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**INTRODUCTION**

1.1 This Price List only relates to business conducted on a direct basis between you and CMC Markets. It does not apply to clients introduced through a third party.

In this Price List, CMC Markets GmbH is also referred to as "CMC Markets", "we", "us" and "our" in relation to your activities carried on with us.

Certain capitalised words and expressions in this document shall have the meaning given to them in our Terms of Business or in the clause in which they appear in this Price List.

In this Price List, we provide you with information to help you understand the costs and charges associated with entering into CFD Margin trades and/or OTC Option Contracts with us and our related services. You should take sufficient time to read our Price List and other documentation available to you, including our Terms of Business, Order Execution Policy, Risk Warning Notice and Consumer Information, in addition to other relevant information available on our Website and Platform.

This Costs Disclosure is divided into two distinct sections:

- (a) Costs in respect of the CFD Margin Trade products offered by CMC Markets; and
- (b) Costs in respect of the OTC Option Contract products offered by CMC Markets (where these are made available to you).

1.2 For real time information on our costs please refer to the product overview for the relevant instrument, available on the Platform. We strongly recommend that you refer to the product overview to ensure you understand the relevant costs involved before placing a trade with us. It is your responsibility to ensure that you have sufficient funds in your Account to pay any amounts due to CMC Markets in full.

1.3 You should not trade with us unless you fully understand the costs and charges associated with entering into trades. If you have any queries please contact our client management team: [clientmanagement@cmcmarkets.co.uk](mailto:clientmanagement@cmcmarkets.co.uk) or +44 (0)20 7170 8200.

## CFD MARGIN TRADES

### MARGIN

#### 2.1 Position Margin.

If you open a CFD Margin Trade (or a Position) with us, you will be required to deposit money into your Account, which is known on the platform as 'position margin'. Position margin represents a percentage of the total value of the Position. Position margin is not required in respect of the portion of any CFD Margin Trade(s) or Position(s) covered by a Guaranteed Stop Loss Order (GSLO), for which 'prime margin' is required instead.

The position margin required for your Position(s) will be calculated using the Margin Rate applicable as shown on the Platform in the 'product overview' section of each Product.

The applicable Margin Rate for certain Products will vary according to the size of the Position or the tier the Position size falls under.

The portion of the Position that falls within each tier is subject to the Margin Rate applicable for that tier (excluding any Positions covered by a GSLO). To calculate your position margin, you must take the Level 1 Mid-Price, shown on the Platform. The position margin required at any given time is calculated as follows:

The sum of (portion of position in relevant tier (in Units) x relevant Margin Rate for that tier, excluding any Units covered by a GSLO)<sup>1</sup> x Level 1 Mid-Price x Currency Conversion Rate

#### Example A

COMPANY ABC - MARGIN RATE		
TIER	POSITION SIZE (EXCLUDING NUMBER OF UNITS COVERED BY A GSLO)	MARGIN RATE
1	0 – 1,000	10%
2	> 1,000 – 3,000	15%
3	> 3,001 – 5,000	20%
4	> 5,001 – 10,000	30%
5	> 10,000	50%

Using the Margin Rates shown in the table above as an example, a Position of 6,500 Units in Company ABC using a Level 1 Mid-Price of €2.75 per Unit in the Account Currency Euro would require a Position Margin of €3,437.50 calculated as follows:

<sup>1</sup> (Units in tier 1 x tier 1 Margin Rate + Units in tier 2 x tier 2 Margin Rate + Units in tier 3 x tier 3 Margin Rate + Units in tier 4 x tier 4 Margin Rate + Units in tier 5 x tier 5 Margin Rate)

TIER	PORTION OF POSITION IN EACH TIER, IN UNITS (excluding the number of Units covered by a GSLO)	MARGIN RATE (%)	Units x Margin Rate set for each tier	POSITION MARGIN REQUIRED
1	1,000	10%	1,000 x 10% = 100	1,250 x 2.75 (Level 1 Mid-Price) x 1 (Currency Conversion Rate)
2	2,000	15%	2,000 x 15% = 300	
3	2,000	20%	2,000 x 20% = 400	
4	1,500	30%	1,500 x 30% = 450	
5	0	50%	0	
TOTAL	6,500 Units		1,250	<b>€3,437.50</b>

Please note that if you have a CFD Margin Trade which is covered by a GSLO, then your standard margin (the sum of your position margin for all CFD Margin Trade Positions not covered by a GSLO and your independent margin at any given time) will reduce accordingly.

