



## Margin Call Policy

TradeDirect365 has produced this policy document to highlight our margining practices.

To open a CFD or Spread Trading transaction with us, rather than pay the full contract value for acquiring the underlying instrument, we deduct margin from the cash balance of your account. Margin is calculated in the currency of the underlying instrument.

## Initial Margin Requirement (IMR)

The amount of margin required to open a position is referred to as the initial margin requirement (IMR). The IMR for each CFD/Spread Trading Product is set out in the market information sheets which are available on request.

The IMR is a percentage of the contract value. This varies by CFD/Spread Trading product and is set in relation to the perceived volatility and liquidity of the CFD/Spread Trading product. Every opening trade requires you to hold sufficient available funds on your account to meet the IMR for the particular transaction.

You are not able to open a CFD/Spread Trading transaction unless you have sufficient trading resources to meet the IMR. CFD/Spread Trading transaction requests are not part filled.

## The Margin Process

You are responsible for monitoring the margin required to maintain positions at any one time. The platform uses an automated risk management system to control client liability. This policy works as a margin call policy.

If the cash on your account and the value of your positions falls below the margin required on your account, you will be required to fund the shortfall. In such circumstances the amount that you would have to pay would be sufficient to ensure that you have covered the margin required to maintain all the positions on your account.

We may contact you to inform you that you are required to make an additional margin payment, otherwise known as a margin call, but we are not obligated to do so. Our failure to contact you and inform you of a margin call in no way negates your obligation to monitor your positions and pay any margin shortfalls when necessary.

As per the client agreement, we have the right to close out your Open Positions when the equity on your Account [Cash Balance + Open Position P&L (+ Credit where applicable)] falls below a level which we consider detrimental to your ability to trade, and in any event we will close your Open Position(s) where it falls below 100% of the Margin required to support those Open Positions. It is important to note that all Open Positions maybe closed out when the Margin level is breached in any sequence that we reasonably determine.