

**TRADE** | CAPITAL MARKETS

# COST AND CHARGES DISCLOSURES

TRADE CAPITAL MARKETS (TCM) LTD



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## 1. INTRODUCTION, SCOPE AND PURPOSE OF THIS DOCUMENT

Trade Capital Markets (TCM) Ltd (“TCM” or the “Company”) is an investment firm, incorporated in Cyprus as a private limited liability Company under the provisions of the Cyprus Companies Law, Cap. 113. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (“CySEC” or the “Commission”) under license number 227/14 for the conduct of designated investment business in the Republic of Cyprus and other jurisdictions and by the Financial Sector Conduct Authority (“FSCA”) in South Africa as a foreign Financial Services Provider under license number 47857.

TCM is focused on offering investment services to retail and professional clients through a “Business-to-Consumer” (“B2C”) business segment representing online trading via the website [www.trade.com](http://www.trade.com) and to eligible counterparties through a “Business-to-Business” (“B2B”) business segment via the offering of liquidity to other regulated brokers.

The Costs and Charges Disclosures (the “Document”) gives insights to the general public and to clients on the associated costs and charges applied on executed orders, per asset class on the contracts for difference (“CFDs”) offering.

Formulas per cost and charge metric are included within the Document, as well as working examples in order for the Company’s clients to estimate the cumulative effect of costs and charges on potential attained returns. Moreover, clients must be aware that accumulated costs and charges will increase depending on the size of executed orders.

## 2. COSTS AND CHARGES OVERVIEW FOR CFDS

The following table provides useful links to the instrument specific costs and charges for CFDs, as well as an overview of the frequency and type of all costs and charges that clients might incur. In addition, definitions are included to increase transparency towards clients of what each cost and charge actually refers to.

**Table 1: Overview of Applicable Costs and Charges**

Type of Cost and Charge		Description	Further Details
<b>Costs and Charges associated with a financial instrument</b>			
One-off Charges - At the time of your trade	Spread	When trading CFDs you must pay the spread, which is the difference between the bid and the ask price. Our spreads are variable or may be a subject to a minimum and are added on top of the market spread. CFDs on Shares, CFDs on ETFs and CFDs on Cryptocurrencies are offered at raw spreads, meaning without a markup.	Charge is dependent on the client's account type.  More information can be found <a href="#">here</a> .
Ongoing Charges	Overnight Swap	An overnight swap is an overnight interest that you are charged or credited, for holding a position overnight. If the overnight swap amount is negative, then you are charged and if the overnight swap amount is positive, then you are credited. Charged daily at 22:00 GMT (21:00 GMT during DST) on all open positions as at the aforementioned times. Charges are multiplied by three on each Wednesday for FX Pairs and Spot Metals, and on each Friday for all other asset classes.	Charge is instrument and asset class dependent.  More information can be found <a href="#">here</a> .
All costs related to transactions	Commission	When trading CFDs on Shares, CFDs on ETFs and CFDs on Cryptocurrencies you pay a commission when entering and exiting a position. Instruments classified as CFDs on Shares, CFDs on ETFs and CFDs on Cryptocurrencies are offered at raw spreads.	More information can be found <a href="#">here</a> .

	Currency Conversion Fee	A conversion fee is applied when you have an account that is denominated in a currency that is not of the same currency as the instrument being traded. The fee is applied as a fixed percentage of the conversion rate used and is reflected as a markup. A conversion fee is applied on operations made on Profit/Loss, Overnight Swaps, Rollovers, Dividends and Splits.	Fixed fee set at 2%.  More information can be found <a href="#">here</a> .
	Transactions Tax	The tax legislation in your country of residence may have an impact on the actual pay out of your investment. Withholding tax is applied when trading CFDs on Equities (Shares, ETFs, Indices) and will depend on the tax treaty between your country of residence and the country where the underlying instrument is traded.	Withholding tax is dependent on the enforced tax treaty.  The withholding tax for US equities is set at 30%
<b>Costs and Charges associated to investment services and/or ancillary services</b>			
Ongoing Charges	Inactivity Fees	Inactivity fees are applied when, for a period of 90 days or more, you have not: 1) Placed a trade; 2) Opened or closed positions, and/or 3) Made a deposit into your account.	a) 25 USD is charged on a monthly basis if no trading activity has occurred for 90 days or more. b) 100 USD is charged per quarter for inactivity exceeding 12 months, less any monthly inactivity fees already charged.  More information can be found <a href="#">here</a> .

