



# **Margin Trading Terms of Business**

**V3.1**

**June 2018**

## DEFINITIONS

“Agreement” means these Terms of Business together with the current charges schedule and the risk warning.

“Clause” means a clause in these Terms of Business. “DPA 1998” means the Data Protection Act 1998.

“Forex” means over-the-counter trades on the foreign currency exchange market.

“FCA” means the Financial Conduct Authority or any successor.

“FCA Rules” means the rules, regulations and guidance issued by the FCA, as may be amended from time to time.

“FSMA” means the Financial Services and Markets Act 2000.

“Margin Trading” means trading in any leveraged financial instrument, including Forex

“Money Laundering Requirements” means the Proceeds of Crime Act 2002; FSMA; the Terrorism Act 2003; and the Money Laundering Regulations 2007.

“Person” or “Persons” includes one or more individuals, bodies corporate, partnerships, firms, associations (whether incorporated or unincorporated), Trustees, Personal Representatives, and any other person or entity recognised by law. A Person is connected with Us, if so defined by the FCA Rules, including persons who control Us, are controlled by Us, or are members of the same group of companies and includes Our employees and those of a connected person.

“Rules” means the rules of any exchange, clearing house or regulatory authority having jurisdiction in relation to business which We transact for You, together with any requirements arising from or regulations made by or under FSMA.

“Terms of Business” means the Terms, Conditions, Obligations and Rights applying between Us and You, as set out in this document, the document entitled “Personal Information & Data Protection Policy”, and Our published Charges Schedule.

“Trading Platform” means any internet trading service offering clients access to information and trading facilities, via an internet service and/or an electronic order routing system.

“We”, “Us”, “Our”, “Ours” and “SVS” mean SVS Securities Plc (Registered number 04402606) 2nd Floor, 20 Ropemaker Street, London, EC2Y 9AR, its successors and assigns, together with any parent company, companies in the same group (including Our nominee company) and, where applicable, employees of any such persons.

“You”, “Your”, “Yours” means the person or persons who has or have accepted these Terms of Business.

The above definitions are not an exhaustive list of the terms used in these Terms of Business.

Our services are regulated by the FCA and a copy of their rules and regulations is available for inspection during normal business hours at Our address. Where applicable, any term used in these Terms of Business has the meaning given to it by those rules and regulations.

This document contains details of the execution only services which We will provide to You, and it sets out the obligations and rights applying between Us and You. If there is anything you do not understand or with which you do not agree, please contact us immediately, or alternatively, seek independent advice from an appropriately qualified advisor.

Where these Terms of Business have been translated from English they are offered for information only, the English version shall prevail and such will be governed by English law.

## **1. COMMENCEMENT OF TERMS OF BUSINESS**

- a. These Terms of Business set out the terms and conditions on which SVS Securities Plc (“SVS”) will provide You with services from time to time. The Agreement constitutes the terms agreed between You and SVS.
- b. Please complete and sign (which term will throughout this document include execution by selecting the execution box at the end).
- c. This Agreement will commence on the date that SVS receives and accepts or, where permitted by the rules of the FCA, on such earlier date as may be agreed by SVS.
- d. These Terms of Business supersede all other terms of business, notices sent or other communications about Our business, in relation to Margin Trading.
- e. There is no minimum term to this Agreement, and SVS will provide services to You on an ongoing basis until this contract is cancelled or terminated in accordance with clause 16.
- e. You agree that you will not use Our services for any purpose which is unlawful, abusive, libelous or threatening, that you are over 18 and that you have the power to enter into and perform your obligations under this Agreement.

## **1. REGULATORY STATUS**

SVS FX is a trading name of SVS Securities Plc, authorised and regulated by the FCA in the conduct of its investment business. SVS is entered on the FCA register and its registration number is 220929. SVS is a Public Limited Company registered in England, company number 04402606. Our registered office is 2nd Floor, 20 Ropemaker Street, London, EC2Y 9AR. A list of directors is available on request. SVS is a member of the London Stock Exchange and a PLUS Markets Corporate Advisor.

## **2. CLIENT CATEGORISATION**

- a. We will classify You as a retail client unless otherwise specifically advised to You.
- b. If We categorise You as a professional client, You agree to notify Us immediately if You consider at any point that You would no longer fall within the definition of professional client.

c. If You are categorised as a professional client, You have the right to request re-categorisation as a retail client in order to benefit from a higher degree of regulatory protection.

d. If You are categorised as a retail client, You have the right to request re-categorisation as a professional client, which will result in You receiving a lesser degree of regulatory protection and You may lose the protections and compensation rights to which a retail client is automatically entitled.

e. A summary of the main differences between the treatment of professional clients and retail clients is set out at Appendix A.

f. Whenever We deal with You it will be on the basis that only You are our customer under these Terms and that even if You are acting as an agent and have identified Your client to us, unless otherwise required by FCA Rules that client will not be Our client and You will remain liable to Us as principal in relation to any transactions that You execute with us.

### **3. SCOPE OF SERVICES TO BE PROVIDED**

a. SVS will act as market maker and deal with You as principal in relation to Margin Trading. SVS will not deal as Your agent and will not offer investment advice to You in relation to Margin Trading so all Margin Trading transactions are undertaken on an execution only basis.

b. Transactions undertaken with You in forex will normally constitute a spot transaction in respect of currency pair exchange rates. Spot transactions will be due for delivery two days after dealing, however We will automatically roll Your positions out every day until they are closed out. Further details are set out in section 6 below.

c. A particular transaction may involve delivery of the relevant currency if We agree to this in advance. If delivery of currency occurs You will be liable to make or receive delivery and to pay for all related costs.

d. The services We provide under this Agreement may involve margined transactions.

### **4. PROVISION OF SERVICES**

a. Where We provide information, We shall use reasonable endeavours to ensure such information is accurate, but You acknowledge that information provided by Us may be based upon information obtained from third parties and/or which is incomplete and unverified. We shall not be liable for any costs, claims, liabilities, expenses or losses which You may suffer as a result of relying on any such information unless We have been negligent or acted in bad faith.

b. Performance of Margin Trading depends on the fluctuations of the financial markets, which is outside Our control. Past performance of is not an indicator of future performance.

c. We are not authorised to and will not act for You on a discretionary basis.

d. We shall not be obliged to effect any transaction, nor do anything else which We believe would breach any statute law or regulation.

## **5. MARGIN TRADING AND FOREX TRANSACTIONS**

- a. You should not engage in Margin Trading unless You understand the nature of the contracts and the extent of Your exposure to risk.
- b. Forex transactions are a type of Margin Trading and involve You taking a position as to what You consider the price of one currency will be against the price of another currency in the future (a “currency pair”). For each currency pair We will quote a bid price, which is the price We will pay You in the secondary currency for the position in the base currency, and an offer price, which is the price You will pay Us in the secondary currency for the position in the base currency. The difference between the bid price and the offer price is known as the spread.
- c. You can take a view on the price of the base currency increasing by going long, or You can take a view on the price of the base currency decreasing by going short.
- d. Transactions in Margin Trading involve an obligation to settle a position at a future date. There may be financing costs in holding a Margin Trading position overnight.
- e. We may agree to allow You to use stop loss, limit loss or take profit orders to limit Your losses whilst Margin Trading.
- f. We protect You from negative balance so that You will not lose more than the sum of your deposits.

