

## Spread Bet Terms: Deposit Accounts

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### 1. Structure

1.1 When we engage in Spread Betting with you, we do so on the basis of: -

- our General Terms;
- these terms, i.e. our Spread Terms.

1.2 The Spread Terms deal with matters that are specific to Spread Betting. The General Terms contain terms that apply generally to Spread Betting, spot forex trading and cfd's.

### 2. Definitions

2.1 Words with capital letters have particular meanings as defined in the General Terms and in clause 9.

### 3. Initial Margin

3.1 Initial Margin is due to GFT Markets on each opening bet you place. Initial Margin must be maintained in respect of all open positions. In addition if you place a bet on a market order basis (as referred to in 3<sup>rd</sup> bullet point of clause 7.4 of the General Terms), Initial Margin is due when we accept that bet and when we execute that bet.

3.2 Initial Margin is calculated as follows: -

- for a spread bet (stake size multiplied by GFT Price) multiplied by IM Factor (for the bet you wish to place, or have placed).
- for binary spread bet "Up", "long" "buy" bets: stake size multiplied by the price of the bet you wish to place, or have placed
- for binary spread bet "Down", "short" "sell" bets: stake size multiplied by (100 minus the price of the bet you wish to place, or have placed)

Note that: -

- if you place a Spread Bet on a direct deal basis (as referred to in the 3<sup>rd</sup> bullet point of clause 7.4 of the General Terms), Initial Margin will be calculated when we accept your bet based on the GFT Price on acceptance;
- if you place a Spread Bet on a market order basis (as referred to in the 3<sup>rd</sup> bullet point of clause 7.4 of the General Terms), Initial Margin will be calculated when we accept your bet based on the GFT Price on acceptance; Initial Margin will be calculated when we execute your bet based on the GFT Price on execution;
- in relation to open spread bet positions, Initial Margin will be calculated based on the then current GFT Price of the spread bet you have placed.
- in relation to open binary spread bet positions, Initial Margin will be calculated as stated in this clause 3.2 above.

3.3 Please refer to the Market Information Sheets to ascertain the IM Factor for any given spread bet Market.

3.4 You must make sure you know how Initial Margin is calculated and the relevant IM Factor for the bet you propose to place. If you are in any doubt, please call our dealing desk or Customer Services Team.

3.5 GFT Markets can: -

- waive Initial Margin in relation to any particular bet;
- vary IM Factors. See clauses 23.1, 29.1, 30.1 and 32.1 of the General Terms and note that the new IM Factor applies to open positions so additional Initial Margin may become due to maintain open positions.

#### 4. Minimum and maximum stake sizes

4.1 There are limits on the stake size of any bet you wish to place, as follows: -

- **minimum size:** your stake size must at least be equal to the minimum stake size we set;
- **maximum size:** your stake size cannot be more than: -
  - the maximum stake size we set; or
  - if lower, the maximum stake calculated by applying the formulas in Clause 3.2 to your Current Position.

Note: -

- if you place a bet on a direct deal basis (as referred to in the 3<sup>rd</sup> bullet point of clause 7.4 of the General Terms), minimum and maximum stake sizes must be complied with when we accept your bet (and maximum stake size is calculated using the GFT Price on acceptance);
- if you place a bet on a market order basis (as referred to in the 3<sup>rd</sup> bullet point of clause 7.4 of the General Terms), minimum and maximum stake sizes must be complied with when we accept your bet and when we execute your bet. In this case maximum stake size is calculated using the GFT Price on acceptance and then using the GFT Price on execution.

4.2 All the information you need to calculate your Current Position is available from the following sources. These sources also set out IM Factors and minimum and maximum stake sizes:-

- DealBook®. In particular you need to access your Account to ascertain your Current Position;
- the Market Information Sheets, located at <http://www.gftuk.com/Markets-And-Pricing/Default.aspx>.

4.3 We can: -

- change minimum and maximum stake sizes, see clauses 23.1, 29.1, 30.1 and 32.1 of the General Terms;
- waive any minimum and maximum stake sizes.

4.4 You must make sure you know the current Initial Margin, IM Factor and minimum and maximum stake sizes applicable to any bet you wish to place. You must also ensure you understand how to calculate maximum stake sizes. If you are in any doubt, please call our dealing desk or our Customer Services Team.

