on all platforms will be taken into consideration and may be used to offset a Negative Balance.

6.4 MARKET RISK

Derivative instruments are speculative & volatile

Derivative instruments can be highly volatile due to the market conditions of the Underlying Instrument and the amount of leverage available. The prices of AxiTrader's Products and their Underlying Instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled.

The prices of AxiTrader's Products will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

Dealing is affected by factors in the Underlying Instrument

The prices of AxiTrader's Products are derived from the prices in the Underlying Instruments. Under certain market conditions, it could become difficult or impossible for you to manage the risk of open Positions by entering into offsetting Positions in another Contract or closing existing Positions.

Sometimes markets move so quickly that "gapping" occurs. Gapping is the exposure to loss or profit from failure of market prices or rates to follow a "smooth" or continuous path due to external factors such as global political or economic events. If "gapping" occurs in the Underlying Instrument, it will also occur in the price of the relevant AxiTrader Product. In this case, you may be unable to close out your Position or open a new Position at the price at which you have placed your order or may have liked to place your order. This can expose you to greater losses or profits.

The Underlying Instrument may lack liquidity, caused by insufficient trading activity or because the aggregate of all requests for orders at a particular price determined by us exceeds the available volume in that market. This may affect our ability to offer Margin FX Contracts, Spread Bets or CFDs to allow you to close out your Position or open a new Position.

As a result, a potentially profitable transaction may not be executed, or it may not be possible to close out a Position in a timely fashion at the price you require. This may lead to reduced profits and high losses, or vice versa.

Trading in the Underlying Instrument may be suspended or halted. In such cases, AxiTrader may not be able to offer the corresponding AxiTrader Product, and it may not be possible for you to close out your position or open a new position.

As a result, a potentially profitable deal may not be executed, or it may not be possible to close out a Position in a timely fashion at the price you want, resulting in reduced profits or higher losses.

In any of these circumstances, we have the right to close your open Position, limit the size of your open Position, refuse to quote or execute transactions. You will be liable for any losses suffered in such circumstances. You should refer to clause 15.2 of the Client Agreement.

Foreign exchange risks

Your Account is maintained in the currency you have nominated, that is, the Account Currency.

Where dealing in an AxiTrader Product that is denominated in a currency other than the Account Currency, all Margins, profits, losses and Swap Charges are calculated using the currency in which the AxiTrader Product is denominated.

Accordingly, your profits or losses will be affected by fluctuations in the relevant foreign exchange rate.

Upon closing a Position in an AxiTrader Product that is denominated in a currency other than the Account Currency AxiTrader will automatically convert all amounts into your Account Currency. Any conversion will be at the Exchange Rate quoted by AxiTrader (this may be different to the price quoted for an FX Contract).

Until the foreign currency balance is converted to the Account Currency, fluctuations in the relevant foreign exchange rate will affect the ultimate profit or loss made on the position when revalued in the Account Currency.

Loss caused by spread

Because of the difference between the buying and selling price, the relevant price must move favourably before you can break even. In other words, even if the contract price does not move at all and you close out your Position, you will incur a loss to the extent of the spread and of any AxiTrader fees.

Furthermore, the spread may be larger at the time you close out the Position than it was at the time you opened it.

Interest rate fluctuations

If you deal in an FX Contract fluctuations in the interest rates applicable to those underlying currencies will affect the Swap Charges. In some cases, these interest rates can vary widely and at short notice causing the Swap Charges to be significantly higher. If you are holding a short Position in a high yielding currency then the Swap Charges may cause significant losses.

If you hold a long Position in an Index or Commodity CFD/Spread Bet and the interest rate of the currency in which it is denominated rises significantly then the value of the position is likely to drop significantly causing losses.

Rolling over Future CFDs & Spread Bets

Upon expiry of any Futures CFD or Spread Bets, open Positions will be rolled on the expiry date of the CFD contract.

AxiTrader will revalue the position at the prevailing AxiTrader Price. Clients are advised that the next serial CFD/Spread Bet may trade at a premium or discount to the expiring contract and Clients may immediately have a profit or loss without conducting a new transaction. This will be offset by an adjustment to the Swap column total.

6.5 LEVERAGE & DEALING ON MARGIN

You may incur losses to the extent of your total exposure to us and any additional fees and charges that you are liable to pay to us. These losses may be far greater than the money that you have deposited into your Account or are required to satisfy Margin Requirements. In addition, you could be required to pay further funds that represent losses and other fees on your open and closed Positions.

Changes in Margin Requirements

We may, as per the Client Agreement, exercise our right to alter the Margin Requirements in relation to any of our CFDs, Spread Bets or Margin FX Contracts at any time at our discretion. Notification of this alteration can be given to you either orally or in writing. The alteration will take immediate effect over the affected open Positions. This change will affect your Free Equity and may cause Positions to be liquidated.

If AxiTrader determines that Force Majeure Event (see the Client Agreement for further information) exists then it may (without prejudice to any other rights under the Client Agreement and at its sole discretion) increase the Margin Requirement. Accordingly, Clients should be prepared at any time to have funds equal to the notional value of their Positions available to meet any increase in the Total Margin Requirement.

Where an Underlying Instrument is suspended or halted we will use the last traded price of that Underlying Instrument for the purposes of determining Margin Requirements and valuations. Where AxiTrader has reasonable grounds to believe that a different price reasonably reflects the value of the Contract then it may, at its absolute discretion, price the contract differently.

You will incur a Margin Requirement based on the value of the AxiTrader Product determined by us. If you do not satisfy that Margin Requirement we have the right, but not the obligation, to close that position and you may suffer a loss.

Risk Resulting from Margin Calls

If the price moves against your open Position you may be required, at short notice, to deposit further funds with us in order to satisfy your Total Margin Requirement and maintain your Position. The amount of the additional Margin may be substantial and failure to pay it promptly may result in:

- some or all of your open Positions being closed or liquidated by us;
- you being prevented from opening new Positions or extending existing Positions; and

- you being liable for interest charges on negative or debit balances if you are classified as a Professional Client.

Further, any additional funds must become cleared before they will be taken as satisfying your Margin Call. In some circumstances, your Position may be liquidated before any additional funds that you deposit in response to a Margin Call have had the opportunity to become Cleared Funds.

You should note that when holding both long and short positions in the same instrument (hedge) the transactions are revalued for Margin purposes at their respective bid and offer prices. During periods of low liquidity, high volatility or prior to, or just following, the closing or opening of markets the spread will be wide resulting in increased Margin obligations. This may trigger the liquidation of Contracts even though the Position is hedged.