## **7. MARGINS AND COLLATERAL PAYMENTS**

- a. During the lifetime of any Financial Instrument, we, in our absolute discretion, reserve the right to review and adjust the percentage of funding required or the rates at which interest is calculated on such Financial Instrument, with or without notice to you, especially in, but not limited to, volatile market conditions. Positions that are open overnight may be adjusted to reflect the cost of carrying the position over.
- b. We may at our discretion, in the circumstance that You are resident in a Muslim country or a Person of Muslim faith provide an account where overnight cost of carry is not reflected.
- c. Where we effect or arrange a Transaction involving a CFD you should note that, depending upon the nature of the Transaction, you may be liable to make further payments when the Transaction fails to be completed or upon the earlier of the transaction settlement or closing out of your position. You will be required to make further variable payments by way of margin against the purchase price of the Financial Instrument, instead of paying (or receiving) the whole purchase (or sale) price immediately. The movement in the market price of your investment will affect the amount of margin payment you will be required to make. We will monitor your margin requirements on a daily basis and we will inform you as soon as it is reasonably practicable of the amount of any margin payment required under this clause.
- d. You agree to pay us on demand such sums by way of margin as are required from time to time or as we may in our discretion reasonably require for the purpose of protecting ourselves against loss or risk of loss on present, future or contemplated transactions under these Terms Of Business.
- e. Unless otherwise agreed, margin must be paid in cash. Cash margin is paid to us as an outright transfer of funds and you will not retain any interest in it. Cash margin received by us will be recorded by us as a cash repayment obligation owed by us to you.

f. In addition, and without prejudice to any rights to which we may be entitled under these Terms Of Business or any Regulations, we shall have a general lien on all funds held by us or our Nominees on your behalf until the satisfaction your obligations.

g. We shall have the right, in addition to any other rights we may have under these Terms Of Business, or under the law in general, to close, cancel and or limit the size of your open positions (new or gross) and to refuse to establish new positions. Situations where we may exercise such right include, but are not limited to, where:

i) We consider that there are abnormal trading conditions,

ii) We consider there to have been abusive trading strategies transmitted to us, or

iii) Your account has reached Stop Out level.

h. At margin levels of less than 50% of your equity, we have right to begin closing positions immediately and without notice. Individual Stop Out levels are set at 50% and we reserve the right to close all or any of your Open Positions below Stop Out level immediately and without notice solely in our discretion. The provisions of this paragraph are applicable to all Clients.

i. For deals entered using the MT4 online trading platform, we have a discretionary right to issue margin calls when the margin level is below the platform/region Margin Call 100%. Deals will start to be closed automatically and without any further notice when the margin level falls below the stop-out level.

j. Please ensure that you monitor your positions to ensure you have sufficient margin available at all times on your open positions. If you do not have sufficient margin you may be stopped-out.

k. We shall be entitled to retain monies which are required to cover adverse positions, initial margin, variation margin, any un-cleared funds, realised losses and any and all other amounts payable to us under these Terms Of Business.

l. Whenever we conduct currency conversions, we will do so at such reasonable rate of exchange as we shall select.

## **8. TRADING PLATFORM**

a. Once You have gone through the security procedures associated with the Trading Platform, You will get access to such service, unless agreed otherwise or stated on Our website. Please consult Our website for more details on operating times. We may change Our security procedures at any time and We will tell You of any new procedures that apply to You as soon as possible.

b. There may be restrictions on the number of transactions that You can enter into on any one day and also in terms of the total value of those transactions when using the Trading Platform.

c. We may at any time or times, on reasonable notice (which, in certain circumstances, may be immediate) enter (or instruct our subcontractors to enter) Your premises and inspect Your systems to ensure that they comply with the requirements notified by Us to You from time to time and that You are using the Trading Platform in accordance with this Agreement.

d. You will be responsible for providing the systems to enable You to use the Trading Platform.

e. You will be responsible for the installation and proper use of any virus detection/scanning program We require from time to time.

f. In the event that You receive any data, information or software via the Trading Platform other than that which You are entitled to receive pursuant to this Agreement, You will immediately notify Us and will not use, in any way whatsoever, such data, information or software.

g. When using the Trading Platform You must:

(i) ensure that Your systems are maintained in good order and is suitable for use with the Trading Platform;

(ii) run such tests and provide such information to Us as We shall reasonably consider necessary to establish that the System satisfies the requirements notified by Us to You from time to time;

(iii) carry out virus checks on a regular basis;

(iv) inform Us immediately of any unauthorised access to the Trading Platform or any unauthorised transaction or instruction which You know of or suspect and, if within Your control, cause such unauthorised use to cease; and

(v) not at any time leave the terminal from which You have accessed the Trading Platform or let anyone else use the terminal until You have logged off from the Trading Platform.

h. In the event You become aware of a material defect, malfunction or virus in the Trading Platform, You will immediately notify Us of such defect, malfunction or virus and cease all use of the Trading Platform until You have received permission from Us to resume use.

i. All rights in patents, copyrights, design rights, trademarks and any other intellectual property rights (whether registered or unregistered) relating to the Trading Platform remain vested in Us or Our licensors. You will not copy, interfere with, tamper with, alter, amend or modify the Trading Platform or any part or parts thereof unless expressly permitted by Us in writing. You shall ensure that all the licensors' trademarks and copyright and restricted rights notices are reproduced on these copies

j. Without prejudice to any other terms of this Agreement, relating to the limitation of liability and provision of indemnities, the following clauses shall apply to the Trading Platform.

(i) We shall have no liability to You for damage which You may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of internet service providers. You acknowledge that access to the Trading Platform may be

limited or unavailable due to such system errors, and that We reserve the right upon notice to suspend access to the Trading Platform for this reason.

(ii) Neither We nor any third party software provider accepts any liability in respect of any delays, inaccuracies, errors or omissions in any data provided to You in connection with the Trading Platform.

(iii) We shall have no liability to You (whether in contract or in tort, including negligence) in the event that any viruses, worms, software bombs or similar items are introduced via the Trading Platform or any software provided by Us to You in order to enable You to use the Trading Platform provided that We have taken reasonable steps to prevent any such introduction.

(iv) You will ensure that no computer viruses, worms, software bombs or similar items are introduced into our computer system or network and will indemnify Us on demand for any loss that We suffer arising as a result of any such introduction.

(v) We shall not be liable for any loss, liability or cost whatsoever arising from any unauthorised use of the Trading Platform. You shall on demand indemnify, protect and hold Us harmless from and against all losses, liabilities, judgements, suits, actions, proceedings, claims, damages and costs resulting from or arising out of any act or omission by any person using the Trading Platform by using Your designated passwords, whether or not You authorised such use.

k. We may suspend or permanently withdraw the Trading Platform by giving You 10 days written notice.

l. We have the right, unilaterally and with immediate effect, to suspend or withdraw permanently Your ability to use the Trading Platform, or any part thereof, without notice, where We consider it necessary or advisable to do so. In addition, the use of the Trading Platform may be terminated automatically, upon the termination (for whatever reason) of

- (i) any licence granted to Us which relates to the Trading Platform; or
- (ii) this Agreement.

m. In the event of a termination of the use of the Trading Platform for any reason, upon request by Us, You shall, at Our option, return to Us or destroy all hardware, software and documentation We have provided You in connection with the Trading Platform and any copies thereof.