4.5 If the maximum stake size is nil or less you will not be permitted to bet unless you deposit funds in your Account, so that there are sufficient funds in your Account to enable you to place the bet.

4.6 If you bet the maximum stake (or more) on any particular spread bet Market any adverse Market movement may result in Variation Margin becoming due. See clause 8.

#### 5. Roll-Over of futures bets

5.1 We may in our discretion allow you to roll-over a futures spread bet before its expiry date.

5.2 If we allow you to roll-over a futures spread bet: -

- the original futures spread bet is closed (at the GFT Price) and due for settlement;
- a new futures spread bet is opened (in the same Market, at the same time as the original spread bet is closed), at our prevailing spread and GFT Price applicable to roll-overs;
- any Guaranteed Stop Loss Order that was attached to the futures spread bet which is the subject of the roll-over is automatically cancelled and ceases to have effect when that spread bet is closed. However, when we open the new futures spread bet (as above) we will attach to that new spread bet a new Guaranteed Stop Loss Order. The level at which the new Guaranteed Stop Loss Order will be opened will reflect the distance between the futures spread bet that has been closed (as above) and the Guaranteed Stop Loss Order that was attached to it (i.e. the distance at the time of closure).

#### 6. Daily funded spread bets

6.1 Please refer to the Market Information Sheets for details of the Markets on which we offer daily funded spread bets. We can alter those Markets at any time (though this would not affect any daily funded spread bets already in place).

6.2 A daily financing charge applies for each day that a daily funded spread bet (relating to individual equities, cash indices, foreign exchange or spot metals) remains open (including weekends and public holidays). In the case of daily funded spread bets relating to individual equities, the financing charge is debited from your Account in the case of long daily funded spread bets and credited to your Account in the case of short daily funded spread bets. In the case of daily funded spread bets relating to foreign exchange if the first currency has a higher interest rate, then you are credited interest for running a long position and debited interest for running a short position. If the first currency has a lower interest rate, then you are debited interest for running a long position and credited interest for running a short position.

6.3 Please refer to the Market Information Sheets or our Customer Services Department for details of how the financing charge is calculated. The amount of the financing charge will vary due to the elements that constitute the charge. For example, interest rates form part of the calculation; therefore the amount payable will vary in accordance with interest rate changes.

6.4 We reserve the right to vary: -

- the method of calculating the financing charge and/or any elements that form part of the calculation;
- the types of spread bets to which the financing charge is applied.

The above applies to all open positions as well as new positions. We will give you at least 14 days notice of any such change if it will affect your open positions (subject to our rights under clause 6.5). In all other cases we can make such changes with immediate effect.

6.5 If an Event Outside Our Control and/or a Market Disruption Event occurs we can immediately vary: -

- the method of calculating the financing charge and/or any elements that form part of the calculation;
- the types of spread bets to which the financing charge is applied.

The above applies to all open positions as well as new positions.

6.6 Details of current financing charges will be on the Market Information Sheets (available on <http://www.gftuk.com/Markets-And-Pricing/Default.aspx>). Details of changes to the financing charges will also be published on the Market Information Sheets and may either be effective immediately or on such later dates as we specify (in accordance with clause 6.4 and 6.5). It is your responsibility to make sure you know how to calculate the financing charge. If you are in any doubt, contact our Customer Services Team.

## 7. Calculation of profits and losses

7.1 Subject to adding or deducting amounts in relation to the bet concerned in accordance with clause 7.2 and subject to relevant adjustments (see for example clause 32 of the General Terms, Corporate Action) when you close a bet: -

- you have made a profit if the GFT Price you sold at (whether to open or close) exceeded the GFT Price you bought at (whether to open or close);
- you have made a loss if the GFT Price you sold at (whether to open or close) was less than the GFT Price you bought at (whether to open or close).

7.2 Profits and losses on Spread Bets are calculated as follows: -

- stake size on closing multiplied by (difference between closing GFT Price and opening GFT Price of the relevant bet);
- less all amounts payable by you to us in relation to that bet, such as in relation to daily funded spread bets (clause 6);
- plus any financing charge payable by us to you in relation to that spread bet (see clause 6).

7.3 If you wish to calculate whether any particular open bet is in profit or loss at any given time, you can do so as provided in clause 7.2, but using the relevant Marked to Market price as the closing GFT Price.