Clients are warned not to rely solely on AxiTrader issuing a Margin Call email. It is the Client's obligation to monitor Margin Requirements and to ensure they maintain sufficient Free Equity to meet any potential adverse movement. We do not guarantee that Margin Calls will be made or received or that sufficient time will be available to forward funds to avoid suffering losses.

Margin Calls when Positions are Hedged or Partially Hedged

Clients are permitted to have both long and short positions in the same instrument at the same time. If positions are fully hedged (long and short by the same amount) then the Initial Margin requirement is reduced to zero.

All open Contracts are revalued against the bid and offer respectively for the purpose of calculating Variation Margin. Due to the bid – offer spread Variation Margins will apply even though the net position may be hedged.

A widening of the Spread during periods of low liquidity or high volatility may mean that Variation Margins are significant. Where Free Equity is relatively small this may result in triggering the Liquidation Level causing all open Contracts to be closed.

Clients are reminded that all open Contracts are rolled independently and not on a net basis. This means that there is a net cost incurred when holding open offsetting open Contracts even when the net open position may be nil.

Consequently, Clients are advised to monitor Total Margin Requirements even when partially hedged.

6.6 AXITRADER ACTS AS PRINCIPAL & PRODUCT ISSUER

AxiTrader is technically a market maker, not a broker in the traditional sense, and accordingly will act as a principal, not as an agent, in respect of all transactions.

As AxiTrader issues the Products, Clients are exposed to the financial and business risks, including credit risk, associated with dealing with AxiTrader.

6.7 COUNTERPARTY RISK

You will be dealing with AxiTrader as counterparty to every transaction and you will, therefore, have an exposure to AxiTrader in relation to each transaction. This is common in all OTC financial market products.

As a consequence, you will be reliant on our ability to meet our counterparty obligations to you to settle the relevant Contract

AxiTrader's creditworthiness as the product issuer has not been assessed by an approved rating agency. This means that AxiTrader has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

Furthermore, as we enter into hedge transactions with other counterparties in relation to the exposures arising from client transactions you are indirectly exposed to the risk of default by one or more of our counterparties.

6.8 SEGREGATED ACCOUNTS

It is important to note that the holding of client money in one or more trust accounts may not afford you absolute protection.

You could incur a loss, depending on the creditworthiness of AxiTrader, its covering counterparties or counterparties holding Client segregated assets.

The purpose of trust accounts is to segregate our Clients' money, including your money, from our own funds.

You are exposed indirectly to the financial risks of the institutions with which we hold Client Monies.

Should there be a deficit in the segregated trust accounts and we become insolvent then the UK government backed Financial Services Compensation Scheme (FSCS) will apply providing £85,000 protection on client funds to clients, and you will be an unsecured creditor in relation to the balance of the money owed to you.

6.9 OUR DISCRETIONS

Under the Client Agreement, AxiTrader has certain discretionary powers. These include discretion not to accept orders, not to provide a quote or refuse to deal. Clients should review the Client Agreement carefully and, if necessary, seek legal advice.

Circumstances in which AxiTrader may close Client Open Positions

Clients should be aware that under the Client Agreement AxiTrader has the right, whether with or without prior notice, to refuse to quote, refuse to deal and close out all or part of Clients' open Positions if any of the Events of Default or Force Majeure Events arise. These events include the suspension or delisting of an Underlying Instrument from which an AxiTrader Product is derived.

In such circumstances, although AxiTrader may attempt to provide notice it may not always be possible and we are not obliged under the Client Agreement to provide such notice.

AxiTrader reserves the right to close a Client's open Positions if a Product is removed from our Product Schedule. Circumstances in which we may remove a Product include when the Underlying Instrument is prohibited by a government or by regulations from being traded.

Right to limit Open Positions

AxiTrader has the right under the Client Agreement to limit the size of a Client's open Positions, whether on a net basis (difference between short Positions and long Positions) or gross basis (aggregate of short Positions or long Positions).
This may occur for example, because of some event in the Underlying Instrument or in order to limit our exposure to an Underlying Instrument or Client or otherwise protect AxiTrader's interests.

Right to refuse Trades

AxiTrader has the right under the Client Agreement to refuse any transaction or order for any reason. Circumstances in which AxiTrader may decide to do so include, but are not limited to the following:

- where AxiTrader is, in its opinion, unable to maintain an orderly market in any one or more of the Products as a result of the occurrence of any act, omission or event (including any specific or general circumstance beyond AxiTrader's control such as a natural disaster, political or regulatory occurrences or upheaval, disruption to, communications, power or other infrastructure);
- the suspension, closure, liquidation or abandonment of any relevant market or Underlying Instrument;
- the imposition of limits or special or unusual terms in the relevant markets or Underlying Instrument such as the prohibition of short selling in an Underlying Instrument or the introduction, change or abandonment of any price controls;
- the excessive movement, volatility or loss of liquidity in the relevant markets or Underlying Instrument;
- when AxiTrader, in its opinion, considers it necessary for the protection of its rights under the Client Agreement; or
- when AxiTrader considers that the Client may be in possession of "inside information" as defined by the laws of the relevant country.

6.10 REGULATORY & SOVEREIGN RISK

Changes in taxation and other laws, government fiscal, monetary and regulatory policies may have a material adverse effect in your dealings in Contracts with us.

6.11 WARNING REGARDING ONE-CLICK DEALING

The Trading Platform dealing tickets can be operated on a single click. Clients are warned that once an instruction to buy or sell is passed they will not be provided with an opportunity to check the details of the instruction before it is sent to AxiTrader. Consequently, Clients should take additional care that their instructions are correct.

6.12 OPERATIONAL RISKS

Electronic Advisors

Clients are advised of the risks in utilising electronic trading advisors, also known as Expert Advisors (EA's). AxiTrader bears no responsibility for the performance of these trading systems and will accept no responsibility for losses arising from their use whatsoever.

It is the clients' sole responsibility to carry out due diligence on any electronic software that they purchase or use with their AxiTrader account.

AxiTrader is not responsible for any losses incurred as a result of the use of external software, whether promoted by AxiTrader or not, whether it produces trade signals or automatically places trades on the clients account.

It is the clients' responsibility at all times to monitor their account to ensure that any electronic software is functioning as it should.

AxiTrader reserves the right at all times to disable an EA or other software functioning on a client's account.

Trade Copiers

Clients who use trade copiers do so at their own risk with the full knowledge that order fills on slave accounts may be different to that of the master due to timing, pricing liquidity and slippage.

AxiTrader accepts no liability for any trades that are not copied or are copied incorrectly.

Money Manager

Clients who instruct others to trade on their account do so entirely at their own risk. AxiTrader accepts no liability for any losses that may be incurred as a result of it following the clients wishes and allowing or facilitating such actions.

