



TRILT Limited

CySEC licensed Number 254/14

LEVERAGE AND MARGIN POLICY

August 2018



LEVERAGE AND MARGIN POLICY

This Leverage and Margin Policy is effective from 1/8/2018 after relevant approval from the Board of Directors of the Company. This Policy forms an integral part of the Company's Policies and Operation's Manuals and shall be reviewed at least on an annual basis and updated accordingly.

Trilt Limited ("Trilt") is a regulated investment services firm, authorized in the conduct of its activities by the Cyprus Securities and Exchange Commission ("CySEC") under license number 254/14. Trilt is located at 51 Omonoias, office 201-202, 3052 Limassol, Cyprus.

TRI Leading Trader is a global brand and trade mark used by Trilt.

Trilt has the sole and exclusive use of the domain www.trilt.com.

The Company reserves the right to amend or supplement this Policy at any time. This Policy does not replace our Investment Services Agreement (Terms and Conditions of Trading) which we ask that you read carefully before you enter into any trading. The prevailing version of this Policy is always available on our website www.trilt.com.

This Policy sets out how we set Leverage and Margin levels and procedures with respect to our clients' trading with Trilt Limited. You must read this Policy carefully before you enter into any trading with us. If any terms of this Policy are unclear to you, you should seek independent legal advice. Please contact us by using our live chat or email support@trilt.com.

Risk Warning: Contracts for Difference ('CFDs') are complex financial products, highly speculative and carry a high level of risk that may not be suitable for all investors. Traders of CFDs do not own, or have any rights to, the underlying assets. You may sustain a loss of some or all of your invested capital; therefore, you should not speculate with capital that you cannot afford to lose. CFDs are marginal products with leverage, and may result in the loss of your entire deposits. Past performance does not constitute a reliable indicator of future results. Future forecasts do not constitute a reliable indicator of future performance. Before deciding to trade, you should be made aware of the risks associated with Contracts for Difference and seek advice from an independent and suitably licensed financial advisor. TRI Leading Trader will under no circumstances be liable to any person or entity for any losses in whole or part caused by or related to CFD's. By trading with TRI Leading Trader you accept that you are trading at your own risk. For further explanation of the risks involved you are advised to read carefully of Risk Disclosure and Warnings Notice [Risk Disclosure](#).



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1. INTRODUCTION

Triit Limited (“Triit”, the “Company”, “we” or “us”) is a Cyprus Investment Firm licensed and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under license number 254/14.

2. SCOPE

This Leverage and Margin Policy (the “Policy”) sets out how we set leverage and margin levels and procedures when you trade in Contracts of Difference (“CFDs”) with us. To see a full list of the CFDs we offer, please refer to our web site www.triit.com (Trading tools/spreads and swap).

The Policy explains the key aspects of leverage trading with margin and what leverage levels we make available depending on your knowledge and experience and regulatory requirements. It also outlines the impact on your margin and account where negative market movements occur.

3. APPLICABILITY

This Policy applies to Triit’s execution of orders on behalf of Retail clients and Professional clients according to the Regulations, as defined below. It does not apply to you if you are an Eligible Counterparty as defined under the Regulations.

4. OUR COMMITMENT

Triit provide investment services to clients fairly, professionally and act honesty for the best interest of its clients.

In relation to Leverage and Margin, we are required:

- a) To set leverage levels that reflect your needs, financial situation, risk tolerance, knowledge and experience in trading in complex financial instruments like CFDs given that trading with leverage and margin is a key characteristic of trading in CFDs;
- b) To treat you fairly by avoiding aggressive leverage practices towards you;
- c) To ensure that those financial instruments, on which the CFD is based, are designed to meet your needs and the strategy for distribution is compatible with the target market. We take reasonable steps to assess the financial instruments historic volatility, liquidity and trading volumes, and the general political and economic environment. We adjust and calibrate the above variables in determining the leverage levels we offer for asset classes or financial instruments.
- d) Given that we effectively provide the leverage for which you trade, to have regard to our own risk management appetite and risk bearing capacity and to have in place policies, procedures and practices to manage our (primarily) market risk emanating from such leverage and margin trading by our clients;
- e) To apply regulatory requirements and caps as set by our regulator.



5. LEGAL FRAMEWORK

This Policy is issued pursuant to, and in compliance with the requirements of EU Directive 2004/39/EC of 21 April 2004 on Markets in Financial Instruments (“MiFID”) and the Investment Services and Activities and Regulated Markets Law of the Republic of Cyprus which transposed MiFID into Cyprus legislation.

Furthermore, this Policy complies with Circular 168 of CySEC issued pursuant to the Questions and Answers Document of the European Securities and Markets Authority (“ESMA”) issued on 11 October 2016 with reference ESMA/2016/1454 with respect to the provision of CFDs and other speculative products to retail investors under MiFID.

