Forex Margin

All assets in each currency are combined to determine a single net asset value in that currency. Separate margin requirement calculations are used when determining the amount of funds available for withdrawal and the amount of funds available for trading. When determining the amount of funds available for withdrawal, the margin for non-base currency assets is determined by taking the margin rate tables below times the net asset value in the currency. There is no margin for base currency assets.

Margin Requirements

The following margin rates generally apply to all customers. In various jurisdictions, local regulators require different and/or higher margin rates. If the local margin rates are higher than our margin rates, then the margin rates required by local regulators will apply. Otherwise, our margin rates listed below apply.

Separate margin requirements are used when determining the amount of funds available for withdrawal and the amount of funds available for trading.

Currency	Initial Margin	Maintenance Margin	NFA Margin on Cash Forex Position Only [1]
AUD	3% (33:1)	3% (33:1)	3% (33:1)
CAD	2.5% (40:1)	2.5% (40:1)	2% (50:1)
CHF	4% (25:1)	4% (25:1)	5% (20:1)
CNH	15% (6.7:1)	12% (8.3:1)	5% (20:1)
CZK	10% (10:1)	10% (10:1)	5% (20:1)
DKK	15% (6.7:1)	15% (6.7:1)	2% (50:1)
EUR	3% (33:1)	3% (33:1)	2% (50:1)
GBP	5% (20:1)	5% (20:1)	2% (50:1)

Currency	Initial Margin	Maintenance Margin	NFA Margin on Cash Forex Position Only [1]
HKD	12% (8.3:1)	10% (10:1)	5% (20:1)
HUF	5% (20:1)	5% (20:1)	5% (20:1)
ILS	5% (20:1)	5% (20:1)	5% (20:1)
JPY	3% (33:1)	3% (33:1)	3% (33:1)
KRW	10% (10:1)	10% (10:1)	5% (20:1)
MXN	6% (16:1)	6% (16:1)	6% (16:1)
NOK	3.33% (30:1)	3.33% (30:1)	3% (33:1)
NZD	3.33% (30:1)	3.33% (30:1)	2% (50:1)
PLN	5% (20:1)	5% (20:1)	5% (20:1)
RUB	20% (5:1)	20% (5:1)	20% (5:1)
SEK	3.33% (30:1)	3.33% (30:1)	3% (33:1)
SGD	5% (20:1)	5% (20:1)	5% (20:1)
USD	2.5% (40:1)	2.5% (40:1)	2% (50:1)
ZAR	5% (20:1)	5% (20:1)	5% (20:1)

Canada Customers

The following margin rates are required by regulators for customers of Canada. The list only includes currencies where the rate required by Canadian regulators is higher than our rate found in the first table.

Currency	Maintenance Margin [1]
JPY.CAD	5% (20:1)
NOK.USD	3.5% (28:1)
SGD.CAD	10% (10:1)
SGD.USD	10% (10:1)

Hong Kong Customers

The following margin rates are required by regulators for customers of Hong Kong. They only apply if they are higher than the Margin Requirements listed above.

Currency	Initial Margin	Maintenance Margin [1]
All pairs	5% (20:1)	3% (33:1)

Margin for Cash Forex Positions

Margin for Cash Forex positions is calculated as follows:

- For each currency with a negative cash balance, offset with positive non-cash asset value in the same currency;
- For each currency with remaining positive non-cash asset value, use it to offset remaining negative cash balance in other currencies. Offset the currency with the highest margin rate first.
- Use total net liquidation value to offset remaining negative cash balances. Offset the currency with the highest margin rate first.
- If there are negative cash balances left, they are paired up with positive cash balances to calculate margin. The pairing algorithm previously developed for our currency margin is used.

Examples

The following exchange rates and margin rates are used in the examples below. The rates are intended for illustrative purposed only and do not represent actual margin rates.

Currency	Exchange rate to USD	Our Margin Rate	NFA Margin Rate
HKD	0.125	3%	5%
USD	1	2.5%	N/A
EUR	1.25	2.5%	N/A
NZD	0.8	10%	N/A

Example 1: Total Net Liquidation Value = 5,000.00 USD

Currency	Cash Value	Other Asset Value	Total Asset Value	Cash Forex Balance	Cash Forex Balance (USD)
HKD	- 120.000	0	– 120,000	–80,000	–10,000
USD	20,000	0	N/A	N/A	N/A

Cash Forex position is -80,000 HKD vs 10,000 USD.
Margin is 10,000 USD * 5% = 500 USD.

Example 2: Total Net Liquidation Value = 5,000.00 USD

Currency	Cash Value	Other Asset Value	Total Asset Value	Cash Forex Balance	Cash Forex Balance (USD)
HKD	- 120.000	40,000	–80,000	–40,000	–5,000
USD	35,000	–20,000	N/A	N/A	0

Cash Forex position is -40,000 HKD vs 5,000 USD.
Margin is 5,000 USD * 5% = 250 USD.

Example 3: Total Net Liquidation Value = 5,000.00 USD

Currency	Cash Value	Other Asset Value	Total Asset Value	Cash Forex Balance	Cash Forex Balance (USD)
HKD	120.000	240,000	0	0	0
USD	–10,000	0	0	0	0

–120,000 HKD cash is offset by 120,000 HKD non-cash asset value. –10,000 USD cash is offset by 80,000 HKD non-cash asset value. There is no Cash Forex position.
Margin = 0.

Example 4: Total Net Liquidation Value = 5,000.00 USD

Currency	Cash Value	Other Asset Value	Total Asset Value	Cash Forex Balance	Cash Forex Balance (USD)
HKD	120.000	0	–120,000	–80,000	–10,000

Currency	Cash Value	Other Asset Value	Total Asset Value	Cash Forex Balance	Cash Forex Balance (USD)
USD	–10,000	0	–10,000	–10,000	–10,000
EUR	10,000	0	N/A	N/A	N/A
NZD	21.875	0	N/A	N/A	N/A

Short balances in USD and HKD are paired up with long balances in EUR and NZD to form FX positions as follows:

- –10,000 USD vs 8,000 EUR. Margin is 10,000 USD * 2.5% = 250 USD
- –20,000 HKD vs 2,000 EUR. Margin is 2500 USD * 5% = 125 USD
- –60,000 HKD vs 9,375 NZD. Margin 7500 USD * 10% = 750 USD

Total Margin = 1125 USD. Note that net liquidation value is used once to offset HKD, but not used to offset USD.

Disclosures

1. The NFA is a self-regulatory organization for the U.S. futures industry that supervises Forex activity in regulated Forex Dealer Members and Retail Foreign Exchange Dealers.