It is the client's sole responsibility to ensure they have carried out due diligence on anyone they allow to trade on their account. If a Money Manager appears to have an association with AxiTrader then this should not be taken as an endorsement.

The client accepts that they are entering into an independent commercial arrangement with a third party for which AxiTrader is not liable or responsible.

Communication Networks

When using the Trading Platform transactions are conducted over the internet. Clients are therefore exposed to the operational risks associated with transmitting instructions over communication networks. This includes but may not be limited to:

- Reliability and stability of local and international communication connections;
- Reliability and stability of Clients' own personal computer or internet connection.

Trading Platform

There are operational risks associated with any trading platform and any disruption to our Trading Platform may mean that you will be unable to trade in the Product with us when desired. Accordingly, you may suffer a loss as a result caused by a delay in our operational processes such as communications, computers, computer networks, software or external events that cause delays in the execution of a transaction. We do not accept or bear any liability whatsoever in relation to the operation of the Trading Platform, except to the extent that it is caused by fraud or dishonesty on our part or on the part of our employees.

We reserve the right in unforeseen and extreme market situations to suspend the operation of our Trading Platform or any part or section of it. In such an event, we may, at our sole discretion, and under the Client Agreement, with or without notice, close out your open Contracts at prices we consider fair and reasonable at such time.

In the event of a technical issue we provide 24hr telephone support when the markets are open.

7. HOLDING YOUR MONEY

7.1 TRUST ACCOUNT

All retail client funds which are deposited with AxiTrader are held in segregated bank accounts, which are held in trust, in full accordance with the FCA Client Money Rules.

When you place an opening trade utilising some or all of those funds in initial margin, that margin will still be held in that segregated account.

If you close a trade which results in a loss, then those funds will be removed from the segregated account by AxiTrader. Similarly, if you close a trade that results in a profit then AxiTrader will deposit those funds into the segregated account.

AxiTrader will also transfer funds to and from the segregated account which it requires to maintain your open positions in the form of daily profits or losses on open positions.

Under the FCA Client Money Rules, client funds held by us will no longer be deemed client money when that money becomes ‘owed’ to us by the closing of a trade or bet that results in a loss.

At any time you may request all unutilised funds on your account to be repaid to you. If from the time of your request to the time that we process the request the value of any open positions has moved such that you no longer have the amount requested available then this will not be possible. We also reserve the right to withhold any payment if we feel that it may be required to meet future short- term payments.

AxiTrader reserves the right, in accordance with the FCA’s Clients Assets Sourcebook, to use part or all of a non-retail client’s funds, where this has been specifically pre agreed and a TTCA has been signed. These funds will at that time, from a legal standing, no longer be considered as client funds, will not be segregated and may be used by us in the course of our business, under the 'title transfer collateral arrangement'.

AxiTrader does not accept cash deposits. If anyone does deposit cash without prior agreement then AxiTrader reserves the right to confiscate these funds until the source of their origin can be confirmed, and the appropriate authorities will be informed.

We do not hold individual segregated accounts and your moneys will be co-mingled into one or more trust accounts with our other clients’ moneys.

7.2 WARNING ABOUT TRUST ACCOUNTS

It is important to note that our holding your moneys in one or more trust accounts may not afford you absolute protection.

The purpose of trust accounts is to segregate our clients’ money, including your moneys, from our own funds. However, an individual Client’s money is co-mingled into one or more segregated Client accounts.

Should there be a deficit in the segregated trust accounts and in the unlikely event that we become insolvent before the topping up of the segregated trust accounts in deficit, you will be an unsecured creditor in relation to the balance of the moneys owing to you.

7.3 FSCS

The Financial Services Compensation Scheme [FSCS] is an independent body set up under the Financial Services and Markets Act 2000 which came into operation in 2001. It is paid for by the firms that it represents and is free to the customers that they serve.

In the unlikely event that a financial institution or firm fails, which is regulated by the FCA in the United Kingdom, then the FSCS will step in and guarantee funds which clients may hold with that entity. The amount that the FSCS guarantee depends on the client and type of institution but for the FX/CFD sector Retail Clients and most Professional Clients are covered for up to £85,000 in the event of a default.

For further information, look at their website www.fscs.org.uk or contact them at:

Financial Services Compensation Scheme
PO Box 300, Mitcheldean. GL17 1DY
Tel: 0800 678 1100

Further information also available from the FCA: https://www.handbook.fca.org.uk/handbook/COMP/4/2.html

8. MARGINS AND MARGIN CALLS

8.1 MARGIN AND MARGIN CALLS

Margin FX Contracts and CFDs are subject to Margin Requirements, which it is your responsibility to meet to maintain your Positions.

There are two components of the Margin, which you may be required to pay in connection with Positions. These are the *Initial Margin* and *Variation Margin*.

8.2 INITIAL MARGIN

The Initial Margin is an amount of money, which is due from you at the time the Position is entered into. The Initial Margin is security to protect ourselves against possible market movements.

When you open a Position with us in Margin FX Contracts and CFDs you will need to have sufficient Free Equity in your Account to satisfy the Margin Requirement for that Position. Margin Requirements vary with each product and a list of them are set out in the AxiCorp Product Schedule available on our Website.

8.3 EXAMPLES OF MARGIN REQUIREMENTS

Examples of the calculation of the Margin Requirement for various types of CFDs follow. You should refer to the AxiCorp Product Schedule for the current Margin Requirements for each instrument.

Margin FX Margin Requirements

The Initial Margin requirement on the majority of Margin FX CFDs is between 1% to 5% of the notional value of your Position, depending on whether you are a Retail or Professional Client.

For Professional Clients who may have an account with leverage and lower margin requirements, Margin FX contracts are calculated in the base currency using a Forex formula that incorporates the account leverage factor as follows:

Margin Requirement = Contract Quantity x Contract Size / Account Leverage x Initial Margin factor

For example, to buy 300,000 EURUSD Margin FX (3 Standard Lot Contracts) with 1:200 account leverage and 1% Initial Margin.

The Margin Requirement would be calculated as follows:

3 x 100,000 x 1/200 x 1 Margin factor = EUR 1,500 Margin Requirement.