## 2.2 Prime Margin.

In respect of any portion of a CFD Margin Trade covered by a GSLO, the prime margin required is calculated as follows:

On a buy CFD Margin Trade, prime margin is:

Units in the GSLO x (Level 1 Mid-Price – GSLO Level) x Currency Conversion Rate

On a sell CFD Margin Trade, prime margin is:

Units in the GSLO x (GSLO Level – Level 1 Mid-Price) x Currency Conversion Rate

Your total prime margin, which will vary depending on the Price, is the sum of the prime margin required for all CFD Margin Trades covered by a GSLO at any given time. If the prime margin falls to an amount which would be lower than the position margin, then the position margin will apply thereafter.

## 2.3 Independent Margin.

We may also require you to have an additional Amount deposited in your Account to secure your future obligations to us, referred to as the 'independent margin'.

## 2.4 Total Margin.

Your total margin is the sum of your total position margin on all CFD Margin Trades not covered by a GSLO, prime margin and independent margin at any given time.

## SPREAD

- 3.1 The Buy and Sell Price of a CFD Margin Trade is generally not the same. As soon as you have placed a CFD Margin Trade, there is a risk of loss in the amount of the difference between the Buy and Sell Price ("Spread"). Taking into account the number of Units of your Position, and depending on Price movements, the size of the spread fluctuates. You can see the current Spread for any instrument by referring to the product overview for the relevant instrument on the Platform.

## COMMISSION

### 4.1 Commission Overview.

Commission is charged when opening and closing a CFD Margin Trade or Position that references a share or an FX pair (for Active Trader clients only). Only executed Orders attract Commission. The Commission payable per CFD Margin Trade can be found in the product overview for the relevant instrument on the Platform.

### 4.2 Commission on Shares.

The following table shows the Commission payable by you for shares.

COMMISSION PER TRADE (UNIT)		
COUNTRY	RATE	MINIMUM
Australia	9 bp	AU\$ 7
Belgium	6 bp	EUR 5
Denmark	8 bp	DKK 90
Germany	5 bp	EUR 5
Finland	8 bp	EUR 9
France	6 bp	EUR 5
Great Britain	8 bp	GBP 9
Hong Kong	18 bp	HK\$ 50
Ireland	8 bp	EUR 9
Italy	10 bp	EUR 5
Japan	15 bp	JPY 1,000
Canada	2 cents per share	CAD 10
New Zealand	10 bp	NZD 7
Netherlands	8 bp	EUR 9
Norway	4 bp	NOK 39
Austria	5 bp	EUR 5
Poland	18 bp	PLN 50
Portugal	8 bp	EUR 9
Singapore	10 bp	SG\$10 (US\$10)
Spain	6 bp	EUR 5
Sweden	4 bp	SEK 49
Switzerland	8 bp	CHF 9
USA	2 cents per share	US\$ 10

The rate shown is the amount as a percentage value of the Order or cents per CFD which is chargeable on an executed Order. If the rate equals an amount less than the minimum Commission (shown in the relevant currency), the minimum Commission will apply.

#### 4.3 Commission on FX (applicable to Active Trader clients only)

A standard commission fee of 25 USD per 1 million USD traded (25 USD/m, the equivalent of 0.0025%) is charged on cumulative trading volumes up to 25 million. Clients then receive increasing commission-fee discounts for larger cumulative trading volume each month.

The cumulative trading volume resets back to 0 at the end of each calendar month. The commission fee for the next month is floored at the commission-fee level achieved on the last trading day of the previous month. However, clients cannot drop more than one commission-fee level each month.

The following table shows the commission-fee discounts available to Active Trader clients.

COMMISSION FEE LEVEL	VOLUME USD/M	COMMISSION FEE PER USD/M	COMMISSION FEE DISCOUNT PER USD/M
Level 1	0 - 25	25.00	0
Level 2	25 - 100	22.50	2.50
Level 3	100 - 250	20.00	5.00
Level 4	250 - 500	17.50	7.50
Level 5	500 – 1,000	15.00	10.00
Level 6	1,000+	10.00	15.00

The commission fee and discounts only apply to certain FX pairs. Please refer to the Website and Platform for more information.

### GUARANTEED STOP LOSS ORDER (GSLO) PREMIUM

- 5.1 If you wish to place a GSLO on a CFD Margin Trade or Position, you will be required to pay a premium, which is known on the Platform as GSLO Premium, when you place the trade.

The GSLO Premium required for your CFD Margin Trade or Position is calculated using the GSLO Premium cost per unit shown on the Platform in the 'product overview' section of each Product (see Guaranteed Stop Loss Orders) and the current Price.

