



## Pricing and fees

Trading incurs certain costs. This document outlines various fees, charges and other important information relevant to the service that we provide to you.

The most up to date and accurate information on charges and fees can be found in the Market Information Sheets available on our trading platform.

If you are uncertain about any of these charges, please do not hesitate to contact our Client Services team.

### Contract Details

#### Where can I find the contract details for CFD/FX markets?

On our trading platform. You can find the minimum and maximum contract sizes, margin factor, commissions and expiry dates in the Market Information sheets for each market.

### Spreads

#### What is a spread?

When a price for a market is quoted, you will see two prices. The first price, known as the bid, is the sell price. The second price is the buy price, known as the offer. The difference between the sell and buy price is called the spread.

#### Fixed and variable spreads

City Index may offer both fixed and variable spreads, depending on the market you want to trade.

Fixed spreads don't change according to market conditions such as volatility or liquidity. Fixed spreads may either be offered for a defined period of the day, or throughout trading hours.

Variable spreads may fluctuate throughout the day according to different factors such as underlying liquidity or market volatility. With variable spreads, City Index will quote you the minimum spread possible, plus an average spread for a defined historical period of time.

You can view the spreads for individual markets in the Market Information sheets on your trading platform.

### Margin and Leverage



### What is margin?

Margin is the amount of money you need to deposit with us in order to place a trade and maintain that position. When you place the trade, you must have enough Net Equity (cash and unrealised Profit & Loss) in your account to pay the margin requirement for that trade and the commission (if applicable) and/or any charges including the spread.

### What is leverage?

Leverage is expressed as the ratio of a traded contract versus the margin/deposit required to hold that contract. For example, a trade with leverage of 50:1 would require 2 units of margin for every 100 units of the traded consideration (equal to 2% margin). Likewise leverage of 20:1 is equal to 5% margin factor.

### What is the margin level for each market?

Our margin requirements differ according to market, asset class and position size. You can find out the specific margin of each instrument in the Market Information sheet on your trading platform. To calculate the amount of funds required to cover the margin requirement when you open a trade, simply multiply the total notional value of your trade (stake x price of instrument) by the margin factor.

For example, DBS share's margin requirement is 10%. The current buy price of DBS is \$15 and you wish to buy 100 DBS CFDs. The total value of the position is \$1500 (100 x \$15). The initial margin to open the trade would be \$150 (\$1500 x 10%).

With City Index's Advantage Trader platform, you can calculate your margin before placing a trade through the platform's margin calculator, monitor each position's margin requirement separately or review your account's total margin requirement through the "margin level indicator".

**Margin requirements for large trade sizes** The larger the trade size, the higher the risk level associated with the trade. Therefore, we may increase our margin requirements for larger size trades or any additional trades in that instrument.

To do this, City Index increases the size of the margin requirement at specific levels, known as 'step margin levels'.

For example, in Company ABC

CFD stake size	Margin
0-10,000	10%
10,000-50,000	15%
50,000+	20%



If you were to place a trade of 10,000 CFDs in Company ABC you would be charged an initial margin of 10%. If you were to place an additional 5,000 CFDs in the same market, the 5,000 CFDs will be charged at 15% margin.

### **Order-aware margining**

Some markets on the City Index platform benefit from orders-aware margining, which means that placing a stop loss order on an open position will reduce the margin required to maintain that position. Information on whether a market includes orders-aware margining can be found within the market information sheet, however this can only be utilised on the first initial step margin.

It is possible to reduce your margin requirement if a stop loss is placed. When placing a stop, the margin requirement is calculated based on the distance the stop is away from the current price, and you can use the margin calculator in platform to view the margin that is applicable for the trade you wish to set up.

### **Margins for hedging**

Hedging margins are set to the 'longest leg' whereby you will be charged margin for the longer portion of the hedge trade, and nothing for the shorter leg.

For example, you are trading CFDs and have two open Wall Street positions, originally selling a quantity of 10 and then buying a quantity of 5. In this case, you would only be charged margin for the original, larger side of the trade, the Wall Street short 10 position.

### **Margin Close Outs**

#### **What is a margin close out?**

If your margin level is at or below the Margin close out (MCO) level, we may close some or all of your open positions immediately and without notice at the next available price; this is to protect you from possibly incurring further losses. Margin level is the net equity (the sum of your cash and unrealised profit/loss) to total margin requirement, expressed as a percentage.

We strongly recommend that you monitor your margin level carefully, as you should not expect to receive a margin call or warning prior to closure. The Margin Level Indicator on the trading platform makes monitoring your margin level very easy.

