Costs and Associated Charges

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1 Introduction

1.1. FX Central Clearing Ltd (the "Company", "we"), is a Cyprus Investment Firm ("CIF") incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 258741. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under license number 121/10.

1.2. This Costs and Associated Charges Policy ("the Policy") is provided to you (our Client or prospective Client) in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time ("the Law").

Pursuant to the Law, the Company is required to ensure that the information on costs and associated charges, which may have incurred when trading with the Company, are disclosed to clients on both ex-ante and ex-post basis..

2 Definitions

'**Commission fee**' is charged when a client enters into a CFD transaction based on the account type of the respective client, the traded instrument and the notional value of the trade (Please refer to Section 3 below for further details).

'**Dormant fee**' is a monthly fee imposed on trading accounts which have become archived due to inactivity (trading/withdrawals/deposits) for a period of one hundred and twenty (120) calendar days, and which have available balance in the account.

'**Spread**' the difference between the Ask and the Bid prices of an Underlying in a Financial Instrument at that same moment

'**Swap/Rollover**' the interest added or deducted for holding a position open overnight.

3 Costs and Charges

3.1. Types of Costs and Charges Incurred

<table>
<tr><td rowspan="2">One-off charges related to the provision of an investment service</td><td>Spread</td><td>The spread that the Company charges you reflects, in part, the spread of the underlying exchange where the underlying asset is traded on, plus a mark-up depending on the trading account type.</td><td>Standard Account:
• FX pairs: Spread of the underlying exchange + 1.5 pips mark-up
• Gold: Spread of the underlying exchange + 15 points mark-up
• Silver: Spread of the underlying exchange only
Advanced Account:
• FX pairs: Spread of the underlying exchange + 0.8 pips mark-up
• Gold: Spread of the underlying exchange + 8 points mark-up
• Silver: Spread of the underlying exchange only
XL Account:
• FX pairs: Spread of the underlying exchange + 0.8 pips mark-up
• Gold: Spread of the underlying exchange + 8 points mark-up
• Silver: Spread of the underlying exchange only</td></tr>
<tr><td>Commission</td><td>The commission that the Company charges you for entering into a CFD transaction depends on the trading account type, the traded instrument and the notional value of the transaction. The total commission fee is charged at the opening of the transaction for both sides at once (opening and closing)</td><td>Standard Account:
• FX pairs: no commission
• Gold: no commission
• Silver: $15 per lot
Advanced Account:
• FX pairs: no commission
• Gold: no commission
• Silver: $8 per lot
XL Account:
• FX pairs: no commission
• Gold: no commission
• Silver: $8 per lot</td></tr>
<tr><td>Ongoing charges related to the provision of an investment service</td><td>Swaps</td><td>The Company applies an overnight financing/swap fee for all positions held open after 22:00GMT (21:00GMT during DST) and a 3-day rollover strategy on Wednesday for all positions kept open over the weekend.</td><td>The rollover/swap rates are subject to change. For the most up-to-date rollover/swap rates, please refer to the Market Watch panel in our MetaTrader 4</td></tr>
<tr><td>Other costs</td><td>Dormant fee</td><td>Dormant fee applies only to accounts that remain inactive for a period of one hundred and twenty (120) calendar days. No charge if the free balance equals to zero.</td><td>£/€/$ 5/month</td></tr>
</table>

3.2. Examples based on Performance Scenarios

3.2.1. CFDs on Forex:

Example: BUY 1 LOT EUR/USD

Account Type: Standard Account

Account Base Currency: EUR

Trade Size (Lot x Contract Size): 100,000 units (1 Lot)

BID/ASK Price: 1.15685 / 1.15701 (Spread 1.6 pips which is 0.1 pip spread of the underlying exchange + 1.5 pips mark-up)

Commission: EUR 0 per side per lot

Leverage: 1:30 (3.33% margin percentage)

Margin Requirement (Trade Size x Margin x ASK Price): EUR 3,330

Swap for LONG/BUY Positions: -7.34 Points

End of Day Exchange Rate of EUR/USD: 1.15718

Open the Trade on Monday and Close at:	Spread (EUR)	Commission (EUR)	Swap (EUR)	Cost on Investment
Same Day	-13.83	0	0.00	-0.42%
1 Day	-13.83	0	-6.34	-0.61%
2 Days	-13.83	0	-12.69	-0.80%
3 Days (Inc. Wednesday - Swaps x 3)	-13.83	0	-31.72	-1.37%

Note:

i. The spread and commission is one-off cost and charged upon opening of the transaction at once for both operations (open and close).

ii. For the purpose of this example, we assume that the end of day exchange rate is the same for all days.

Spread: (1.15685 – 1.15701) x 100,000 = -USD 16 => **- EUR 13.83** (-USD 16/1.15718)

Commission: 2 x EUR 0 x 1 Lot = **- EUR 0**

Swap (1 Day): -7.34 x 1 x 100,000 x 0.00001 x 1 = -USD 7.34 => **-EUR 6.34** (-USD 7.34/1.15718)

Swap (2 Days): -7.34 x 1 x 100,000 x 0.00001 x 2 = -USD 14.68 => **-EUR 12.69** (-USD 14.68/1.15718)

Swap (3 Days): -7.34 x 1 x 100,000 x 0.00001 x 5 = -USD 36.70 => **-EUR 31.72** (-USD 36.70/1.15718)

Cost on Investment = (Spread + Commission + Swap) / Margin Requirement

3.2.2. CFDs on Commodities:

Example: SELL 1 LOT GOLD (XAU/USD)

Account Type: XL Account

Account Base Currency: USD

Trade Size (Lot x Contract Size): 100 ounces (1 Lot)

BID/ASK Price: 1459.31 / 1459.86 (Spread 50 points which 35 points spread of the underlying exchange + 15 points mark-up)

Commission: USD 0 per side per lot

Leverage: 1:20 (5% margin percentage)

Margin Requirement (Trade Size x Margin x BID Price): USD 7,296.55

Swap for SHORT/SELL Positions: 3.25 points

Open the Trade on Monday and Close at:	Spread (USD)	Commission (USD)	Swap (USD)	Cost on Investment
Same Day	-50	0	0	-0.69%
1 Day	-50	0	3.25	-0.64%
2 Days	-50	0	6.50	-0.60%
3 Days (Inc. Wednesday - Swaps x 3)	-50	0	9.75	-0.55%

Note:

i. The spread and commission is one-off cost and charged upon opening of the transaction at once for both operations (open and close).

ii. Since the Account Base Currency is the same as the traded symbol's quoted currency, there is no need to convert the amounts

Spread: (1459.31 – 1459.89) x 100 = -USD 50

Commission: 2 x EUR 0 x 1 Lot = -USD 0

Swap (1 Day): 3.25 x 1 x 100 x 0.01 x 1 = USD 3.25

Swap (2 Days): 3.25 x 1 x 100 x 0.01 x 2 = USD 6.5

Swap (3 Days): 3.25 x 1 x 100 x 0.01 x 5 = USD 9.75

Cost on Investment = (Spread + Commission + Swap) / Margin Requirement

3.3. Annual Report on the Costs and Associated Charges

An overview of the aggregated costs and charges (i.e. including the swap charges, spreads, commissions and dormant fee, if applicable) derived from clients; transactions in regard to each of their trading account(s) will be provided, via email, to each client, on an annual basis. This information will be sent to the Company's clients both as cash amount and as a percentage of the costs and associated charges imposed on the invested funds, on each account's base currency. This will help client to understand the costs and associated charges imposed on their trading account(s) according to their trading activity throughout the year.