## **9. INSTRUCTIONS**

a. All instructions regarding Margin Trading transactions between You and Us should be made to Us using the Trading Platform

b. We shall be entitled to rely on oral or written instructions communicated to Us and received by Us. We may at Our discretion refuse to accept any new instruction from You. We may acknowledge Your instruction by such means as We consider appropriate whether orally, in writing, by actual performance or otherwise.

c. We may (but are not required to) set limits on Your ability to give instructions and may increase, decrease, remove or add such limits in our discretion.



- d. We shall not be bound by any bid or offer price quoted which was manifestly incorrect at the time of the transaction or which was, or which You reasonably should have known was, incorrect at the time of the transaction. In such cases We may cancel the transaction or correct the erroneous price.
- e. We shall not accept instructions from third parties unless a valid Power of Attorney has been established for this purpose.
- f. The dispatch of an instruction to Us by post or electronic means does not guarantee its timely receipt.
- g. We shall use our reasonable efforts to act on Your instructions in the order in which We receive them.
- h. Instructions can only be processed during normal working hours. This means that Your instructions may not always be processed as soon as SVS receive them. SVS will do what they reasonably can to implement Your instructions as soon as they are received.
- i. In the absence of error Our records will be evidence of Your transactions with Us and You acknowledge that such records may be produced in a form other than the original in the event of dispute between Us. You may not rely on Us to maintain records for You but We may make such records available to You on Your reasonable request.

## **10. COMMUNICATIONS**

- a. You may communicate with SVS by post, fax or email. All communications between Us and You will be to the address, fax number or email and to the individual/department/accounts name specified at [www.svssecurities.com](http://www.svssecurities.com) under "Contact".
- b. Communications between You and Us are taken to be received:
- If sent by post: three business days after the date of posting, or five business days if sent to or from a place outside the UK;
  - If sent by fax: at the time shown in a transmission report that indicates that the whole fax was sent; or
  - If sent by electronic mail: on the date following dispatch.
- c. Orders may also be given by telephone or email if You have previously agreed this with SVS.
- d. You expressly invite Us to telephone You between 08.00 and 21.00 hrs, to discuss investment business, without being specifically invited. If, as a result, You decide to undertake a particular transaction, You will have agreed to forego any statutory rights You may have to cancel it. We shall always accept Your request not to continue a particular discussion. We may contact You on any telephone number provided by You, including unlisted numbers. You accept that all telephone calls may be recorded and such recording remains the sole property of SVS. You accept that SVS may rely on these recordings in the event of a dispute. We shall act upon written or oral instructions unless a specific form of communication is specified elsewhere in these Terms of Business or the Agreement, when We shall only act on instructions in the specified form.
- e. By entering this Agreement You are accepting the transmission of electronic communications from SVS. You will be given the option to refuse this form of communication every time an e-mail is sent.

f. For the avoidance of doubt, if You have provided Us with a facsimile number, notice by facsimile transmission will constitute notice in writing.

g. All communications under this Agreement will be in English.

h. It is Your responsibility to keep Us up to date with any changes to Your email and postal address as well as changes to the telephone numbers You have provided Us with.

## **11. APPROPRIATENESS**

a. If You are classified as a Retail Client We shall have to assess whether the proposed services are appropriate for You .To do so We shall have to ask You to provide Us with sufficient information regarding Your knowledge and experience in relation to Margin Trading to ensure that You properly understand the risks involved in the services offered or demanded.

b. You will be responsible for ensuring that all information provided to Us for the purpose of assessing whether the proposed services are appropriate for You is kept up to date.

## **12. CLIENT MONEY ARRANGEMENTS**

a. Money held by Us on Your behalf will be treated as client money within the meaning of the FCA Client Money Rules. We will, on receiving client money, promptly place this money into a segregated client account held at Our custodian bank no later than the close of business on the day on which we receive it.

b. Where, in our discretion, We consider that the amount of money You have transferred to Us is more than is necessary to cover Your present, future, actual, contingent or prospective obligations to Us or a third party We shall treat any excess in accordance with the FCA Client Money Rules. SVS holds client funds held under the FCA's Client Money Rules in a trust account and this money is segregated from the funds of SVS.

c. SVS will not pay interest on client money.

d. SVS will only hold client money in an approved bank as defined by the FCA.

e. You will be required to settle Your transactions with funds drawn from an account in Your own name. Your account must be with a bank that is regulated within the European Economic Area.

f. If there has been no movement on Your account for a period of not less than six years (apart from payment of interest or deduction of charges, interest or similar items) We shall be entitled to cease to treat unclaimed client money as client money, but before We do so, We will send notice to that effect to Your last known address, giving You 28 days in which to make a claim. We will make and retain records of all such balances and undertake to make good any valid claims in respect of such funds received during such period.

g. In carrying out business for You, SVS may transfer money held on Your behalf to a third party such as an exchange, clearing house or intermediary broker for the fulfilment of a particular transaction. The applicable regulations on holding client money will apply to the money transferred to the third party.

## **Title Transfer Collateral Arrangements**

h. The Client Money Rules will not apply in respect of any monies where full ownership has been transferred by the client to SVS Securities for the purpose of securing or otherwise covering present or future, actual or contingent or prospective obligations (a "Title Transfer Collateral Arrangement"). Where money has been provided to SVS Securities under a Title Transfer Collateral Arrangement such money may be used in the course of SVS Securities business and clients will therefore rank only as a general creditor of SVS Securities. Any notification that a client would like to terminate a Title Transfer Collateral Arrangement should be made in writing.

i. This section deals with Title Transfer Collateral Arrangements (TTCA) in relation to Professional and Elective Professional Client ('ECP') only.

j. The Client Money Rules will not apply in respect of any monies where full ownership has been transferred by the client to SVS Securities for the purpose of securing or otherwise covering present or future, actual or contingent or prospective obligations. The monies therefore, will not be subject to the protections conferred by the Client Money Rules

k. Any notification that a client would like to terminate at TTCA should be made in writing. We will take due consideration of clients best interests at all times when considering our response.

l. If money is transferred to SVS Securities by you under a TTCA, that money will not be segregated from SVS Securities money in accordance with the Client Money Rules and will be used by SVS Securities in the course of its own business. You should not place any money with SVS Securities that is not for the purpose of securing or covering your present, future, actual, contingent or prospective obligations to us.

m. By placing money with SVS Securities under a TTCA, you agree that all money you place on done so in anticipation of a Transaction and therefore has the purpose of securing or covering your present, future, actual, contingent or prospective obligations to us as outlined in this Agreement including but without limitation Margin Arrangements.

n. If and whilst a TTCA is in place you will (and you accept you will) rank only as a general creditor of SVS Securities.

o. As a result of the TTCA, you will no longer have a proprietary claim over any funds which you have paid into your account and we shall be permitted to hold and deal with those funds in such manner as we may determine in our discretion. You will be entitled to ask us to return to you all or any part of the balance standing to the credit of your account from time to time but we shall only be required to do so to the extent that such amounts are not securing or otherwise covering current open positions.

p. If we close (or you request that we close) all of your accounts so that there are no open Transactions, we will pay to you the net credit balance of your account after deducting all outstanding amounts which you owe to us or a third party to whom we are obligated to make payment.