For a Retail Client this would be very different as there is no account leverage and the Margin Requirement is higher. So, in the same example the Margin Requirement would be calculated as follows:

3 x 100,000 x 3.33% = EUR 9,990

Cryptocurrency CFD Margin Requirements

For Professional Clients the Cryptocurrency CFD Initial Margin rates will be calculated by using two factors; your Account Leverage setting and the symbol's Standard Margin Rate. Your Margin Requirements can be calculated as follows:

Lot Volume x Contract Size x Contract Price / Account Leverage x Standard Margin factor

For example, to buy one Lot of Bitcoin BTCUSD Margin FX contracts at $10,000 with a 80% Standard Margin Rate, the Margin Requirements would be calculated as follows:

For a client with a Standard Account Leverage of 100:1 the margin requirement is calculated as

1 Lot x 1 Bitcoin x $10,000 price /100 leverage * 80 standard margin factor = USD 8,000

For a client with a higher Account Leverage of 400:1 the margin requirement is calculated as

1 Lot x 1 Bitcoin x $10,000 price /400 leverage * 80 standard margin factor = USD 2,000

For a Retail Client this would be very different as there is no account leverage. So, in the same example the Margin Requirement would be calculated as follows:

1 Lot x 1 Bitcoin x $10,000 price * 50% standard margin factor = USD 5,000

Bullion CFDs Margin Requirements

For Professional Clients the Initial Margin Requirement on Gold Bullion CFDs is generally 1% of the notional value of your Position. Margin Requirements on Bullion CFDs are calculated as follows:

Margin Requirement = (Contract Quantity X Contract Size X Contract Price) X Margin %

For example, to buy 100 ounces (1 Standard Contract) of XAUUSD Bullion CFDs at a price of USD 1220 the Margin Requirement would be calculated as follows:

(1 X 100 X 1220) X 1% = USD 1,220

For a Retail Client this would be very different as the Margin Requirement is higher. So, in the same example the Margin Requirement would be calculated as follows:

(1 X 100 X 1220) X 5% = USD 6,100

Commodity Future CFDs Margin Requirements

The Agricultural and Metal Future CFDs are calculated using the Standard Margin Rate. For Professional Clients your account leverage setting will not influence the margin requirement. Your Margin Requirements on Cash CFDs can be calculated as follows:

Lot Volume x Contract Size x Contract Price x Standard Margin percentage

For example, to one Lot of COCOA.fs CFDs trading at $2,000 with a 3% Standard Margin Rate, the Margin Requirements would be calculated as follows irrespective of Account Leverage settings:

1 Lot x 10 tonnes x $2,000 price * 3% standard margin = USD 600

For a Retail Client this would be very different as the Margin Requirement is higher. So, in the same example the Margin Requirement would be calculated as follows:

1 Lot x 10 tonnes x $2,000 price * 10% standard margin = USD 2,000

Index CFDs Margin Requirements

The Initial Margin Requirement for Index CFDs is generally 1% to 10% of the notional value of the Position depending on whether you are a Retail or Professional Client. Margin Requirements on Index CFDs can be calculated as follows:

Margin Requirement = (Contract Quantity X Contract Size X Contract Price) X Margin %

For example, to buy 10 AUS SPI 200 CFDs trading at 6,000, and the contract size of A$25, the Margin Requirement calculation would be as follows:

(10 X 25 X 6,000) X 1% = AUD 15,000

For a Retail Client this would be very different as the Margin Requirement is higher. So, in the same example the Margin Requirement would be calculated as follows:

(10 X 25 X 6,000) X 5% = AUD 75,000

Crude Oil CFDs Margin Requirements

For Professional Clients, Crude Oil CFDs Initial Margin rate will be calculated by using two factors; your Account Leverage setting and the symbol's Standard Margin Rate. For Retail Clients it will just be based on the Standard Margin rate which will be higher.

For Retail Clients the Margin Requirements can be calculated as follows:

Lot Volume x Contract Size x Contract Price x Standard Margin percentage

For example, to buy one Lot of USOIL CASH CFDs trading at $70.00 with a 10% Standard Margin Rate, where the contract size is 10 barrels, the Margin Requirements would be calculated as follows:

1 Lots x 10 barrels x $70.00 price * 10 standard margin percentage = USD 70.00

8.4 TOTAL EQUITY BALANCES

The Total Equity of your Account will fluctuate reflecting the money you have deposited in your Account, the dealings you have conducted and the Positions you hold.

Your Total Equity and Margin Requirements are revalued in line with movements in our prices.

Once a Position is opened, the Total Margin Requirement must always be maintained for the open Position(s). It is your responsibility to ensure that your Account is sufficiently funded at all times, especially during volatile trading periods.

To assist you, Total Equity and Free Equity together with Total Margin Requirement are available on the Trading Platform and are published in a daily statement.

You will only be allowed to withdraw funds up to the ledger balance in your Account. Clients must maintain a positive ledger balance (cleared funds) whilst ever transactions are open. You cannot withdraw funds from unrealized profits. Additionally, you will only be allowed to deal and maintain open Positions on the basis of Cleared Funds in your Account, not on promised funds or funds in transit.

8.5 PROFITS AND LOSSES

Profits made from your dealing activities increase the Total Equity in your Account. Losses made as a result of your dealing activities decrease the Total Equity balance on your Account, and therefore the Total Equity available for dealing in Margin FX Contracts and CFDs or holding Positions.

8.6 VARIATION MARGIN

The *Variation Margin* is an amount payable when a Position moves against you. Again, this amount is determined by us in our discretion and is intended to protect us against unrealised losses which you may have suffered.

The Variation Margin liability is incurred at the time of the occurrence of any movement in the market that results in an unrealised loss.

8.7 CHANGE TO MARGIN REQUIREMENTS

We may under the Client Agreement exercise our right to alter the Margin Requirements of any product at any time at our discretion.

Furthermore, if we determine that a Force Majeure Event (defined in the Client Agreement) exists then we may, without prejudice to any other rights under the Client Agreement and at our sole discretion, take any one or more of the steps outlined in the Client Agreement.

One of the steps that we may take is to increase the Margin Requirements from that specified up to 100%. Accordingly, in extreme cases, you should be prepared at any time to have funds equal to the notional value of your Margin FX Contract or CFD available to meet any increase in the Margin Requirements by us.

8.8 MONITORING MARGIN REQUIREMENTS

Clients are responsible for monitoring their margin requirements. Positions are revalued whilst markets are open and clients can monitor the requirements within the Trading Platform.

If the value of the Position moves against you, then you will be required to deposit additional funds (Variation Margin) and, if so, you will be subject to a Margin Call; i.e. to pay additional Margin or, alternatively, to close the Position in order to reduce your Initial Margin. In other words, you must maintain sufficient Free Equity in your Account in Cleared Funds to cover any increases in your Total Margin Requirement. If your Total Margin Requirement exceeds your Total Equity, your Account will be placed on Margin Call. If your Account reaches the Liquidation Level some or all of your Positions may be liquidated.