In this Policy, we collectively refer to all the above legislations, regulations and guidelines as “Regulations”. This Policy has been approved by our Board of Directors.

6. LEVERAGE RATIOS FOR DIFFERENT ASSET CLASSES/FINANCIAL INSTRUMENTS/CLIENTS CATEGORIES

We enable you to trade CFDs via MT4 desk top and mobile trading platforms.

For retail clients, a lower leverage limit by default level of 1:30 applies, unless the retail client has opted to change this default level to a different leverage ratio and we are satisfied with the retail client’s knowledge and experience in trading in complex financial instruments like CFDs. In general, we internally classify Retail Clients as follows:

1. Experienced Retail Clients: Clients that pass our Appropriateness test, demonstrating satisfactory knowledge and experience in trading in complex financial instruments like CFDs;

Experienced Retail Clients have the choice, to change the leverage ratios they trade with to 1:30, 1:50, 1:100 or 1:200 subject to the caps that we may apply based on our internal principles of risk appetite and tolerance. We reserve the right to introduce additional leverage levels.

2. Less Experienced Retail Clients: For clients that have less knowledge and experience in trading in complex financial instruments like CFDs, their trading is enabled after they receive extensive risk warnings which they acknowledge, accept and consent to.

Note that certain jurisdictions apply a cap on leverage ratios irrespective of any retail client categorization into Experienced or Less Experienced. In case of any conflict with the provisions of the Investment Services Agreement and Leverage and Margin Policy, local jurisdiction legislation prevails.

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



Asset Class	Examples of financial instruments in the specific	Leverage ratios*	
		ECN RETAIL	ECN PROZERO/PROONE
Foreign Exchange ("FX") Major pairs	EUR/USD, GBP/USD, USD/JPY	Up to 1:30	Up to 1:200
Foreign Exchange ("FX") Minor pairs and exotics	AUD/CAD, EUR/AUD, EUR/CHF	Up to 1:20	Up to 1:200
Commodities	Crude Oil; Silver; Gold; Platinum	Up to 1:10	Up to 1:100
Indices (including Cash Indices)	Dow Jones; FTSE 100; DAX 30	Up to 1:10	Up to 1:100

*Applicable as at the date of this Policy. Leverages are applied on an asset class basis or on any other basis or per financial instrument or per client category as we may determine at our discretion and are subject to change with or without notice to reflect market conditions.

The applicable leverage ratios and margins at any point in time can be found a home page and under section Trading Tools "Spreads & Swap".

CySEC prescribes a minimum default leverage ratio of maximum 1:30. Regulatory caps may also exist in other jurisdictions, for example Poland, as noted above.

We reserve the right to reduce leverage ratios for CFDs in financial instruments that maybe the subject of actual or anticipated corporate actions, with or without notice to you, in order to address likely market and financial instrument volatility. Where possible we will give you 5 business days' notice of such change so as to enable you to take the action you consider appropriate.

7. LEVERAGE TRADING AND MARGIN DEFINITIONS

7.1. What is Leveraged Trading?

Trading on leveraged capital means that you can trade amounts significantly higher than the funds you invest, which only serve as the margin. High leverage can significantly increase the potential return, but it can also significantly increase potential losses. Please see below an explanation on our "Negative Balance Protection" where we guarantee that you cannot lose more funds than what you have invested. The leverage is specified as a ratio, such as 1:30, 1:50, 1:100 or 1:200 and we reserve the right to introduce additional leverage levels.

This means that you, as our client, can trade with amounts many times higher than you could invest in a particular CFD without the margin we provide.

Sometimes the Leverage is expressed in percentage terms – and referred to as Margin requirement.



For example, a leverage of 1:100 is a margin requirement of 1%.

Example: If the leverage is 1:200 and if you as our client have \$1,000 in your account, it means that you can now open trades worth \$200,000.

7.2. What is a Spread?

The spread is the difference between the Bid price (selling price) and the Ask price (buying price) of the CFD.

Example: If the quote for the EUR/USD pair is 1.18000 against 1.18030, then the spread is 3 pips.

7.3. What is Initial/Required Margin?

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

Required Margin or Margin Requirement refers to the amount you need in order to open and maintain a position, in addition to the initial loss that will occur due to the spread.

The margin requirement for gold and silver is calculated like this: Lots * Contract Size * Market Price / Leverage. The result will be in USD, which will be converted into the base currency of your trading account (in case it is other than USD).