The calculation for the GSLO Premium is:

$$\text{Cost per Unit} \times \text{number of Units traded}$$

### HOLDING COSTS

#### 6.1 Holding Costs Overview.

This is only applicable to CFD Margin Trades referencing cash contracts. At the end of each trading day (17:00 NY time), Positions that remain open in your Account will be subject to a cost known as a 'Holding Cost'. For open Positions in New Zealand shares, Holding Costs will be applied at 09:00 NZ time. Holding Costs can be positive or negative depending on the direction of your Position (buy or sell) and the applicable Holding Cost rate.

The historic Holding Cost rates, expressed as an annual percentage rate, are available on the Platform in the 'product overview' section of each product.

The Holding Cost payable per CFD Margin Trade can be found in the product overview for the relevant instrument on the Platform.

The following table shows the Holding Cost payable by you per asset class.

### Holding Costs for Retail Clients

ASSET CLASS	DAILY HOLDING COST
Shares and exchange traded funds (ETFs)	Daily Underlying risk-free rate +/- 0.0082% Please note: The holding rate in respect of a sell-CFD Margin Trade will also include an additional adjustment of at least 0.25%. These borrowing costs can be significant and can be subject to large changes as sell interest in any stock increases.
Commodities/ Treasuries	Daily Inferred Holding Cost <sup>2</sup> +/- 0.0082%
Indices	Daily Underlying risk-free rate +/- 0.0082%
FX	Daily TomNext rate +/- 0.0027%
Cryptocurrencies	Bitcoin-CFD: 0.0685% (long) / 0.0137% (short) Ethereum-CFD: 0.0685% (long) / 0.0137% (short) Cryptocurrencies-CFD (excluding Bitcoin and Ethereum): 0.0753% (long) / 0.0274% (short)

### Holding Costs for Professional Clients

ASSET CLASS	DAILY HOLDING COST
Shares and exchange traded funds (ETFs)	Daily Underlying risk-free rate +/- 0.0082% Please note: The holding rate in respect of a sell-CFD Margin Trade will also include an additional adjustment of at least 0.25%. These borrowing costs can be significant and can be subject to large changes as sell interest in any stock increases.
Commodities/Treasuries	Daily Inferred Holding Cost <sup>2</sup> +/- 0.0082%
Indices	Daily Underlying risk-free rate +/- 0.0082%
FX	Daily TomNext rate +/- 0.0027%
Cryptocurrencies	Bitcoin-CFD: 0.0685% (long) / 0.0137% (short) Ethereum-CFD: 0.0685% (long) / 0.0137% (short) Cryptocurrencies-CFD (excluding Bitcoin and Ethereum): 0.0753% (long) / 0.0274% (short)

Holding Costs can be calculated using the formulas below:

#### Buy CFD Margin Trade

$$(\text{Units} \times \text{EOD market mid-price} \times \text{buy holding rate}) \times \text{Currency Conversion Rate}$$

<sup>2</sup> The difference between the price of the undated CFD (a CFD which is not a forward CFD) and the relevant underlying future (on exchange) price that CMC Markets uses to price its undated CFDs, converted into a Holding Cost.

## Sell CFD Margin Trade

$$(\text{Units} \times \text{EOD market mid-price} \times \text{sell holding rate}) \times \text{Currency Conversion Rate}$$

Holding costs will be calculated using the 17:00 NY time market mid-price or, where the market is closed, the last published CMC mid-price. For New Zealand shares, the closing mid-price of the previous day will be used.

The resulting sum of all Holding Costs will be credited or debited from your Account. This can be seen in the "history" section on the Platform.

### 6.2 Shares.

Holding Costs for share CFD Margin Trades will be calculated based on the underlying reference interest rate for the currency of the stock plus 0.0082% (daily) on buy CFD Margin Trades and minus 0.0082% (daily) on sell CFD Margin Trades.

The Holding Costs will be charged or debited when you have buy Positions and credited when you have sell Positions, unless the underlying reference interest rate is equal or less than 0.0082%, in which case a charge will be made from your Account for the sell Positions.

The holding rate in respect of a sell CFD Margin Trade will also include an additional adjustment of at least 0.25%. These borrowing costs can be significant and subject to large changes as sell interest in any stock increases. You should be aware of this additional risk/charge when carrying out sell CFD Margin Trades in individual shares.

### 6.3 Indices.

Holding Costs for cash index CFD Margin Trades will be calculated based on the underlying reference interest rate of the index plus 0.0082% (daily) on buy CFD Margin Trades and minus 0.0082% (daily) on sell CFD Margin Trades.