## 8. Variation Margin and closure of positions

### When is Variation Margin payable?

8.1 You must pay Variation Margin to us if the Risk Level is 75% or less (e.g. 50%). Risk Level is a percentage calculated as follows: -

- (Total Equity divided by Margin Req) multiplied by 100.

8.2 For the purpose of calculating whether Variation Margin is payable, and if so how much, all relevant figures will be converted into your Base Currency in accordance with clause 27 of the General Terms.

#### How much is payable?

8.3 The amount of Variation Margin you must pay to us depends on your Available Equity. Available Equity is calculated as set out in clause 9.1.

The amount of Variation Margin you must pay to us ("Variation Margin") is the amount needed to return your Available Equity to zero. For example if your Available Equity is minus £250.00 you must pay us £250.00.

#### When must payment be made?

8.4 Variation Margin is payable immediately upon your Risk Level reaching 75% or less (e.g. 50%). It is due for payment immediately on a Variation Margin Call being made and is payable (in full) in accordance with the following timescales: -

Amount of Variation Margin due	Timescale for payment
<b>Less than £10,000 (or currency equivalent).</b>	Within 5 Business Days (including the date of the Variation Margin Call if a Business Day).
£10,000 or more (or currency equivalent).	If the Variation Margin Call was made before noon on a Business Day, full payment must be made on that Business Day. In any other circumstances, full payment must be made on the next Business Day.

Please note that if Variation Margin due is less than £10,000 (or currency equivalent) but then rises to £10,000 or more (or currency equivalent) the timescale for payment will be that applicable to Variation Margin of £10,000 or more (or currency equivalent) (in other words you will not be permitted 5 Business Days in which to pay one tranche).

8.5 You must monitor your Account, and all relevant factors, so that you know the current Risk Level, Available Equity and whether or not Variation Margin is payable. All the information you need in order to make these calculations is available from the following sources: -

- DealBook@;
- the Market Information Sheets, located at <http://www.gftuk.com/Markets-And-Pricing/Default.aspx>.

You must also make sure you understand how to calculate Risk Level, Available Equity and Variation Margin. If you are in any doubt call our Customer Services Team.

#### Will I receive Variation Margin Calls or any other reminders to pay Variation Margin?

8.6 We are not obliged to tell you if Variation Margin is payable nor to make a Variation Margin Call. We have no liability to you if we fail to tell you that Variation Margin is payable and/or fail to make a Variation Margin Call.

8.7 Despite clause 8.6, we will endeavour to make a Variation Margin Call to you:-

- when the Risk Level reaches 75%;
- when the Risk Level reaches 50%.

8.8 We will be regarded as having made a Variation Margin Call if we send you an e-mail requesting payment of Variation Margin. In addition, e-mail will generally be the only method by which we make a Variation Margin Call on you. Therefore you must ensure that you maintain an e-mail address at all times and keep us up to date and informed of your current e-mail address.

8.9 We will also be regarded as having made a Variation Margin Call if we: -

- use any means of communication to contact you requesting payment of Variation Margin, for example SMS text, pager, voicemail, telephone, fax or post;
- send you a message via DealBook@;
- have left a message with someone we reasonably believe will pass the message to you (e.g. a spouse or work colleague), even if you do not contact us;
- have used other reasonable means to contact you, even if we have been unable to do so and have not been able to leave a message for you.

Please note that we will generally only use the means of communication in this clause 8.9 if: -

- we have reasonable concerns that an e-mail we have sent has not been received by you;
- for any reason we are unable to send you an e-mail;
- acting reasonably, we think it appropriate to do so.

#### **What happens if I fail to pay Variation Margin or my Risk Level falls to 25% or less?**

8.10 If any of the following occur we are entitled to close all open positions on your Account and cancel all Orders: -

- if Risk Level is 25% or less;
- if you have failed to pay the full amount of Variation Margin due in accordance with the timescales in clause 8.4.

8.11 We can close your open positions and cancel all Orders as referred to in clause 8.10 with or without giving you notice. If we do so without giving notice, we will inform you that we have done so either by e-mail or as referred to in clause 8.9.