### **13. MONEY LAUNDERING**

SVS's dealings with You will be covered by the Money Laundering Requirements. Where We are required to verify Your identity in accordance with the Money Laundering Requirements, We reserve the right not to undertake any transaction, or accept any money into Your account, until such verification has been obtained.

We can terminate your trading arrangement with us if you fail to provide us with our required account opening documentation or breach any of our contractual terms. We may

- treat any transactions placed as having been cancelled and terminated
- realise any of your assets that we hold for you
- bring your account to the same position as if you had not traded
- return any funds received into your account from the account you sent them
- close your account

### **14. CANCELLATION**

You have the right to cancel this Agreement up to 14 days from the commencement of the agreement, provided that no transactions relating to an instrument whose price is dependent on fluctuation on the financial market outside of SVS's control, has taken place.

### **15. DATA PROTECTION**

a. SVS is licensed under the DPA 1998.

b. In accordance with legal and regulatory requirements, SVS will retain Your records, for a minimum period of five years following the termination of this Agreement. This period may be extended by force of law, regulatory requirement or agreement between You and SVS. By entering this Agreement You consent to SVS keeping information about You in written and electronic format in accordance with the DPA 1998. You have the right to review this information at any time. SVS will provide You with a copy of this data in accordance with Our schedule of charges and upon written request only.

c. In connection with these Terms of Business, SVS may carry out a credit check with a licensed credit reference agency, which will retain a record of that search. This information may be used by other brokers and financial institutions and other agency users may see these records to help them make credit decisions and assess credit risks about You and members of Your household, and also for debt tracing and fraud prevention purposes. You can contact Us to find out which agencies We have used, so You can get a copy of Your details from them. They may charge You a fee for doing this.

d. SVS may also disclose details of how You have run Your accounts to these agencies, to other member firms of the London Stock Exchange (or other relevant exchanges) and other financial institutions if You have not run Your account in a satisfactory way. In particular, We will do this if We do not receive full payment or satisfactory proposals from You when We have asked You to pay Us money that You owe to us. This information could affect credit decisions other organisations make.

## **16. TERMINATION**

- a. Either party has the right to terminate this Agreement without cause at any time. Such termination will be without prejudice to the completion of transactions already initiated. If You wish to terminate this Agreement You should notify SVS, in writing, of Your intention to do so, which will be effective immediately upon receipt by SVS. Should SVS wish to terminate this Agreement SVS will write to You notifying You of SVS' intention to do so. Any charges accrued to SVS will become due and payable upon termination of this Agreement and the provisions in section 18 may apply to any such sums or charges. The termination of the Agreement shall not affect any term or provision of the Agreement that is intended to come into force on or after termination and shall be without prejudice to any rights or liability accruing prior to termination.
- b. In the event that an account is not used for a period of time and has been inactive for 6 months, then an account fee of USD 5 will be charged on a monthly basis. Should this bring the account balance to zero then the account shall be made inactive.

## **17. PERSONAL TAXATION**

Taxation is personal, complex and is subject to change. SVS accepts no liability for the tax consequences of transactions carried out with You. SVS will not provide or be responsible for the provision of any tax or legal advice. It is Your sole responsibility to seek appropriate taxation and legal advice.

## **18. ACCOUNTS AND SETTLEMENT**

- a. In respect of all the services provided by Us to You, SVS will assume that You are acting as principal rather than agent unless You indicate otherwise. Whenever We deal with You it will be on the basis that only You are our customer under these Terms and that even if You are acting as an agent and have identified Your client to us, unless otherwise required by FCA Rules that client will not be Our client and You will remain liable to Us as principal in relation to any transactions that You execute with us.
- b. SVS will report to You as required by the rules of the FCA.
- c. SVS will provide You with a confirmation promptly after each transaction; this will include any amount payable by You and the date by which payment should be received by SVS.
- d. In the unlikely event that You disagree with the confirmation You must initially advise Our settlements department by telephone within 24 hours of receipt and then also in writing within seven days of receipt. If You do not receive a contract note within three days of the transaction date You should inform Our settlements department as soon as possible. Failure to notify Us within the above timescales may result in Your exposure to liability.
- e. By entering this Agreement You understand and agree that there are no rights of withdrawal from a transaction. SVS does not accept conditional or reversible instructions.
- f. The date of settlement of a transaction will be shown on the relevant contract note or other confirmation and You agree to ensure that on or before that date there are sufficient cleared funds in Your account to settle the transaction. [For an online account You acknowledge that transactions will

not be undertaken unless there are sufficient cleared funds in Your account for settlement on the settlement date.

g. We shall not be obliged to settle a transaction if We do not have cleared funds or We are otherwise unable to settle the transaction as a result of circumstances outside of SVS's reasonable control. In such circumstances, the provisions of section 20 below will apply.

h. SVSFX allows a client to have one account only per platform or one registered account per IP address. Should the client/s have a need for an additional account then please submit your request in writing and this will be reviewed. Should multiple clients be identified as operating multiple trading accounts using the same IP Address or Expert Advisor then all trades will be cancelled and deemed void. SVSFX reserves the right to terminate its dealings with the client if it suspects any abuse of its business offerings.

## **19. NETTING**

a. If there are payments due from both Us to You and You to Us then each party's obligations to make payments to the other may be settled by netting, and if the aggregate amount payable by one party exceeds the aggregate amount payable by the other then the party with the larger amount payable may pay the excess and the obligations of each party may be satisfied.

b. If the amounts owed are not in the same currency then We may conduct currency conversion at such reasonable rate of exchange as We may select and shall be entitled to add a mark-up to the exchange rate as set out in our Charges Schedule.

c. If this Agreement is terminated in accordance with section 16 then the Your and Our claims may be discharged by means of netting to determine a final amount payable by You or Us. In determining the value of any open positions We will apply our usual spreads and include all costs and any applicable other charges.

## **20. OUR RIGHTS ON YOUR DEFAULT**

a. In the event that We do not receive any monies on or before the date they are due, We may:

- Close out, replace or reverse any transaction with you, buy, sell, borrow or lend or enter into any other transaction or take or refrain from taking any such other action at such time or times and in such manner as We consider necessary or appropriate to reduce or eliminate our loss or liability. You agree to indemnify and keep Us indemnified for any losses or expenses arising out of or in connection with such action.