8.9 NOTIFICATION OF MARGIN CALL

When an Account has insufficient funds to satisfy the Total Margin Requirements a Margin Call is generated and sent to the email address provided by the client to AxiTrader. Clients are advised that they must maintain sufficient Free Equity to meet the Total Margin Requirement at all times. We are not obliged to allow time to forward funds to meet Margin Calls as markets can be volatile and AxiTrader may without notice, in its discretion, close out all or some Positions if the Margin Requirements are not satisfied. Whilst the

Account remains in deficit a Margin Call email will be sent every 30 minutes, although AxiTrader accepts no liability for this to be sent or received.

Clients are warned not to rely solely on AxiTrader issuing a Margin Call email. It is the Client's obligation to monitor Margin Requirements and ensure they maintain sufficient Free Equity to meet any potential adverse movement. We do not guarantee that Margin Calls will be made or received or that sufficient time will be available to forward monies to avoid suffering losses.

Derivatives can be highly volatile and consequently we can make Margin Calls at any time. It is your responsibility to monitor and manage your open Positions and exposures and ensure Margin Calls are met as required.

8.10 MARGIN CALLS WHERE SEVERAL POSITIONS ARE OPEN

Margin Calls will be made on a net account basis, i.e. should you have several open Positions Margin Calls are netted across all open transactions. In other words, the unrealised profits of one transaction can be used or applied as Initial Margins or Variation Margins to offset the unrealised losses of another transaction.

However, should a client have another account any Free Equity will not be taken into consideration when assessing Margin Requirements. In other words, each account is assessed individually and separately.

Note that any Free Equity in one account may be applied by AxiTrader to settle a deficit in another account.

8.11 MARGIN CALLS WHERE POSITIONS ARE HEDGED OR PARTIALLY HEDGED

Clients are permitted to have both long and short positions in the same instrument at the same time.

If you have hedged a position by placing a trade in the same market but in the opposite direction, then the net margin requirement for those two trades will be zero.

In addition, all open Contracts are revalued against the bid and offer respectively for the purpose of calculating Variation Margin. Due to the bid – offer spread Variation Margins will apply even though the net position may be hedged.

A widening of the Spread during periods of low liquidity or high volatility may mean that Variation Margins are significant. Where Free Equity is relatively small this may result in triggering the Liquidation Level causing all open Contracts to be closed.

Clients are reminded that all open Contracts are rolled independently and not on a net basis. This means that there is a net cost incurred when holding open offsetting open Contracts even when the net open position may be nil.

Consequently, Clients are advised to monitor Total Margin Requirements even when partially hedged.

8.12 PAYMENT OF MARGIN CALLS

As pointed out in section 8.8, if your open Positions move against you and your Free Equity balance falls below your Total Margin Requirement, your Account will be placed on Margin Call.

Restoring your Free Equity and satisfying your Margin Call obligations will require:

- closing or reducing one or more of your open Position(s) in order to reduce your Total Margin Requirement; and/or
- depositing additional funds into your Account in order to satisfy the Total Margin Requirement.

If you choose to deposit additional funds into your Account, these additional funds must be cleared funds before they will be treated as having satisfied your Margin Call obligations.

Once your Free Equity balance falls below your Total Margin Requirement, you may wish to consider whether to place a Stop Loss order. Section 5.7 in this PDS outlines the orders that you may place (including Stop Loss orders).

The placing of Stop Loss Orders is no guarantee that losses will be limited to the amounts that you may want, although Retail Client will be limited to losing the amount they have on deposit with AxiTrader. Refer to the Risk Warning in this PDS.

Once your Free Equity balance falls below your Total Margin Requirement, you may be restricted from dealing on your Account until your Free Equity balance meets or exceeds your Total Margin Requirement.

8.13 STOP LOSS

The addition of a stop loss to a position will not reduce or effect your margin requirement in any way.

8.14 TO MEET MARGIN CALLS

If you fail to meet any Margin Call, or where we do not have time to make a Margin Call, then we may in our absolute discretion and without creating an obligation to do so, close out, without notice, all or some of your open Positions (or transactions) and deduct the resulting realised loss from your account.

8.15 REVALUATION OF POSITIONS

Under the terms of the Client Agreement, we may in our discretion revalue open Positions to market to bring forward the payment of unrealised profits and losses on those Positions. We have the right to limit the size of your open Positions, whether on a net or gross basis under any appropriate circumstances as determined by us.

8.16 LIQUIDATION LEVEL

We will place a liquidation order for your open Position(s) when your Total Equity balance falls below the Liquidation Level or zero, whichever is the greater. At or below this Liquidation Level, we will liquidate some or all of your open Positions. However, for Professional Clients we do not represent or warrant that we will place such liquidation orders, that they will be executed, or that your open Positions will be closed out at any particular level.

The Liquidation Level is the ratio between Total Equity and Margin Requirement.

$$\text{Liquidation Level} = \frac{\text{Account Balance +/- Unrealised Profits}}{\text{Margin Requirement}}$$

The Liquidation Level is specified in the Product Schedule and within the Trading Platform. We may vary the Liquidation Level by providing details on the Website and in our Product Schedule or otherwise in accordance with the Client Agreement.

Note: The Liquidation Levels are different depending on the client classification. For Retail Clients this is set at 50% and for Professional Clients at 20%.

8.17 ORDER OF POSITION CLOSURE

In circumstances in which an Account becomes subject to forced closure (Liquidation) and there are open Contracts in a number of AxiTrader Products or multiple Contracts open in the same Product, Contracts will be closed according to the following rules:

- Contracts which are currently open and quoted by AxiTrader;
- The Contract with the largest loss will be closed first;
- Remaining contracts will be closed in descending order based on their losses.

For any open position in an AxiTrader Product closed for trading, suspended or halted the liquidation will be effected when trading resumes at the opening price quoted by AxiTrader should the Liquidation Level still be in breach.

9. FEES, COSTS AND CHARGES

9.1 GENERAL

The fees and charges when dealing in Margin FX Contracts and CFDs may incorporate any or all of the following:

- Margin Requirements;
- Swap and rollover charges or benefits at the AxiCorp Swap and Rollover Rates;
- Interest charges applied to debit balances in your Account;
- Exchange fees;
- Administration charges;
- Commissions;
- Spreads.

The Product Schedule sets out the current Commissions charged on Pro Accounts, the Margin Requirements and Administration Charges.

9.2 COMMISSIONS

Standard Trading Account

No commissions are usually charged by AxiCorp on transactions executed in our Standard Accounts, unless levied by third party introducers.

Our transaction fees are incorporated into the bid-offer spread for each Product (AxiCorp Spread). Because we deal as principal, the prices we offer you may not be the same as those in the underlying market and may be wider.

The price offered to you may depend upon a number of factors including transaction size, term of the Product, our business relationship with you, the prevailing underlying market rates and in the case of swaps and rollovers on the differing interest rates applicable to the currency pair involved in a margin foreign exchange transaction.