For both CFD trading accounts and MetaTrader accounts, we operate a 'Largest Loser' liquidation methodology, whereby we will close the position carrying the largest unrealised loss first. If required, this will be followed by the second largest, third largest and so on until your Margin Level moves back above the required minimum amount.

### **Margin close out levels**



Margin close out levels vary by account type. If your account offers shares, then your MCO will be 50% of your entire margin requirement. If it does not offer shares your MCO will be 100%. If your margin level is at or below your MCO level, some or all of your open positions will be closed in order to protect you from incurring further losses.

## **Overnight Financing**

### **What are financing charges?**

Overnight financing charges may be applied to positions that have no set expiry date. As with our low commissions and tight spreads, these charges are competitive in order to keep your trading costs low. Under normal circumstances, long positions will incur a financing charge whilst short positions will be credited overnight financing charges. You are charged overnight financing on the total value of your positions, and competitive rates are applied across all of our markets to ensure financing costs are kept to a minimum.

### **FX overnight financing charge**

City Index use swap points to calculate the daily overnight financing adjustment amount for FX pairs. Note that on positions held overnight on Wednesdays, 3 days are charged to cover financing over the weekend.

We run an end of day process, where all positions held open during that time will be debited/credited. Clients who hold long positions will be credited/debited by  $-1 \times$  notional amount  $\times$  swap points unit quote currency while short positions will be debited/credited by notional amount  $\times$  swap points in unit quote currency.

For EUR/USD, if swap rates were 0.817/1.28, on a long position of €10,000 you would be charged \$1.28 to hold the position overnight. If you were to sell EUR/USD for €10,000, you would receive \$0.82 overnight. These amounts are then converted back into your base currency.

### **Non-FX overnight financing charges**

Financing charges for position which remain open at our market close are calculated using the following formula:

$F = V \times I / b$ , where:

F = Daily Financing Fee

V = value of equivalent (quantity  $\times$  end of day closing price)

I = applicable Financing Rate

b = day basis for currency (365 for GBP, HKD and AUD, 360 for all other currencies)



The daily financing fee will be applied to your account each day that you hold an open position (including weekend days). The financing rates are set at benchmark regional interest rate +/- 2.5%.

### Hedged financing

If you have a hedged position open overnight, you will be charged overnight financing on both sides of the trade.

### Funding/Withdrawal Fees

We charge 2% on funding via credit and debit cards. We do not charge on funding via bank transfers. However, foreign currency funding (other than SGD) may incur charges from your bank.

We do not charge any fees for withdrawals. Foreign currency withdrawals (other than SGD) may incur charges from your bank. For all telegraphic transfers overseas, all charges will be borne by you.

### Commissions

City Index does not charge any commissions on CFD or FX markets, with the exception of Equity CFDs and Exchange Traded Funds CFDs.

Refer to commission rates below:

Market	Commission Rate*	Min Commission Fee*
UK Shares	0.10%	£15
US Shares	US 1.5 cents p/share	US\$15
Euro Shares	0.10%	€25
Australian Shares	0.08%	AUD 5
Hong Kong Shares	0.15%	HKD 15
Japanese Shares	0.05%	JPY 1,000
Singapore Shares (SGD)	0.08%	SGD 10
Singapore Shares (USD)	US 1.5 cents p/share	US\$15 for US\$ denominated stocks

Details on commissions for each individual equity can be found within the Market Information sheets on the City Index platform.



## **Dividend Adjustments**

Equity CFDs, like the stocks that underlay them, are subject to corporate actions including dividend adjustments. We may make dividend adjustments if a dividend is scheduled to be paid to the holders of the Underlying Instrument. These adjustments are normally made on the ex-dividend date. Long Positions receive dividend adjustments net of tax, whereas short positions are charged the dividend amount. This is to reflect the fact that the underlying market will (everything else being equal) open at a lower level on this date as the market goes ex-dividend.

## **Back to Base Currency Conversion Charges**

### **What is back to base currency conversion?**

Back to Base automatically converts any realised profits and losses, adjustments, fees and charges that are denominated in another currency, back to the base currency of your account before applying them to your account.

If your Base Currency is Singapore Dollar and you place a CFD trade on the Wall Street Index, as the Wall Street Index is a US dollar denominated market, your profits or losses, as well as any additional charges when applicable (such as commission, financing, dividends, corporate actions etc.) will be denominated in US dollars. Back to Base (Currency Conversion) means that all of your realised profits and losses, adjustments, fees and charges will be automatically converted back to your Base Currency, which in this example, would be Singapore Dollar. We will always apply commercially reasonable rates for Back to Base (Currency Conversions). Conversions and the rates applied will be disclosed on your contract notes and statements.