- Charge interest on any money due at the rate of 2% per annum above LIBOR during the period of default (before and after judgement). Interest will cease to be charged upon receipt of money due. We agree to provide three (3) days' notice that interest will be charged.

b. If You have more than one account with Us We may transfer monies from one account to another, even if such transfer would necessitate the closing of positions of any sort on the account from which the transfer takes place.

c. SVS may realise any assets held on Your behalf in any account, in order to discharge any obligations You have to Us, which arise from transactions conducted by Us with You. You authorise Us to exercise this right, without further notice to You.

d. You will indemnify Us, keep Us indemnified and be responsible for all legal fees and any other associated costs charges or liabilities, involved in SVS exercising the above powers. We shall not be liable to You in respect of any choice made by in selecting exercising the above powers. The proceeds of sale (net of costs) will be applied in or towards the discharge of Your liabilities including any costs, fees, charges or other liabilities and We will account to You for the balance. In the event that such proceeds are insufficient to cover the whole of Your liabilities, You will remain liable for the balance.

e. In the event of Your default, relevant details may be recorded with a credit reference agency. This information may be used by other brokers, financial institutions etc in assessing applications for credit by You.

## **21. JOINT DEALING ACCOUNTS AND TRUST ACCOUNTS**

a. You accept that in the event an account is held in joint names, then each account holder is jointly and severally liable to SVS under these Terms of Business. This means that all account holders are separately responsible for keeping to the terms of this Agreement. If either of You does not keep to them, We can take action against either or all of You individually or together.

b. We may assume instructions received from one holder of a joint account or one trustee in a trust account will be given on behalf of and with the knowledge of all holders or trustees of the account. Any action that We take regarding such instructions will be binding on all of You. Any reference to 'You' shall be deemed to be any one or all such persons as the context shall require.

## **22. DEATH OF ACCOUNT HOLDER**

a. Please note that We are unable to accept instructions following the death of an account holder until We are in receipt of a sealed copy of grant of probate. We will inform the executors of the value of the account at the date of death.

b. In the event of the death of one party of a joint account or a trustee please inform Us immediately. You will also need to complete a new account opening.

## **23. CHARGES**

a. Charges are defined in Our Charges Schedule. If We amend Our charges You will be notified a minimum of ten (10) days prior to those changes becoming effective.

b. Taxes or costs may exist that are not paid through Us or imposed by Us. We shall not be liable to You for the payment or non-payment of any additional tax or costs.

## **24. CONFLICTS OF INTEREST AND DISCLOSURES**

a. Under the FCA Rules, We are required to have arrangements in place to manage conflicts of interest between Us and our clients and between our different clients. We operate in accordance with our Conflicts of Interest Policy which sets out the types of actual or potential conflicts of interest which

affect our business and provides details of how these are managed. A summary of our Conflicts of Interest Policy is attached at Appendix B.

b. In relation to any transaction We execute with You, We or an associate, a connected person or another client may have, directly or indirectly an interest, relationship, arrangement, or duty which is material or which gives or may give rise to a conflict of interest with Your interest(s) in relation to the transaction concerned. We will take reasonable steps to ensure that You are not treated in terms materially less favourably than if the conflict or potential conflict had not existed.

## **25. REPRESENTATIONS AND WARRANTIES**

a. You represent and warrant to Us, and agree that each such representation and warranty is deemed repeated each time You give instructions in relation to a transaction by reference to the circumstances prevailing at such time, that:

(i) You are duly authorised to execute and deliver this Agreement, to enter into each transaction and to perform Your obligations under this Agreement and such transaction and have taken all necessary action to authorise such execution, delivery and performance;

(ii) You will enter into this Agreement and each transaction as principal (unless You have informed Us otherwise in accordance with section 18 and We are required to treat Your client as our client under FCA Rules);

(iii) any person representing You in providing instructions in relation to a transaction will have been, and (if You are a company) the person signing this Agreement on Your behalf is, duly authorised to do so on Your behalf;

(iv) to the extent that any governmental or other authorisations and consents are required by You in connection with this Agreement and in connection with each transaction, You have obtained such authorisations, they are in full force and effect and all of their conditions have been and will be complied with;

(v) execution, delivery and performance of this Agreement and each transaction will not violate any law, ordinance, charter, by-law or rule applicable to You or to the jurisdiction in which You are resident, or any agreement by which You are bound or by which any of Your assets are affected;

(vi) other than in exceptional circumstances, You will not send funds to Your account(s) with Us from, or request that funds be sent from Your account(s) to, a bank account other than that in Your name.

(vii) if You are an employee or contractor of a financial services firm or any other firm that has controls over the financial transactions in which its employees and contractors deal, You will give Us proper notice of this and of any restrictions that apply to Your dealing;

(viii) You will not use Our bid and offer prices for any purpose other than for Your own dealing purposes, and You agree not to redistribute Our bid and offer prices to any other person whether such redistribution be for commercial or other purposes; and



(ix) You will use the services offered by Us pursuant to this Agreement in good faith and, to this end, You will not use any electronic device, software, algorithm, or any dealing strategy (“Device”) that aims to manipulate or take unfair advantage of the way in which We construct, provide or convey our bid or offer prices and You agree that using a Device whereby in Your dealings with Us You are not subject to any downside market risk will be evidence that You are taking unfair advantage of Us.

b. This Agreement contains the entire understanding between the parties in relation to the Margin Trading services offered by Us.

c. In the absence of fraud, willful default or negligence, We give no warranty regarding the performance of Our website(s), the Trading Platform or other software or their suitability for any equipment used by You for any particular purpose.

d. Any breach by You of a warranty given under this Agreement renders any transaction voidable or capable of being closed by Us at our then prevailing prices, at our discretion.

## **26. INDEMNITY AND LIMITATION OF SVS LIABILITY**

a. You will indemnify Us and keep Us indemnified against all losses, expenses, costs and liabilities which arise as a result of or in connection with Your breach of these Terms of Business (including, for the avoidance of doubt, any fines which may be imposed upon SVS as a result of late settlement of any transaction) or the proper provision by SVS of the services envisaged by these Terms of Business except to the extent that such losses arise as a result of Our negligence, fraud or willful default.

b. Nothing in this Agreement shall limit Our liability for:

- Our negligence;
- fraud; or
- liability to You for Our breach of these Terms of Business.

We will not be liable for any indirect losses (including, but not limited to, loss of profit) arising from Our negligence or otherwise.

c. Nothing in this section 26 shall have the effect of excluding or restricting any duty which We have in relation to You under the FCA Rules or any liability which We may have under FSMA or under the FCA Rules in respect of a breach of any such duty.

d. Subject to Clause 26c, the total aggregate liability of SVS to You under or in connection with this Agreement, whether in contract, tort (including without limitation negligence or breach of statutory duty), misrepresentation or otherwise howsoever for direct loss or damage shall not exceed the price of the transaction(s) forming the basis of the purported liability, for any one event or series of events.

e. Subject to Clause 26b and Clause 26c in no event shall SVS be liable to You for indirect special or consequential loss of profits, business, revenue, goodwill or anticipated savings of an indirect nature (“Indirect Loss”) whether arising under or in connection with the Agreement including any indirect loss incurred to a third party.

f. If for any reason the exclusion of liability in Clause 26e is void or unenforceable subject to Clause 26c Our total aggregate liability to You for all loss or damage howsoever arising under this Agreement shall be as provided in Clause 25d.

g. Insofar as We may provide any advice or service, (including legal or taxation advice) for which no fees or other payment is or becomes due under this Agreement You must not rely on it and We shall not be liable for the consequences of You so doing.