Pro Trading Account

Our commission on Pro Accounts pays for our clearing and aggregation costs, together with our cost of providing the service to you.

The Commissions are set out in the Product Schedule available on our Website and may be higher depending on any additional third party introducers fees.

9.3 SWAPS AND ROLLOVERS

In relation to Margin FX Contracts and CFD's a Swap Charge or Benefit may accrue daily for any open contracts as at the market close (5PM American EST (00:00 MT4 Server time Monday to Friday).

In relation to Future CFD's no daily Swap Charge or Benefit will accrue. However, for any Contracts open at the expiry date, a rollover charge or benefit will accrue. These rollovers occur every 1 or 3 months depending on the Underlying Instrument.

Rollovers when Positions are Hedged or Partially Hedged

Clients are permitted to have both long and short positions in the same instrument at the same time. However, Swap Costs apply.

All open Contracts are rolled independently and not on a net basis. This means that there is a net cost incurred when holding open offsetting open Contracts even when the net open position may be nil.

This may cause your free equity to fall as any swap charges accrue.

Margin FX Contracts & Swaps

Our swap rate for Margin FX Contracts is a variable rate that is dependent on the currency pair, the applicable swap rate in the interbank markets for the relevant dates, the size of the Position and the AxiCorp Spread that is applied at our discretion.

The interbank swap rate that is applied reflects the interest rate differential between the two currencies, the demand for funds in those currencies and the prevailing market conditions.

Example: If you hold a long Australian Dollar / US Dollar (AUD/USD) Position over End of Day and interest rates are higher in AUD than in USD, then you may receive a Swap Benefit at the AxiTrader Swap Rate. This is because you are long the high yielding currency. Conversely, if you were short AUD/USD in the above scenario then you may incur a Swap Charge at the AxiCorp Swap Rate. In circumstances where the two interest rates are near parity, almost equal to each other, a Swap Charge may be imposed for both Long and Short open Positions.

Bullion Swaps

The AxiCorp Rate for Bullion CFDs is a variable rate dependent on the applicable swap rate in the Underlying Instrument for the relevant dates, the size of the Position and the AxiCorp Spread that is applied at our discretion.

The Swap Charge or Benefit is calculated by multiplying the total notional value of the Position by the swap rate.

Example: In general, interest rates on United States Dollars are higher than Bullion lending rates. In this scenario, Long parties to a Bullion CFD would typically incur a daily Swap Charge for Contracts held over the market close. Conversely, Short parties to a Bullion CFD will typically receive a Swap benefit.

Future CFD Swaps

There is a cost incurred when rolling Future CFD contracts. The cost is equal to the value of the bid – offer spread in the AxiTrader Price.

Rollover arises when the Underlying Instrument of the AxiTrader Product is due for expiry and AxiTrader commences deriving its price from the next serial Futures contract. As the next serial Futures contract will trade at either a discount or premium to the expiring Futures contract the change in Underlying Instrument for revaluation purposes will cause a profit or loss on an AxiTrader account. The Swap Fee applied by AxiTrader adjusts for this revaluation but Contracts that are rolled do incur the cost of the bid – offer spread.

In order to minimise the bid – offer spread AxiTrader typically switches from using the front month to the next serial contract 1-2 trading days prior to the Underlying Instrument's last trading day when liquidity can be limited.

Example:

You are Long 10 AUS SPI200 Contracts at a price of 5,950.

The Underlying Instrument is the March ASX S&P200 and is due to expire when the June contract will become the Underlying Instrument.

The prevailing prices are set out below:

	AUS200 CFD	**March Future**	**June Future**
Pre-Rollover	5,919 – 23	5,920 – 22	5,935 – 37
After Rollover	5,934 – 38	5,920 - 22	5,935 – 37

Your long position is currently revalued at the AxiTrader bid of 5,919 and the unrealised profit is calculated as follows:

(Current Bid – Entry Price) x AUD25.00 x 10 Contracts

(5,919 – 5,950) x AUD25 x 10 = (AUD 7,750) Loss

When the AxiTrader Product is derived from the next serial contract the unrealised profit will be:

(5,934 – 5,950) x AUD25 x 10 = (AUD 4,000) Loss

Due to the change in revaluation the unrealised loss will be reduced by AUD 3,750.

To adjust for this revaluation, AxiTrader applies a swap charge using the following calculation:

(Opening Price New Contract – Closing Price Expiring Contract) x AUD25.00 x 10 Contracts

(5,937 – 5,920) x AUD25.00 x 10 Contracts = AUD 4,250 Debit

The net effect of the revaluation and swap adjustment is:

Revaluation – Swap Adjustment = AUD 3,750 – AUD 4,250 = (AUD 500) Loss

That is, the net cost is equal to the value of the bid – offer spread in the AxiTrader Price.

If you were the Short party to this contract in the same circumstances the revaluation would have resulted in a reduced unrealised profit. The rollover would be a positive amount to compensate for the revaluation effect and the net cost would again be equal to the bid – offer spread in the AxiTrader Price.

Rollovers typically occur on a quarterly basis for Commodity and Index Futures CFDs. However, the CAC40 is rolled on a monthly basis.

9.4 SETTLEMENT OF SWAP AND ROLLOVER CHARGES AND BENEFITS

The Rollover Fees are accrued in the swap value field of the open trade Position when performed daily and are included in the calculation of Free Equity. When the Position is closed the total Rollover Fees are debited from the Client Account in the Account Currency. In the event that there are insufficient funds in your Account the Fees will be debited and any balance due becomes a debt due and owing by you to us.

9.5 CONVERSION FEES

Profits or losses accumulated in your Account in currencies other than the Account Currency nominated by you will be converted to the nominated Account Currency, but at spreads that may be wider than those shown on the Trading Platform.

9.6 INTEREST CHARGES APPLIED TO BALANCES

If you fail to make any payment required under the Client Agreement when it falls due, interest will be charged on the outstanding sum at a rate of 5% per annum over the cash rate determined and published by the Bank of England. Interest accrues and is calculated daily on the outstanding sum from the date payment was due until the date the client pays in full and is compounded monthly

9.7 ADMINISTRATION CHARGES

Certain administrative fees and charges apply to our services. These may include:

- deposit and withdrawal fees;
- international remittance fees;
- duplicate statements and audit letter fees;
- debt collection or returned cheque fees.

9.8 ADMINISTRATION CHARGES

Certain administrative fees and charges apply to our services. These may include:

- deposit and withdrawal fees;
- international remittance fees;
- duplicate statements and audit letter fees;
- debt collection or returned cheque fees.

10. TAXATION

AxiTrader does not provide advice on taxation to any client and strongly suggests that all clients seek independent financial advice from a tax specialist if this is an area of concern to you.