The Holding Costs will be charged or debited when you have buy Positions and credited when you have sell Positions, unless the underlying reference interest rate is equal or less than 0.0082%, in which case a charge will be made from your Account for the sell Positions.

### 6.4 FX.

Holding Costs for cash currency pair CFD Margin Trades will be calculated based on the tomorrow to next day ("TomNext") interest rate of the respective currency pair on the relevant underlying markets, expressed as an annual percentage.

#### Daily Holding Cost rate on a buy CFD Margin Trade

$$\text{TomNext rate in \% minus 1\%}$$

#### Daily Holding Cost rate on a sell CFD Margin Trade

$$\text{TomNext rate in \% plus 1\%}$$

Different rates are quoted for in markets for buying and selling a Position and the rates are actively negotiated between the banks. Tom-next rates in the underlying market are based on the interest rate differential between the two currencies. As a general rule, if the interest rate of the first named currency is higher than the second named currency in the pair (subject to the 1% adjustment), and you hold a CFD Margin Trade, the Holding Cost will be credited to your account. On the other hand, if you hold a sell CFD Margin Trade in the same scenario, the Holding Cost will be debited from your Account.

#### 6.5 **Commodities and Treasuries.**

The Holding Cost rates for Positions in cash commodities and cash treasuries are based on the underlying futures market from which the prices are derived. A cash product does not have a determined expiry or liquidation date. The price of the cash commodities and treasuries does not include the Holding Costs which are incorporated in the futures of these products in order that the cash prices are 'constant'. The inferred daily Holding Cost is then applied as our holding cost, which can be positive or negative.

#### 6.6 **Cryptocurrencies.**

The Holding Costs for Cryptocurrencies are based on transactions costs that CMC incur as well as other risks associated with these products such as CMC's Cryptocurrencies being stolen through account hacking. Checks are performed on a regular basis to ensure our rates are in line with competitors.

#### 6.7 **Forward Contracts.**

A CFD Margin Trade referencing a Forward is a Product with a fixed maturity or liquidation date, at which open Positions will liquidate at the closing Price.

Forwards will not be subject to a Holding Cost.

#### 6.8 **Custom Indices**

The Holding Cost rates for Custom Indices will be dependent on the composition of constituents in the Custom Index.

## OTC OPTION CONTRACTS

Where you are able to trade OTC Option Contracts, the costs set out in section 7 and 8 will apply. Please note that OTC Option Contracts will not be available to all clients.

### Margin

7.1 You will be required to deposit Margin when you submit an Order for OTC Options Contracts. The Margin will be calculated differently depending on whether you are submitting an Order for a Short or a Long position. For a Short position, the Margin will be calculated differently depending upon whether you are placing a Call Option or a Put Option.

#### 7.2 **Margin (Short position)**

The Margin calculations for each type of OTC Option Contract are as outlined below. The calculated amount in each scenario is multiplied by the Currency Conversion Rate (where applicable) to give the applicable Margin:

**Call Option:** The higher of:

$((X\% \times \text{Spot Price}) - \text{Out of the Money Amount}) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$

OR

$(Y\% \times \text{Spot Price}) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$

**Put Option:** The higher of:

$((X\% \times \text{Spot Price}) - \text{Out of the Money Amount}) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$

OR

$(Y\% \times \text{Strike Price}) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$

where:

- X is the Margin Standard Rate and Y is the Margin Floor Rate. These Rates are specified in the Product overview on the Platform;
- The Spot Price refers to the Level 1 Mid-Price of the underlying asset, as derived and quoted by CMC.; and
- The “Out of the Money Amount” refers to the difference between the Strike Price of the OTC Option Contract and the Spot Price. For Call OTC Option Contracts this is calculated as Strike Price – Spot Price, and for Put OTC Option Contracts as Spot Price – Strike Price. Where the Out of the Money Amount is negative, a value of 0 will apply to the calculation as the option will be “in the money”.
- Multiplier is the number of underlying assets that one OTC Option represents.

For reference, the OTC Option Contract price does not form part of the calculation for Margin on Short OTC Option Contracts.

Due to the manner in which Margin is calculated, the Margin you will be asked to post will be dependent upon whether the OTC Option Contract is “in the money”, or “out of the money” and how far “out of the money” the OTC Option Contract is. Examples of how Margin is calculated in each of those scenarios are set out below. If you have any questions about these calculations, please contact our client management team before entering into any OTC Option Contracts.

### **Example A of Margin – “In the money” Call Option**

You sell 10 Call Option OTC Option Contracts at €61, with a Strike Price of 900 and a Spot Price of 1,000.

X (Margin Standard Rate) is equivalent to 15%, Y (Margin Floor Rate) is equivalent to 10% and the Multiplier is 1.