## **27. FORCE MAJEURE EVENTS**

a. We may, in Our reasonable opinion, determine that an emergency or an exceptional market condition exists (a "Force Majeure Event"), in which case We will, in due course, inform the FCA and take reasonable steps to inform you. A Force Majeure Event will include, but is not limited to, the following:

(i) any act, event or occurrence (including, without limitation, any strike, riot or civil commotion, act of terrorism, war, industrial action, acts and regulations of any governmental or supra national bodies or authorities) that, in Our opinion, prevents Us from maintaining an orderly market in one or more of the currency pairs in respect of which We ordinarily accept transactions;

(ii) the suspension or closure of any market or the abandonment or failure of any event upon which We base, or to which We in any way relate, our quotes, or the imposition of limits or special or unusual terms on the trading in any such market or on any such event; or

(iii) the occurrence of an excessive movement in the level of any of our currency pairs and/or any corresponding market or Our anticipation (acting reasonably) of the occurrence of such a movement;

(iv) any breakdown or failure of transmission, communication or computer facilities, interruption of power supply, or electronic or communications equipment failure; or

(v) the failure of any relevant supplier, broker, agent or principal of Ours, exchange, clearing house or regulatory or self-regulatory organisation, for any reason to perform its obligations.

b. If We determine that a Force Majeure Event exists We may at our absolute discretion without notice and at any time take one or more of the following steps:

(i) increase Your margin requirements;

(ii) close any or all of Your open transactions, at such price as We reasonably believe to be appropriate; or

(iii) suspend or modify the application of any or all of the terms of this Agreement to the extent that the Force Majeure Event makes it impossible or impractical for Us to comply with the Term or Terms in question.

## **28. INFORMATION ON SERVICES**

We may separately provide You with information on SVS and Our services, investments and investment strategies designed to help You understand the nature and risks. We shall update this from time to time and send You a revised version.

## **29. NON-RELIANCE**

All information made available by Us to You is for Your sole use. We shall not be liable for any loss or liability incurred in connection with any reliance that may be placed upon such information by You for any other purpose than for which it was provided and/or by any third party.

## **30. COMPLAINTS PROCEDURE**

If You are dissatisfied with the services We have provided under this Agreement, You should in the first instance raise Your concerns with Our Complaints Administrator at SVS Securities Plc, 2nd Floor, 20 Ropemaker Street, London, EC2Y 9AR, who will investigate the matter. We will endeavour to resolve Your complaint as quickly as possible, but in any event, will acknowledge receipt of Your letter promptly. Upon resolution of Your complaint, We will send You a final response letter, which sets out the nature of that resolution and any applicable remedy. For more information please note that a copy of Our internal complaints handling procedure is available on request.

If You are a Retail Client and for any reason You are dissatisfied with Our final response, please note that You are entitled to refer Your complaint to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. A leaflet detailing the procedure will be provided to You on acknowledgement of Your complaint.

If You are a Professional Client You will not be able to make a complaint to the Financial Ombudsman Service.

## **31. FINANCIAL SERVICES COMPENSATION SCHEME**

We are a participant in the Financial Services Compensation Scheme, which, subject to certain exceptions, provides limited compensation in respect of eligible liabilities if We are in default. This scheme currently covers 100% of the first £50,000 of a valid claim. The right to claim under this scheme will only arise if You qualify as an eligible claimant as defined by the FCA. Further information can be obtained from the FCA or the Financial Services Compensation Scheme. Retail clients are deemed to be eligible claimants.

Please note that if You are a Professional Client, You may not be eligible to seek compensation under the Financial Services Compensation Scheme.

## **32. VARIATION**

You accept that We may change or add to any of the terms and conditions of this Agreement at any time. In the event of any variation or amendment of the Agreement, We will publish a notice of the change or addition on our website ([www.svssecurities.com](http://www.svssecurities.com)) which shall include the date from which the change or addition shall be effective. Please note that We shall give You not less than 10 working days' notice of any amendments, unless it is impractical to do so. By entering into this Agreement You are deemed to have consented to any alteration that may be effected by written notice if We do not receive written notice otherwise from You within the time that the changes Were notified to You and their coming into effect.

### **33. CONFIDENTIALITY**

- a. Neither party to these Terms of Business shall, without the prior written consent of the other, use or disclose any information relating to the business, investments, finances or other matters of a confidential nature of the other party except to the extent that such use or disclosure is required by law or any regulatory authority or to enable the disclosing party to properly perform its obligations under these Terms of Business.
- b. You agree that if You default on a debt We may disclose any information We have about You to a credit reference agency, which may keep a record of Our enquiry.
- c. The provisions of this clause shall continue to bind the parties after termination of these Terms of Business.

### **34. OTHER MATTERS**

- a. We will only accept payments in such currencies as We may specify from time to time. Any charges or shortfalls arising from currency conversions must be met by You.
- b. We are under no obligation to disclose to You any information which comes to Our attention from conducting transactions for other customers.
- c. We will send You details of Our new products which, We believe, may be of interest to You. If You do not wish to receive marketing information or if Your details change, please notify Us in writing.
- d. In the course of providing services to Our clients, SVS may pay or receive fees, commissions or other non-monetary benefits from third parties. Information on these amounts may be provided to You upon Your written request.
- e. Each of the parties acknowledges and agrees that in entering into this Agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty, or understanding (whether negligently or innocently made) of any person whether party to this Agreement or not other than as expressly set out in this Agreement.
- f. Nothing in this Agreement (or any of the arrangements contemplated hereby) shall be deemed to create a partnership between the parties.
- g. No waiver by Us of any breach of these Terms of Business will be construed as a waiver of any subsequent breach of the same or any other provision.
- h. No failure to exercise or delay in exercising any right or remedy under this Agreement shall constitute a waiver thereof and no single or partial exercise of any right or remedy under this Agreement shall preclude or restrict any further exercise of such right or remedy. The rights and remedies contained in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

i. If any term or provision of this Agreement in whole or in part shall be found to be invalid, illegal or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of these Terms of Business nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

j. The rights conferred by these Terms of Business are for the benefit of You and Us only and (unless stated to the contrary elsewhere in these Terms of Business) are not granted to, or enforceable in any way by any third party.

### **35. JURISDICTION**

Unless otherwise agreed between Us in writing this Agreement is governed by and shall be construed in accordance with English law and You hereby submit to the exclusive jurisdiction of the English courts.

### **36. DISTANCE MARKETING INFORMATION**

In order to comply with the FCA's provisions relating to distance marketing, these Terms will be subject to the following extra provisions.

(i) Our main business is dealing in Margin Trading and certain investments. Our address is 2nd Floor, 20 Ropemaker Street, London, EC2Y 9AR.

(ii) In addition to Our charges, please note that other taxes and costs may exist that are not paid through or imposed by Us.

(iii) There are no specific additional costs for You, which are charged by Us, as a result of You entering into contracts without meeting one of our representatives.