As a general guide, for which AxiTrader accepts no liability for its accuracy, Contracts for Difference (CFDs) are liable for Capital Gains Tax under most countries laws, including the United Kingdom (which can change). This means profits may be taxable, but losses can be used to offset any profits and thus reduce your tax liability.

UK tax payers for example have a Capital Gains Tax [CGT] allowance for the tax year 2018/2019 which is £11,700, and any profits made over that amount are liable for tax of between 10% to 20% depending on your tax status. This CGT limit cannot be carried over to future years and is known as a ‘use it or lose it’ tax.

With Spread Betting, all profits generated for UK tax payers are free, although there can be exceptions to this if Spread Betting is your sole income. Losses cannot be used to offset anything however, so you need to consider the tax implications of whether a Spread Betting or CFD account suits your needs best.

11. CLIENT AGREEMENT

This PDS summarises many important elements of the Client Agreement. However, it is not a comprehensive description for the terms and conditions of the Agreement and you must read it in its entirety. Indeed, you should consider seeking legal advice before entering into the Client Agreement, as the terms and conditions contained in it are important and affect your dealings with us.

11.1 DISCRETIONS

Under the Client Agreement, we may exercise a variety of discretions. In exercising such discretions, we will act in accordance with the following:

a) we will have due regard to our commercial objectives, which include;

   (i) maintaining our reputation as a product issuer;

   (ii) responding to the market forces;

   (iii) managing all forms of risks, including, but not limited to operational risk and market risk; and

   (iv) complying with our legal obligations as a holder of a Financial Conduct Authority Licence;

b) we will act when necessary to protect our Position in relation to the Trade or event;

c) we will take into account the circumstances existing at the time and required by the relevant provision, and not take into account irrelevant or extraneous considerations or circumstances;

d) we may take into account your trading or investment experience; and

e) at all times, we will act reasonably, commercially and bona fide, and where required or appropriate provide you with prior notice before exercising that discretion.

12. REMUNERATION OF OUR ADVISORS AND THIRD PARTIES

12.1 REMUNERATION AND OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

Our employees who provide you with transaction execution may receive remuneration for the provision of these services. Our employees also receive salaries, performance-related bonuses and other benefits.

12.2 SHARING OF COMMISSIONS AND OTHER AMOUNTS

We may share charges or benefits with our associates or other third parties or receive remuneration from them in respect of transactions we enter into with you. We may share such amounts with introducing advisers and referrers for the introduction or referral of clients to us.

12.3 REFERRAL BENEFITS FOR OTHER SERVICES PROVIDERS

You may have been referred to us by a service provider who may receive financial or non-financial benefits from us. These should have been disclosed to you by the services provider in question. Please note that such benefits will not impact transaction fees, the rate you will be offered or deposits or instalments payable for financial Products or services undertaken with us.

13. COMPLAINTS AND DISPUTE RESOLUTION

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the Client Services team (by telephone or email). We will do our best to resolve the issue at the first point of contact. However, if we are unable to do so to your satisfaction you may refer the complaint to the Complaints Officer. We will investigate your complaint and provide you with our decision and the reasons on which it is based, in writing.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the **Financial Ombudsman Service (FOS)**, an approved external dispute resolution scheme, of which we are a member, using the contact details below.

You can contact FOS by any of the means listed below:

The Financial Ombudsman Service
Exchange Tower
London. E14 9SR
United Kingdom

Toll Free (UK):	0800 023 4567
Overseas:	+44 207 964 0500
Website:	www.fos.org.uk

14. PRIVACY POLICY

The information you provide to us upon application and in connection with your transactions will primarily be used for the processing of your application and for complying with certain laws and regulations. AxiTrader collects, maintains, uses and discloses personal information in the manner described in our Privacy Policy. Our Privacy Policy is available on our Website or by calling our Client Services team.

15. INTERPRETATION AND GLOSSARY

INTERPRETATION

1. The defined terms used in this PDS are capitalised and set out in this section.
2. If there is any conflict between the terms of this PDS and any Applicable Law, the Applicable Law will prevail.
3. In this PDS any reference to a person includes bodies corporate, unincorporated associations, partnerships and individuals.
4. In this PDS, all references to times of the day are to the time in London, United Kingdom, unless otherwise specified.
5. Headings, notes and examples in this PDS are for reference only and do not affect the construction of the Agreement.

In this PDS the following terms and expressions have, unless the context otherwise requires, the following meanings:

ACCOUNT	means the account(s) that has been opened by AxiTrader for the Client;
ACCOUNT CURRENCY	means the currency selected by you under the Client Agreement and which, in the absence of a selection will be USD dollars;
AML/CTF ACT	means any and all of the laws of the UK applicable in reference to Anti Money Laundering and Counter Terrorist Financing;
APPLICATION FORM	means the application form and account opening documentation completed by you and submitted to us whether electronically or in hard copy;
AXICORP OR AXITRADER	means AxiCorp Limited (Reg No: 06378544 + FCA No: 509746)
AXICORP PRODUCT SCHEDULE	means the list of Margin FX Contracts and CFDs which we hold ourselves out from time to time as willing to quote a price, as amended by us from time to time. The Product Schedule is available at www.axitrader.com;
AXICORP SPREAD	means the difference between the bid and offer prices of a Contract quoted from time to time by us and, where appropriate, expressed as a percentage of the relevant price;
AXITRADER PRODUCTS	means the financial products issued by AxiTrader;
AXICORP SWAP RATE OR OUR SWAP RATE	means the rate as we may determine from time to time having regard to the interbank swap for swaps;
BULLION CFDS	means a CFD whose value fluctuates by reference to the fluctuations in the Underlying Instrument which relate to gold or silver;
BUSINESS DAY	means: any day other than a Saturday, Sunday or public holiday on which banks are open for business in London, United Kingdom; (a) in the case of services relating to an Index to which Limited Hours Trading applies, any day on which the exchange on which the relevant security or each constituent security has its primary listing, or the exchange on which the Index operates, whichever is applicable, is open for trading, and will exclude any day on which all trading on the relevant exchange is closed or suspended; (b) in the case of services relating to an Index to which Limited Hours Trading does not apply, any day on which any relevant exchange is open for trading.
COMMODITY CFDS	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument relating to oil or gas;
CONTRACT	means any transaction entered into between us and you, whether oral or written, including any derivative, option, future, contract for difference or other transaction relating to the financial products issued by us;
CONTRACT PRICE	means the price we offer you to trade in our financial products from time to time and which is calculated by us according to the Client Agreement;