You will pay the higher of:

$$((15\% \times 1000) - 0) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$$

OR

$$(10\% \times 1000) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$$

Selling an “In the money” Call OTC Option		
Type		Short Call
Strike	A	900
Underlying index price	B	1,000
OTC Option price	D	61
Contracts	J	10
Std Margin %	X	15%
Floor Margin %	Y	10%
Multiplier	M	1
Call out of the money amount	OTM = MAX ( A – B , 0 )	0
Short Call margin method 1	M1 = ( X * B ) – OTM ) * J * M	1,500
Short Call margin method 2	M2 = ( Y * B ) * J * M	1,000
Short margin requirement	MAX ( M1 , M2 )	1,500

The difference between the Strike Price and the Spot Price is -100 (900 - 1000), so the Out of the Money Amount is 0. This means the OTC Option Contract is “in the money” as the Strike Price is below the Spot Price.

Here, the Margin required would be €1,500, as it’s the higher of the two calculations. The higher Margin of €1,500 would be paid and converted at the Currency Conversion Rate into your Account currency.

### **Example B of Margin - “In the money” Put Option**

You sell 10 Put Option OTC Option Contracts at €71, with a Strike Price of 800 and a Spot Price of 700.

X (Margin Standard Rate) is equivalent to 15%, Y (Margin Floor Rate) is equivalent to 10% and the Multiplier is 1.

You will pay the higher of:

$$((15\% \times 700) - 0) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$$

OR

$$(10\% \times 800) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$$

Selling an "In the money" Put OTC Option		
Type		Short Put
Strike	A	800
Underlying index price	B	700
OTC Option price	D	71
Contracts	J	10
Std Margin %	X	15%
Floor Margin %	Y	10%
Multiplier	M	1
Put out of the money amount	$OTM = \text{MAX} ( B - A , 0 )$	0
Short Put margin method 1	$M1 = ( ( X * B ) - OTM ) * J * M$	1,050
Short Put margin method 2	$M2 = ( Y * B ) * J * M$	800
Short margin requirement	$\text{MAX} ( M1 , M2 )$	1,050

The difference between the Spot Price and the Strike Price is -100 (700 – 800), so the Out of the Money Amount is 0. This means the OTC Option Contract is "in the money" as the Strike Price is above the Spot Price.

Here, the Margin required would be €1,050, as it's the higher of the two calculations. The higher Margin of €1,050 would be paid and converted at the Currency Conversion Rate into your Account currency.

#### **Example C of Margin - "Out of the money" Call Option**

You sell 10 Call Option OTC Option Contracts at €61, with a Strike Price of 1,100 and a Spot Price of 1,000.

X (Margin Standard Rate) is equivalent to 15%, Y (Margin Floor Rate) is equivalent to 10% and the Multiplier is 1.

You will pay the higher of:

$$((15\% \times 1,000) - 100) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$$

OR

$$(10\% \times 1,000) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$$

Selling an "Out of the money" Call OTC Option		
Type		Short Call
Strike	A	1,100
Underlying index price	B	1,000
OTC Option price	D	61
Contracts	J	10
Std Margin %	X	15%
Floor Margin %	Y	10%
Multiplier	M	1
Call out of the money amount	$OTM = \text{MAX} ( A - B , 0 )$	100
Short Call margin method 1	$M1 = ( ( X * B ) - OTM ) * J * M$	500
Short Call margin method 2	$M2 = ( Y * B ) * J * M$	1,000

Short margin requirement	MAX ( M1 , M2 )	1,000
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The difference between the Strike Price and the Spot Price is 100 (1100–1000). As this is positive, with the Strike Price being above the Spot Price, the OTC Options Contract is “out of the money”.

Here, the Margin required would be €1,000, as it’s the higher of the two calculations. The higher Margin of €1,000 would be paid and converted at the Currency Conversion Rate into your Account currency.

**Example D of Margin - “Out of the money” Put Option**

You sell 10 Put Option OTC Option Contracts at €71, with a Strike Price of 800 and a Spot Price of 1,000.

X (Margin Standard Rate) is equivalent to 15%, Y (Margin Floor Rate) is equivalent to 10% and the Multiplier is 1.