(iv) Prior to entering into these Terms, English law will be the basis of the establishment of our relationship with you. These Terms are supplied in English, and We will communicate with You in English during the course of our relationship with You.

(v) Under the FCA Rules, You have a right to cancel these Terms within 14 days after You have accepted them. If You cancel Your agreement to these Terms You will still be liable for the settlement of all Your outstanding transactions and all the sums and charges which You owe at cancellation. To exercise Your right to cancel Your agreement to these Terms You must notify Us in writing within 14 days.

(vi) If You do not exercise Your right to cancel these Terms immediately, You will still be entitled to exercise Your right to cancel at any time in the future provided that You have no outstanding open position.

### **APPENDIX A:**

#### **CLIENT CATEGORISATION**

Categorisation as a Professional Client or Elective Professional Client

We are obliged to inform You that as a consequence of this categorisation, You may lose some of the protections afforded to Retail Clients under the FCA Rules.

In particular, the protections in the following areas will not apply: -

(a) Investor Compensation Scheme

You may not have access to the Financial Ombudsman Scheme. In addition, You may not be entitled to compensation under the Financial Services Compensation Scheme, which applies to Retail Clients and eligible claimants as defined by FCA only.

(b) Disclosures

You will not be given any of the additional disclosures required to be provided to Retail Clients (for example on costs, commissions, fees and charges).

(c) Prompt Execution

We do not need to inform You of material difficulties relevant to the proper carrying out of Your order(s) promptly.

(d) Client Money

If We are holding money on behalf of a Retail Client:

(i) We must notify that client of whether interest is payable (which is not required for Professional Clients); and

(ii) We cannot transfer the money to a third party without notifying a Retail Client and We must explain who is responsible for that third party's actions or omissions, and the consequences where that third party becomes insolvent.

**APPENDIX B:**

**SUMMARY OF CONFLICTS OF INTEREST POLICY**

Introduction

This policy covers conflicts that may arise between SVS or an employee of the company and its clients, as well as between one client and another. SVS's senior management is responsible for ensuring that the systems, controls and procedures in place are robust and adequate to identify and manage a conflict as and when it arises. These procedures are regularly reviewed by the Compliance Department in order to ensure that they are up to date, reflect best practice and that all relevant activities and regulations are covered.

Guarding against conflicts of interest

Various systems and procedures have been put in place to minimise any potential for conflicts of interest. This list, although not exhaustive, includes:

- personal account detailing requirements within the firm
- information barriers preventing the flow of information between the group companies
- a gifts and inducements policy
- segregation of duties where a potential conflict of interest may arise if duties are carried out by the same individual
- a public disclosure policy (“whistleblowing”) for the firm Identification of conflicts

In the course of identifying potential conflicts of interest, SVS will take into account whether SVS or a staff member or another client:

- is likely to make a financial gain, or avoid a loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client’s interest in that outcome;
- has a financial or other incentive to favour the interests of another client or group of clients over the interests of the client;
- carries on the same business as the client; or
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

### **Management of conflicts**

SVS operates several policies for managing conflicts of interest, including an independence policy and, where appropriate, information barriers. Where We are aware of a conflict We will manage the conflict in line with our policy and procedures. We will disclose a conflict to the relevant clients where it is not practicable for Us to manage it effectively or We otherwise think disclosure is necessary or desirable. In some cases We may decide not to proceed with a transaction which has given rise to a conflict of interest.

### **APPENDIX C:**

#### **DATA PROTECTION ACT 1998**

SVS Securities is registered with the Information Commissioner’s Office as a Data Controller, for the processing of Personal Data under the Data Protection Act 1998 (the Act).

#### **SVS DATA PROTECTION POLICY**

This policy sets out the Data Protection Policy adopted by SVS Securities. SVS Securities needs to collect and use certain types of information about current, past and prospective employees, suppliers, clients and customers, and others with whom it communicates. In addition, it may occasionally be required by

statute to collect and use certain types of information to comply with the requirements of government departments.

This personal information must be dealt with properly however it is collected, recorded and used, whether on paper, electronically, by telephone or any other means and there are safeguards to ensure this in the Act.

We regard the lawful and correct treatment of personal information as important to the success of our operations, and to maintaining confidence between You and us. We therefore need to ensure that We treat personal information confidentially, lawfully and correctly.

To this end, We fully endorse and adhere to the following eight principles of data protections, as set out in the Act:

1. the data should be processed fairly and lawfully and may not be processed unless the data controller can satisfy one of the conditions for processing set out in the Act;
2. data should be obtained only for specified and lawful purposes;
3. data should be adequate, relevant and not excessive;
4. data should accurate and, where necessary, kept up to date;
5. data should not be kept for longer than is necessary for the purposes for which it is processed;
6. data should be processed in accordance with the rights of data subjects under the Act
7. appropriate technical and organisational measures should be taken against unauthorised or unlawful processing of personal data, or the accidental loss or destruction of, or damage to, personal data;
8. data should not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.

Therefore, SVS Securities will, through appropriate management and strict application of criteria and controls;

- observe fully conditions regarding the fair collection and use of information;
- meet its legal obligations to specify the purposes for which information is used;
- collect and process appropriate information only to the extent that it is needed to fulfil its operational needs or to comply with any legal requirements;
- ensure the quality of information used;
- ensure that the rights of people about whom information is held can be fully exercised under the Act;



- take appropriate technical and organisational security measures to safeguard personal information; and
- ensure that personal information is not transferred abroad without suitable safeguards  
To assist in achieving compliance with the principles, SVS Securities has appointed Data Protection officers with responsibility for data protection within the firm.

## **YOUR PERSONAL DATA**

Details of Your application and any credit reference search that SVS Securities carries out with licensed credit reference and fraud prevention agencies will be added to our records and will be shared with other organisations that make searches and used by Us and them to:

1. help make decisions about credit and credit related services, for You and members of Your household;
2. help make decisions on credit and other proposals, for You and members of Your household;
3. trace debtors, recover debts, prevent fraud, and to manage Your accountaccounts;
4. check Your identity to prevent money laundering.

It is important that You give Us accurate details. We will check Your details with fraud prevention agencies and if You give Us false or inaccurate information and We suspect fraud, We will record this. Your information will be stored on computer or in any other way and will be used by SVS Securities:

1. to enable Us to develop, improve and market our products and services to You and our other customers;
2. for market research and statistical analysis; and
3. for general business purposes and as otherwise permitted in law.

We will analyse and assess Your information (which will include an analysis and assessment of Your transactions and how and when You use Your account) to enable Us to:

1. understand more about you; and
2. design, select and offer products and services (including those of organisations which are not connected with SVS Securities) which We consider may be of interest to you.

We may tell You about products or services or invite You to take part in offers, of ours and other organisations which are not connected with SVS Securities, which We consider may be of interest to you. We may do this by post, by telephone (including by way of automatic dialing by fax), by e-mail or via our web site. If You do not wish to receive this information, please confirm this in writing to us. Please note that if You do so, We will not be able to tell You about products, services or various offers

that may benefit you. We will, of course, continue to inform You about any important changes to the terms under which Your account is operated.