CURRENCY LEDGER BALANCE	upon realising your profit and loss for a Margin FX Contract or CFD Position denominated in a foreign currency you will hold a foreign currency balance in your Account that can be converted back to your Account Currency upon request (and which may be converted back to your Account Currency by us in certain circumstances as described in this PDS);
ELECTRONIC SERVICE	means a service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing system and including relevant software provided by us to enable you to use an electronic trading service;
EXCEPTIONAL MARKET CONDITIONS	means an exceptional market condition as we may in our reasonable opinion determine exists, including but not limited to, a Force Majeure Event;
EXPIRY DATE	means the day on which the Margin FX Contract or CFD expires;
FCA	The Financial Conduct Authority;
FORCE MAJEURE EVENT	means an event that is defined as a “Force majeure Event” in the Client Agreement’
FOREIGN CLIENT	means a Client who is a resident outside UK (based on the address in their Application Form or as notified by the Client to AxiCorp from time to time);
FOS	means the Financial Ombudsman Service;
FREE EQUITY	is your Total Equity less your Total Margin Requirement;
INDEX FUTURES CFD	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument, which is an Equity Index Futures Contract;
INIITIAL MARGIN	means, such percentage of the Contract Value as specified by us, and as amended by us under the Client Agreement from time to time;
LIMITED TRADING HOURS	means the ability of the Client to trade Margin FX Contracts and CFDs and (where available) as are designated by us from time to time under this Agreement only during such hours as the relevant exchange is open;
LIQUIDATION LEVEL	means the minimum Free Equity balance specified at section 7 of this document;
MARGIN	means the amount that you must have in your Account to enter into a Margin FX Contract with us;
MARGIN CALL	means a call on you normally made via the Trading Platform, requiring you to top up the amount of money you have in your Account as Margin in order to maintain your Margin Requirements where the market has moved against you, and where the additional payment is required in order to maintain your open Positions;
MARGIN CONTRACT	means any Contract, whether oral or written or concluded electronically entered into between you and us and includes Margin FX Contracts;
MARGIN FX CONTRACT	means a Contract between you and us for the taking of Positions in a foreign currency;
MARGIN REQUIREMENT	is the amount of Margin you are required to have in your Account from time to time in order to enter into a Margin FX Contract or CFD, or to maintain your Position/s;
MARKET ORDER	means an order placed to buy or sell a CFD at our current price;

MID PRICE	means the price at the mid-point between our bid and offer prices;
MINIMUM POINT INCREMENT	represents the minimum possible price change between two successive transaction prices permitted by us. The Minimum Point Increment can represent either an upward or downward movement in price;
MINIMUM TRADING SIZE	means such minimum Contract quantity or Contract value as we may specify on our Website from time to time for any type of Margin FX Contract or CFD;
NCA	National Crime Agency;
NEXT SERIAL FUTURES CONTRACT	means a futures contract of the same type as the futures contract which is the Underlying Instrument of the relevant CFD Contract, but with the Expiry Date being the next occurring Expiry Date;
NORMAL TRADING SIZE	means the minimum and maximum Contract quantity or Contract value that we reasonably consider appropriate, having regard if appropriate, to the normal market size for which prices are available in the Underlying Instrument;
PDS	means our product disclosure statement, including a supplementary and replacement product disclosure statement;
POSITION	means the long or short Position you have taken in your Margin FX Contract or CFD with us;
ROLLOVER BENEFIT	means the benefit you may receive where you have a short Index Future CFD or Commodity CFD held overnight and which is described in section 8 of this PDS.
ROLLOVER CHARGE	means a charge you may have to pay where you have a long Index Future CFD or Commodity CFD held overnight and which is described in section 8;
SWAP BENEFIT	means a benefit you may receive where you have a short Margin FX Contract or CFD - other than an Index Futures CFD or Commodity CFD – held overnight and which is described in section 8;
TOTAL EQUITY	means the aggregate of the current cash balance in your Account and your current unrealised profits and losses;
TOTAL MARGIN REQUIREMENT	means the sum of your Margin Requirements for all of your open Positions;
TRADING PLATFORM	means the trading platform in the Electronic Service we make available to you by which you may trade with us online in our Margin FX Contracts and CFDs;
UNDERLYING ENTITY	means an entity that is the issuer of an Underlying Instrument.
UNDERLYING INSTRUMENT	means the underlying asset, security, currency, commodity, futures contract or index, the reference to which the value of a Margin FX Contract or CFD is determined;
UNDERLYING MARKET	means the Underlying Market in which the Underlying Instrument is traded.
VARIATION MARGIN	means the unrealised profit or loss on an open position as calculated by AxiTrader and reported either in the Trading Platform or on a Statement;
WEBSITE	means the internet address www.axitrader.com and includes the Trading Platform.
WE/US	means AxiCorp Limited trading as AxiTrader.

16. EXAMPLES

Product: **EUR/USD FX**

Symbol: EURUSD

Trade Size: 0.01 Lots

Price: 1.1575

Contract Value: 100,000 EUR

Margin Required: 3.33%

Value per pip = $0.10 USD

Total Underlying Exposure = Trade Size * Price * Contract Value

= 0.01*100,000 EUR = $1000 EUR

Margin Required in your MT4 account; 3.33% of total underlying exposure

= 3.33% * 1000 EUR

= 33.3 EUR margin required for trading 0.01 lots of EURUSD

If your account is in USD, you need to convert 33.3 EUR to USD at 1.1575

= 33.3 EUR * 1.1575 = 38.55 USD.

Product: **West Texas Intermediate**

Symbol: WTI

Trade Size: 0.01 Lots

Price: 65.50

Contract Value: 1000 barrels

Margin Required: 10%

Total Underlying Exposure = Trade Size * Price * Contract Value

= 0.01*65.50*1000 = $655 USD

Margin Required in your MT4 account; 10% of total underlying exposure

= 10% * $655 USD

= $65.50 USD margin required for trading 0.01 lots of WTI.

Product: **Gold**

Symbol: XAUUSD

Trade Size: 0.01

Price: 1219.68

Contract Value: 100 ounces

Margin Required: 5%

Total Underlying Exposure = Trade Size * Price * Contract Value

= 0.01*1219.68*100

= $1,219.68 USD

Margin Required in your MT4 account; 1% of total underlying exposure

= 5% * $1,219.68 USD

= $60.98 USD margin required for trading 0.01 lots of Gold.

Value per point = $1

If your trading account currency is based in GBP, you will need to convert the margin requirement into GBP, per the below.

You need to convert the USD margin requirement into GBP;

GBP/USD FX Rate = 1.3505

You must use the inverse in this instance: 1/1.3505 = 0.7405

Margin required = $60.98 USD * 0.7405 = £45.16

Risk Warning

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **70% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.