You will pay the higher of:

$$((15\% \times 1000) - 200) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$$

or

$$(10\% \times 800) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$$

Selling an “Out of the money” Put OTC Option		
Type		Short Put
Strike	A	800
Underlying index price	B	1,000
OTC Option price	D	71
Contracts	J	10
Std Margin %	X	15%
Floor Margin %	Y	10%
Multiplier	M	1
Put out of the money amount	OTM = MAX ( B - A, 0 )	200
Short Put margin method 1	M1 = MAX( ( X * B ) – OTM ), ( Y * B))	-500
Short Put margin method 2	M2 = MAX( ( X * B ) – OTM ), ( Y * A))	800
Short margin requirement	MAX ( M1 , M2 )	800

The difference between the Spot Price and the Strike Price is 200 (1000 - 800). As this is positive, with the Strike Price being below the Spot Price, the OTC Options Contract is “out of the money”.

Here, the Margin required would be €800, as it’s the higher of the two calculations. The higher Margin of €800 would be paid and converted at the Currency Conversion Rate into your Account currency.

**Example E of Margin – “Far out of the money” Call Option**

You sell 10 Call Option OTC Option Contracts at €61, with a Strike Price of 1,100 and a Spot Price of 100.

X (Margin Standard Rate) is equivalent to 15%, Y (Margin Floor Rate) is equivalent to 10% and the Multiplier is 1.

You will pay the higher of:

$((15\% \times 100) - 1000) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$

OR

$(10\% \times 100) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$

Selling a "Far out of the money" Call OTC Option		
Type		Short Call
Strike	A	1,100
Underlying index price	B	100
OTC Option price	D	61
Contracts	J	10
Std Margin %	X	15%
Floor Margin %	Y	10%
Multiplier	M	1
Call out of the money amount	$OTM = \text{MAX} ( A - B , 0 )$	1,000
Short Call margin method 1	$M1 = ( ( X * B ) - OTM ) * J * M$	-9,850
Short Call margin method 2	$M2 = ( Y * B ) * J * M$	100
Short margin requirement	$\text{MAX} ( M1 , M2 )$	100

The difference between the Strike Price and the Spot Price is 1000 (1100–100). This difference is significant, with the Strike Price being far above the Spot Price, so the OTC Option Contract is referred to as being "far out of the money".

Here, the Margin required would be €100, as it's the higher of the two calculations. The higher Margin of €100 would be paid and converted at the Currency Conversion Rate into your Account currency.

#### **Example F of Margin - "Far out of the money" Put Option**

You sell 10 Put Option OTC Option Contracts at €71, with a Strike Price of 800 and a Spot Price of 1,800.

X (Margin Standard Rate) is equivalent to 15%, Y (Margin Floor Rate) is equivalent to 10% and the Multiplier is 1.

The higher of:

$((15\% \times 1,800) - 1000) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$

OR

$(10\% \times 800) \times \text{the number of OTC Option Contracts} \times \text{Multiplier}$

Selling a "Far out of the money" Put OTC Option		
Type		Short Put
Strike	A	800
Underlying index price	B	1,800
OTC Option price	D	71
Contracts	J	10
Std Margin %	X	15%
Floor Margin %	Y	10%

Multiplier	M	1
Put out of the money amount	$OTM = \text{MAX} ( B - A , 0 )$	1,000
Short Put margin method 1	$M1 = ( ( X * B ) - OTM ) * J * M$	-7,300
Short Put margin method 2	$M2 = ( Y * A ) * J * M$	800
Short margin requirement	$\text{MAX} ( M1 , M2 )$	800

The difference between the Spot Price and the Strike Price is 1000 (800–1800). This difference is significant, so the OTC Option Contract is referred to as being “far out of the money”.

Here, the Margin required would be €800, as it’s the higher of the two calculations. The higher Margin of €800 would be paid and converted at the Currency Conversion Rate into your Account currency.

### 7.3 Margin (Long positions)

The Margin requirement when an Order for a Long OTC Option Contract, whether a “put” or a “call” is submitted is displayed to you on the Platform as follows:

**Number of Contracts x Multiplier x Buy Price of OTC Option Contract x CMC Conversion Rate**

Once the Order for a Long OTC Option Contract is executed, the Margin requirement is calculated as follows:

**Number of Contracts x Multiplier x Mid Price of OTC Option Contract x CMC Conversion Rate**

The Margin required for any Long OTC Option Contract will rise or fall depending on the movement of the OTC Option Contract Price. Where the OTC Option Contract Price falls to zero, you will no longer be required to pay any Margin.

#### **Example G of Margin (at the point of Order submission) – Call Option Long OTC Option Contract**

You buy 10 Put Option OTC Option Contracts where the Buy Price is €20, the Sell Price is €19 and Multiplier is 1.