We may at any time give Your information to:

1. any organisation who introduced You to Us or Us to You or who act on Your or our behalf, on the basis it is kept confidential;
2. any organisation who provides a service to Us relating to Your account or any agreement You may have with us, on the basis it is kept confidential;
3. debt collection agencies, legal advisors or other organisations which may assist Us following any default or failure by You to keep to the terms of Your account or any agreement You may have with us. You are entitled, on payment of a fee, to a copy of the details and information We hold about You if You contact Us in writing. You may obtain details of the credit reference and fraud prevention agencies from which We obtain and to whom We pass Your information (please call Us on 020 76385600).

From time to time We may need to transfer Your information to a country (or countries) outside of the United Kingdom (including a country (or countries) outside of the European Economic Area.

#### **APPENDIX D:**

### **RISK WARNINGS AND INFORMATION ABOUT MARGIN TRADING**

#### **FOREX & MARGIN TRADING RISK WARNINGS**

The risk of loss in dealing in Margin Trading can be substantial.

We protect You from negative equity so that You will not lose more than the sum of your deposits.

You should not deal in Margin Trading unless You understand the nature of the contract You are entering into and the extent of Your exposure to risk. You should also be satisfied that the contract is suitable for You in the light of Your circumstances and financial position.

The leverage that is available in Margin Trading means that a small margin can lead to large losses or gains, and also means that a small movement in price can lead to a much larger movement in the value of Your position and could result in losses substantially exceeding any initial margin.

The risk of loss in dealing in Margin Trading can be substantial and if the market moves against Your position, You may be called upon to deposit a substantial amount of additional margin funds, on short notice, in order to maintain Your position. If You do not provide the required funds within the time required by Us, Your position may be liquidated at a loss.

There may be costs associated with financing positions held overnight and these costs should be considered in advance of deciding whether to commence Margin Trading.

In light of the above You should consider carefully whether or not this product is suitable for You in light of Your circumstances and financial position, and if in any doubt please seek professional advice.

## **INFORMATION**

In respect of every Transaction made between Us We shall act as principal with you.

Transactions in forex involve You taking a position with regard to what You consider the price of one currency will be against the price of another currency in the future. In order to do this You will trade in a currency pair with us, for example Euro/US Dollar (EUR/USD) or US Dollar/Japanese Yen (USD/JPY).

### Example of Margin Trading in Forex

Currency pairings are expressed as two codes usually separated by a division symbol (e.g. GBP/USD), the first representing the “base currency” and the other the “secondary currency”. The price quoted is the value of the secondary currency expressed in terms of one unit of the base currency. For example GBP/USD = 2.0045 denotes that one unit of sterling (the base currency) can be exchanged for 2.0045 US dollars (the secondary currency). The prices that We quote for each currency pair are normally labelled as the “Bid Price” and the “Offer Price”.

The Bid Price is the price that We will pay You in the secondary currency for the position in the base currency. The Offer Price is the price You will pay Us in the secondary currency for the position in the base currency. The Bid Price will always be less than the Offer Price. The difference between the Bid and the Offer price is known as the “Spread”. We make a profit from the spread. In general the wider the Spread the greater our profit.

You can take a view on the price of the base currency increasing by “Going Long” or You can take a view on the price of the base currency decreasing by “Going Short”. For example, if You consider that the price of Sterling will increase against the price of the US Dollar You will decide to take a position with Us where You will Go Long (or buy) GBP/USD. If, by contrast, You consider that the price of Sterling will drop against the price of the US Dollar You will decide to take a position with Us whereby You Go Short or sell GBP/USD.

If You were Going Long, the opening price of the currency pair would be fixed at our Offer Price. If our Bid Price at the end of the contract is greater than our Offer Price at the commencement of the contract then, subject to the deduction of applicable charges, You will receive a sum calculated by multiplying the number of units of the base currency by the difference between the opening Offer Price and the closing Bid Price of the currency pair. However, if the Bid Price for the currency pair at the end of the contract does not exceed the Offer Price for the currency pair at the commencement of the contract You will be required to pay Us a sum calculated by multiplying the number of units of the base currency by the difference between the opening Offer Price and the closing Bid Price of the currency pair. Regardless of how the price of the currency pair moves You will also be required to pay Us applicable interest charges, ticket charges (which You will be notified about separately), and financing charges

If however You were Going Short, the opening price of the currency pair would be fixed at our Bid Price. If the Offer Price of the currency pair at the end of the contract is less than the Bid Price at the commencement of the contract then, subject to the deduction of applicable charges, You will receive a sum calculated by multiplying the number of units of the base currency by the difference between the opening Bid Price and the closing Offer Price of the currency pair. However, if the Offer Price for the currency pair at the end of the contract exceeds the Bid Price for the currency pair at the commencement of the contract You will be required to pay Us a sum calculated by multiplying the number of units of the base currency by the difference between the opening Bid Price and the closing Offer Price of the currency pair.

Again, regardless of how the price of the currency pair moves You will also be required to pay Us applicable interest charges, ticket charges (which You will be notified about separately), and financing charges.

Transactions in forex involve the obligation to settle a position at a future date. At 17:00 New York time (which is the standard forex market value-date change time) each day, We will settle all spot transactions by closing the trade at the current market rate and reopening it for the following day's spot date at a rate that will reflect the interest rate differential.

Whenever any transaction is entered into to close out any existing transaction, then the obligations of each of Us under both sets of transactions shall automatically and immediately be terminated upon entering into the second transaction, except for any settlement difference payment due in respect of such closed out transactions.

By Margin Trading with Us You will be required to provide a certain amount of margin and We will then leverage that margin. This exposes You to a high degree of risk. Leverage is the amount, expressed as a multiple, by which the notional amount traded exceeds the margin required to trade.

We will advise You of the amount of margin and the amount of leverage that We will require on a transaction by transaction basis. If the price of the currency pair moves against Your interest You may be called upon to deposit additional margin at short notice and We may close out Your position without notice if We do not receive the additional margin from you.

You may be able to agree with Us to limit Your losses while Margin Trading by using stop loss, limit loss or take profit orders. These facilities may help You limit Your exposure to Us and We strongly recommend that You consider the use of such facilities.

New forex prices are quoted by Us between 17.01 on Sunday and 21.59 on Friday (New York time) and prices for other Margin Trading instruments in accordance with their individual underlying market

Positions in forex which are rolled over from one trading day to the next will incur financing based upon the interest rate differentials between the currencies in the currency pair.

Positions in other Margin Trading instruments which are rolled from one trading day to the next will incur financing based upon mark-up of the relevant London Interbank Offered Rate.

You pay interest on the currency that You are short on and You receive interest in the currency that You are long on. For example, if You are long on the GBP/USD pair You will receive interest on Sterling and

You will pay interest on the US Dollar. If Sterling has a higher interest rate than the US Dollar then You will receive a net interest payment but if Sterling has a lower interest rate than the US Dollar then You will pay out a net interest amount. The financing price offered to You will differ depending on whether You are Going Long or Going Short. We may make a profit from the difference in the financing price offered to persons Going Long and the financing price offered to persons Going Short.

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