We may modify the Margin requirements applicable to any new (but not existing) positions of our customers for the purpose, inter alia, of preventing abusive trading and managing our market exposure in the following circumstances:

We may change the Margin requirements applicable to any positions opened less than 1 (one) hour before the closing of the market of the underlying Financial Instrument (or other instrument) of the CFDs;

We may change the Margin requirements applicable to any positions opened less than 1 (one) hour after the opening of the market of the underlying Financial Instrument (or other instrument) of the CFDs;

We may change the Margin requirements applicable to any positions opened less than 1 (one) before and after any schedule earnings reports or announcements by the issuers of the underlying Financial Instrument (or other instrument) of the CFDs; and effect changes in Margin when is necessary to control our total market exposure.

Notwithstanding the above, we reserve the right to alter the timeframes for Margin changes stipulated above in the event of unforeseen changes in the market conditions or where it is otherwise necessary to prevent abusive or manipulative trading. You are advised to monitor our



Electronic Trading Platforms and the Website for up-to-date information regarding the Margin requirements.

7.4. What is Equity?

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

7.5. Introduction to Margin Level

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

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

- a) Closing or hedging some of your open positions.
- b) Depositing more funds that can help in averaging down your position.

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

What is Free Margin?

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

What is Maintenance Margin?

Maintenance Margin refers to the minimum equity you need to have in order to keep your positions open. This is also commonly referred to as “maintenance requirement” or “minimum maintenance” and is the same as the Close Out we refer to above. At Trilt, the Maintenance Margin is currently 50%.

If your Maintenance Margin reaches 50%, your positions will start to liquidate starting from the position with the highest losses.

Example: You have an open position on EUR/USD with used margin of \$400. Your Balance is \$10,000 and your Equity \$800. This means that your maintenance margin is at 200% (Equity of \$800 divided by Margin used of \$400). If your floating loss reaches \$9,700 this means that your equity will become \$300. Therefore your maintenance margin will be $200/400 = 50\%$ and a Margin Close Out will take place only



when the maintenance Margin reaches 50%, your positions will start to liquidate starting from the position with the highest losses.

What is Used Margin?

Used Margin indicates the sum of margin being used by your current open positions. It is calculated by adding the initial margins of all your open positions.

Example: You open a position of 0.10 lots EUR/USD at 1.18609. Let's say the initial margin requirement is 0.25% (i.e. a leverage of 1:400). The margin used for your position is calculated as follows: $(1.18609 * 10000) / 200 = 59.30$

What is Margin Level?

A margin level is calculated by dividing the current Equity and the Used Margin.

Margin level % = (Equity / Used Margin) * 100

The margin requirement is specific for each asset class/instrument and can be found [here](#). Please note that we reserve the right to change at our sole discretion the margin requirements without prior notification to you, based on actual or expected (in our opinion) market volatility or our view of market conditions in general.

Our Margin Call Policy

We advise you that it's your sole responsibility to monitor the margin level of your positions in real-time via your web trading platform or your mobile/tablet app.

If you are a Trilt's MT4 desktop / Mobile Trader platform client, in the event that the value of your positions falls below 100% of the Initial Margin requirement, **we will not send you an email and/or any other notification.** In case you receive a notification it acts as an early warning of the performance of your open positions with us. Please note that this is an additional service that may offered from us to you and does not create any obligation or responsibility on us, for either the performance of your trading account, or for notifying you of the current margin level and the action that you may wish to take. Note that if you are an MT4 client, you will not be receiving any specific notifications at the 100% level. Please therefore monitor the performance of your positions on an ongoing basis and take the action you consider appropriate.

As mentioned above, the **50% margin level is the minimum margin** you need to maintain for an open position. We reserve the right to change this minimum margin level at our discretion in anticipation of evolving market conditions.

Should your equity fall below the minimum margin level of 50%, then we reserve the right to liquidate all or a part of your open trades and close any open positions at our discretion, until your account equity rises above the 30% margin level. **We will liquidate positions starting from the position with the highest loss.**



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

8. NEGATIVE BALANCE PROTECTION

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

9. EXECUTION OF ORDERS AND CONFLICT OF INTEREST

In line with our culture and policy of treating customers fairly, we hereby remind you that for the financial instruments that are provided for TRILT, TRILT will act as the Client's agent and will execute these orders on the Clients behalf. The Execution Venue employed by TRILT for the Purpose of executing the Client's orders is AMB Prime Ltd.

Please refer to our Conflict of Interest Policy for further details which is found at our website www.trilt.com and section 'Legal'.

10. OFFERING CFDs

CFDs are not eligible for sale in some jurisdictions or countries and the company does not provide services to the citizens of these jurisdictions. The Policy does not constitute an offer, invitation or solicitation to buy or sell CFDs.

11. OFFICIAL LANGUAGE

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

12. QUERRIES

For any further queries regarding this Policy, please contact our Customer Support Team through the Contact Us at our web site www.trilt.com or via Live Chat.