The initial Margin required would be €200 (10 x 1 x 20 (i.e. Buy Price))

## Premium

### 8.1 Premium

Premium is the amount that you are required to pay (in respect of a long position) or are entitled to receive (in respect of short position) as a result of entering into an OTC Option Contract. Premium for OTC Option Contract will be settled on a net basis at the time of either the date on which an OTC Option Contract is closed, is exercised or reaches the Expiry Date (whichever comes sooner).

In instances where you are purchasing either a Put Option or a Call Option OTC Option Contract, the Premium will be calculated as follows:

**Number of OTC Option Contracts x Multiplier x Price of OTC Option Contract x CMC Conversion Rate (where applicable)**

This Premium calculation does not change regardless of whether the OTC Option Contract is a Put Option or a Call Option.

## EXAMPLES OF CALCULATIONS OF PREMIUM:

### **Example A of Premium – Long Call Option**

If you buy 10 Call OTC Option Contracts at €63 with a Multiplier of 1, the Premium is as follows:

Premium will be  $10 \times 1 \times €63 = €630$

### **Example B of Premium - Long Put Option**

If you buy 10 Put OTC Option contracts at €71 with a Multiplier of 1, the Premium is as follows.

Premium will be  $10 \times 1 \times €71 = €710$

Please note that the Premium will be converted into the Account Currency if different from the Product Currency for the OTC Option Contract at the point that the Premium is deducted. Any estimates of the currency conversion amount of the Premium displayed on the Platform are indicative only.

## SPREAD

- 9.1 The Buy and Sell Price of an OTC Option Contract is generally not the same. As soon as you have placed an OTC Option Contract, there is a risk of loss in the amount of the difference between the Buy and Sell Price ("Spread") taking into account your Position, and depending on Price movements, the size of the spread fluctuates. You can see the current Spread for any instrument by referring to the Product overview on the Platform.

## OTHER COSTS IN RELATION TO YOUR ACCOUNT (ALL PRODUCTS)

### 10.1 **Interest**

If you are a Professional Client or an Eligible Counterparty, we may charge you interest on overdue amounts owed to us from the due date until we receive payment of the overdue amount in your Account in accordance with clause 3.1 of Schedule 2A of the Terms of Business. Such interest will be charged daily at 4% per annum above the base rate of the European Central Bank from time to time but at 4% per annum for any period during which such base rate is below 0%.

### 10.2 **Payments in to/out of your Account.**

You can make deposits in your Account via credit or debit cards, through funds transfer from your bank account or through any other payment method supported by the Platform from time to time. We do not accept cash or cheque payments. Please ensure that any payment that you make is from an account or card in your name. Any third party payments will be returned.

There is no charge to receive funds via a standard bank transfer (national transfers). Urgent international transfers may incur a cost, depending on the international location.

### 10.3 **Currency Conversion.**

All Realised Profit or Realised Loss (including Premium where applicable) will automatically convert into the Account Currency, at the Currency Conversion Rate.

The Currency Conversion Rate is the average of our cash Forex products for the currency pair +/-0.50%. CMC Markets will convert the profit and loss amount of the foreign currency CFD Margin Trade or OTC Option Contract into your Account Currency using this rate.

Our exchange rate conversions from the Product Currency into the Account Currency, on the basis of our Currency Conversion Rate, may be subject to changes at any time (see our Terms of Business).

### 10.4 **Market Data Subscription.**

If you are classified as a Private Investor for market data purposes in accordance with our Terms of Business, CMC Markets will refund the monthly market data subscription fee for a specific country during the following calendar month, if you executed two (2) or more share CFD Margin Trades for that respective

country.

If you are not classified as a Private Investor for market data purposes, in accordance with our Terms of Business, CMC Markets will refund the monthly market data subscription fee for a specific country during the following calendar month, if you executed five (5) or more share CFD Margin Trades for that respective country.

If you want to transact in share Products or view price data for share Products, you will need to complete the relevant market data subscription on the Platform.

There will be a monthly fee (inclusive of taxes) for the market data subscription and the monthly fee will differ, depending on which country and/or countries your share CFD Margin Trades relate to.

The monthly fee will be converted into your Account Currency at the Currency Conversion Rate before being deducted from your Account.

You may unsubscribe from your market data subscriptions at any time, provided you no longer have any Positions or Pending Orders covered under the relevant market data subscription. However, the monthly fee for such market data subscription shall still apply. If you have no Positions or Pending Orders open at midnight (midnight refers to each local stock exchange or exchange group) on the first day of the next calendar month, you will be automatically unsubscribed from any market data subscription.

Your market data subscription renews automatically when you have open Positions or Pending Orders on your Account relating to shares in the relevant country - regardless of your available capital. You are responsible for ensuring that your Account is sufficiently funded to pay the market data fee.