#### **Other Matters**

8.12 The following also apply in relation to Variation Margin: -

- all payments you make to us must be in your Base Currency, unless we agree otherwise;
- we only accept payment of Variation Margin by telegraphic transfer, debit card or any other method of immediate electronic transfer acceptable to us;
- subject to the Regulatory System, we can allow your open positions to run, and allow you to open new positions, even if you have not paid Variation Margin payable;
- Variation Margin does not represent your total liability to us. You must also, for example, pay to us any losses you have incurred on closed positions as well as any other amounts payable under the Terms.

### **9. Definitions**

9.1 The following expressions have the following meanings: -

“Account”	an account with us for Spread Betting.
“Available Equity”	Total Equity less Margin Req.
“Cash”	the balance of your Account after all credits and debits have been made (for example in respect of closed positions, but not open positions).
“Current Position”	the total of the following: - <ul style="list-style-type: none"><li>• Total Equity;</li><li>• Less Margin Req.</li></ul>
“DealBook®”	the electronic dealing system we make available to you via the internet, to facilitate Spread Betting, trading in cfds and/or spot forex including the systems known as DealBook®360, DealBook®Web, DealBook®Mobile and DealBook® Mobile Basic.
“Floating P&L”	the total of all open positions on your Account, Marked to Market.
“General Terms”	our general terms and conditions as amended and/or replaced in accordance with clause 41 of those general terms.
“IM Factor”	the percentage or multiplier specified by GFT Markets (in its absolute discretion) in relation to each spread bet Market.
“Initial Margin” (also known as “Margin”)	funds required by us in Order for you to open (and maintain) a bet, calculated in accordance with clause 3.2. Please note that on DealBook® “Initial Margin” is referred to as “Margin”.
“Margin”	this means the same as “Initial Margin”, please refer to that definition.

“Margin Req”	the total of all Initial Margin in respect of all open positions on your Account.
“Marked to Market”	the value of an open position calculated at the current GFT Price.
“Market Information Sheets”	our Spread Bet market information sheets, as amended and/or replaced in accordance with the General Terms. The Market Information Sheets are available at <a href="http://www.gftuk.com/Markets-And-Pricing/Default.aspx">http://www.gftuk.com/Markets-And-Pricing/Default.aspx</a> .
“Risk Level”	a percentage calculated as follows:-  (Total Equity divided by Margin Req) multiplied by 100.
“Spread Bet/Betting”	spread bet binary spread bet
“Spread Terms”	these terms and conditions as amended and/or replaced; see clause 41 of the General Terms.
“Total Equity”	the sum of the following:- <ul style="list-style-type: none"> <li>• Cash;</li> <li>• Plus any positive Floating P&amp;L;</li> <li>• Less any negative Floating P&amp;L.</li> </ul>
“Variation Margin”	as defined in clause 8.3.
“Variation Margin Call”	a request for payment of Variation Margin, as referred to in clauses 8.8 and 8.9.

9.2 Unless otherwise stated, a reference (in these Spread Terms) to a clause is to a clause in these Spread Terms.

## 10. Law and Jurisdiction

- 10.1 Our relations prior to the establishment of any contract between us, all bets and these Terms shall be governed by and construed in accordance with the laws of England.
- 10.2 Except for the right of GFT Markets below, the courts of the United Kingdom will have exclusive jurisdiction over any claim or matter arising under or in connection with these Terms and the legal relationships established by these Terms. Nothing in this clause shall limit the right of GFT Markets to take proceedings against the Client in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdictions.
- 10.3 You irrevocably consent to any process in any legal action or proceedings arising out of or in connection with these Terms being served on you by post in accordance with clause 42 of the General Terms. Nothing in these Terms will affect the right of either party to serve process in any other manner permitted by law.

## 11. Regulation of GFT Markets

- 11.1 GFT Markets is a trading name of GFT Global Markets UK Ltd., Subsidiary of Global Futures & Forex, Ltd. GFT Global Markets UK Ltd's main business is the provision of spot forex, Spread Betting and cfd products and services. Its registered office is 34th Floor (CGC 34-03), 25 Canada Square, London, E14 5LQ and its registered number is 5394757. GFT Global Markets UK Ltd. is registered on the FSA's register of authorised persons under number 438879.
- 11.2 GFT Global Markets UK Ltd. is authorised and regulated by the Financial Services Authority.