## **Orders**

Risk management plays an important part in determining your trading success and should be a key part of your trading strategy. We provide an extensive range of order types to help you limit your losses without capping your profit potential.

Risk-management orders are trading tools that can be used to open, close, or amend your trading positions at specific prices dictated by you. An order is an instruction to execute a trade when the price of a market reaches a trigger value set by you. Orders can help you to be flexible with your trading decisions. They can also be used to support a range of different trading strategies.

### **Limit Order**

A limit order is an order to buy or sell at a specified price. Limit orders can be used to enter or exit a position. A buy limit order can only be executed at the limit price or lower, and a sell limit order can only be executed at the limit price or higher.



## **Stop Order**

A stop order is an order to buy or sell at a specified price that is less advantageous to you than the level at the time of placing the order. When the price is reached, the stop order becomes a market order and it will be executed at the next available price. As such, your stop order could be executed at a less favourable price than your stop level, especially when the market gaps or where the market is illiquid.

## **What is market gapping and slippage?**

Market gapping occurs when prices literally 'gap' between one price and the next, without trading at the prices in between- usually in times of extreme market volatility. A standard stop loss order doesn't fully protect your trading risk. A stop loss order is set at your specified price which, when reached, automatically triggers an order to close your position. The closing trade is executed at the next available price immediately after the order is triggered. This can be at the same price, a better or a worse price than the specified execution level. In cases of severe gapping, the execution price may be at a worse price than your order price.

## **Guaranteed stop-loss orders (GSLO)**

Guaranteed stop-loss orders close your position at a level you dictate, if the market moves to or beyond that point. It is guaranteed even if there is gapping in the market.

Guaranteed stop-loss orders are useful if you are trading in volatile markets. They can be used if you do not want to risk an amount more than the funds you have in your account or if the market is prone to gapping.

There is a charge for placing a Guaranteed stop-loss order (known as a premium). This is only charged if the stop is triggered.

Guaranteed stop-loss orders are not available on all markets. You can find information on charges and available markets in the Market Information sheets on the trading platform.

Guaranteed stop-loss orders are not available on the MT4 platform.

You can amend Guaranteed stop-loss orders without additional charges during trading hours only. Order levels must be a minimum distance above and below the current quoted price.

## **Example of how Guaranteed Stop loss Order works:**

You are long stock 'A' at \$3 with a Guaranteed stop-loss order placed at \$2. Stock 'A' closes at \$2.5 on Tuesday. On Wednesday, the company announces disastrous results before the market opens. This means when trading hours begin, stock 'A' prices open at \$1.5, much lower than the previous close. If you had placed a standard stop-loss order, the trade would have automatically closed at \$1.5. However, as the stop-loss was guaranteed, the trade is automatically closed at the specified \$2.



### **Price Tolerance**

Price Tolerance is the price level within which our trading platform may execute your trade immediately even if at the time of execution, the price has moved away from that specified by you. Those markets where price tolerance applies will have default tolerance levels set, but they may be altered by you on the trading platform.

If you don't want any slippage in execution price, you can manually set your Price Tolerance level to '0' for each market. This will mean that if we receive a trade request and the price is different, the trade will be rejected, and a new trade must be requested. If you want to change your Price Tolerance level, you can do so by amending the Tolerance levels set within the Market Information for each market affected by Price Tolerance.

### **Inactivity Fees**

Where no activity has occurred on your account(s) for a period of 24 months or more, your account(s) will be deemed inactive. 'Activity' is defined as placing a trade and/or maintaining an open position during this period. Placing an order on an account without executing a trade will not qualify as 'Activity' for these purposes. A monthly inactivity fee of \$15 (or currency equivalent) in aggregate (or your cash balance if less than \$15) will be applied for accounts that are inactive for 24 months or more.

If your account has been inactive for 3+ years we'll need to reassess your trading experience and ensure that we have your up-to-date contact details. You will need to complete our account reactivation form and a member of our Account Management Team will be in touch to let you know if we need anything further from you or to let you know that your account(s) have been reactivated.

### **Exchange Data Charges**

We do not charge our clients anything in return for exchange data, and City Index clients also benefit from our price matching feature, where we strive to match or improve upon the underlying exchange price.

### **Special Borrowing Costs**

Borrowing costs are incurred when you short a shares CFD position, and reflect a charge incurred in the underlying market when the underlying asset is borrowed in order to sell and return at a later date. When you open such a position and if you incur a borrowing charge, it will be subtracted from the relevant applicable annual interest rate. Very few markets will incur a borrowing charge, and to determine whether the market you wish to trade has borrowing costs or not, please contact client services team.