The monthly market data subscription fees will be deducted from your Account on the first day of each calendar month (or on the cut-off date of your market data subscription if you take out the market data subscription after the start of a calendar month).

Please see the tables<sup>3</sup> below for the market data fees we are permitted to charge Private Investors and non-private investors for market data information on any country. For the avoidance of doubt, as a result of special promotions, discounts or similar offers, actual market data fees may be lower (but not higher) than the maximum amounts specified in the tables below. We reserve the right to withdraw or amend such special promotions, discounts or similar offers in accordance with clause 3.1.1 of our Terms of Business and charge you up to the Amounts specified in the tables below following the expiry of any such special promotion, discount or similar offer. Subject to the preceding sentence, clause 9.3 of the Terms of Business will apply to market data increases.

For details of Commissions and market data subscriptions please go to our Website where you can see current information or contact our client services department on [clientmanagement@cmcmarkets.co.uk](mailto:clientmanagement@cmcmarkets.co.uk).

#### Market data fees payable by Private Investors

Country/Countries	Maximum total fee per calendar month (net) Please note that the final amount charged to you will be higher as it will include German value added tax at the applicable rate (currently 19%).
Australia	AUD 20.00
Austria	EUR 0
Denmark, Finland, Sweden	EUR 1.10
Germany	EUR 0
Hong Kong	HKD 0
Ireland	EUR 0
Italy	EUR 0
Japan	YEN 0
Canada	CAD 0
New Zealand	NZD 0
Norway	EUR 0
Singapore	SGD 0
Spain	EUR 3.50
France, Belgium, Netherlands,	EUR 0

<sup>3</sup> Please note that the tables only contain the market data fees applicable at the time of writing. Up-to-date fees are located on our Platform.

Portugal	
Switzerland	CHF 0
Poland	PLN 0
Great Britain	GBP 0
USA	USD 0.10

#### Market data fees payable by non-private investors

Country/Countries	Maximum total fee per calendar month (net) Please note that the final amount charged to you will be higher as it will include German value added tax at the applicable rate (currently 19%).
Australia	AUD 132.00
Austria	EUR 0
Denmark, Finland, Sweden	EUR 36.80
Germany	EUR 0
Hong Kong	HKD 0
Ireland	EUR 0
Italy	EUR 0
Japan	YEN 0
Canada	CAD 0
New Zealand	NZD 0
Norway	EUR 0
Singapore	SGD 0
Spain	EUR 35.00
France, Belgium, Netherlands, Portugal	EUR 0
Switzerland	CHF 0
Poland	PLN 0
Great Britain	GBP 0
USA	USD 35.30

#### 10.5 Price Adjustments – Dividend Equivalent Payments

These are not a charge on your account as such, however they may result in debits to your account.

##### Share CFDs

Although as a CFD holder you retain no rights to the underlying issued shares, adjustments will be made to your account to preserve the economic equivalent change whenever a dividend payment is made by a share issuer.

Adjustments will be made based on your holding as of the close of business on the day prior to the underlying shares trading Ex-Dividend (without entitlement) and will be posted to your account before market open on the Ex-Date.

Payment on long positions will be credited to your account net of the amount that would have been withheld for withholding tax if the position was held as a physical shares. The rate of the withholding tax, excluding dividend equivalent payments on US shares, will be at the implied tax rate CMC would be charged.

For dividend equivalent payments on US shares, in accordance with section 871(m) of the US IRS tax code, withholding tax will be applied at the same rate as those applicable to holding the physical share position. Payments on long positions will be credited to your account net of the applicable withholding tax.

Payment on short positions will be debited from your account at the gross dividend rate, without adjustment for any withholding tax.

Other forms of cash payments generated from distributions from the underlying shares, such as return of capital or distributions from partnerships, will be treated in accordance with the implied tax rate of CMC as a UK entity, and in accordance with US IRS rules where applicable.

### **Cash Index CFDs**

Where you hold a position in an index which is subject to the payment of price adjustments, generated from the dividends paid by the underlying company constituents of the index, a cash adjustment will be posted to your account to reflect the value change, or drop points, in the index.

These adjustments are made on both long and short positions.

Economically these adjustments have no impact in the performance of the position held as the calculated fall in value of the index based on the dividend payment will be exactly offset by the debit or credit posted to your account.

For example, if the UK 100 has a price adjustment of 7.5 points and last price before the price adjustment is applied is 7,720.00 you would expect the value of the index to fall to 7,712.50.

Any difference between the expected first price of 7,712.50 and the actual first price will be the impact of market movement.