### 3. COSTS AND CHARGES PER CFD ASSET CLASS

The following information is valid across all asset classes and may be instrument-specific depending on the nature of the instrument, as previously outlined in Table 1. The formulas aim to provide, transparency on the methodology used in order to calculate the various costs and charges as aforementioned.

#### Calculation Assumptions

- Costs displayed in cash and percentage terms are calculated on a round trip basis;
- The End of Day Price is assumed to be equal to the Entry Price;
- Working examples include scenarios capturing both long and short positions held;
- The client has an account denominated in USD and is trading USD denominated instruments.

#### Costs and Charges

Spread = Quantity \* Instrument Spread

Overnight Swap = (Quantity \* End of Day Price \* Overnight Swap Rate \* Days Held) / 360

Commission = Quantity \* Entry Price \* Commission

Currency Conversion Fee = (Spread + Overnight Swap + Commission) \* 2%

Transactions Tax = Dividend Amount \* 30%

#### Profit or Loss

Long Positions = (Quantity \* Current Price) - (Quantity \* Entry Price)

Short Positions = (Quantity \* Entry Price) - (Quantity \* Current Price)

It is to be noted that:

- In MT5 the contract size is instrument-specific, thus making the quantity equal to the product of the amount and the contract size;
- Swap rates on MT5 figures are in annual percentage amounts and converted to daily percentage amounts for calculation simplicity;

### 3.1. CFDs on Commodities

**Table 2: Costs and Charges Calculation for UKOil**

	Long Position	Short Position
<b>Metric</b>		
Quantity	10	10
Instrument Spread	0.039	0.039
Entry Price (USD)	80.924	80.885
Current Price (USD)	80.885	80.924
End of Day Price (USD)	80.924	80.885
Overnight Swap Rate	-15.00%	-40.00%
Days Held	1	1
Spread (USD)	-0.39 (0.02%)	-0.39 (0.02%)
Overnight Swap (USD)	-0.34 (0.02%)	-0.90 (0.06%)
<b>Total Amount Payable (USD)</b>	<b>-0.73 (0.04%)</b>	<b>-1.29 (0.08%)</b>

### 3.2. CFDs on FX (Currency Pairs)

**Table 3: Costs and Charges Calculation for EUR/USD**

	Long Position	Short Position
<b>Metric</b>		
Quantity	1000	1000
Instrument Spread	0.00011	0.00011
Entry Price (USD)	1.0851	1.08499
Current Price (USD)	1.08499	1.0851
End of Day Price (USD)	1.0851	1.08499
Overnight Swap Rate	-7.91%	-2.70%
Days Held	1	1
Spread (USD)	-0.11 (0.01%)	-0.11 (0.01%)
Overnight Swap (USD)	-0.24 (0.01%)	-0.08 (0.00%)
<b>Total Amount Payable (USD)</b>	<b>-0.35 (0.02%)</b>	<b>-0.19 (0.01%)</b>

### 3.3. CFDs on Cryptocurrencies

**Table 4: Costs and Charges Calculation for Bitcoin**

	Long Position	Short Position
<b>Metric</b>		
Quantity	0.01	0.01

Instrument Spread	3.13	3.13
Entry Price (USD)	37260.25	37257.12
Current Price (USD)	37257.12	37260.25
End of Day Price (USD)	37260.25	37257.12
Overnight Swap Rate	-50.00%	-50.00%
Commission	1.00%	1.00%
Days Held	1	1
Spread (USD)	-0.03 (0.00%)	-0.03 (0.00%)
Overnight Swap (USD)	-0.52 (0.07%)	-0.52 (0.07%)
Commission (USD)	-3.73 (0.50%)	-3.73 (0.50%)
<b>Total Amount Payable (USD)</b>	<b>-4.27 (0.57%)</b>	<b>-4.27 (0.57%)</b>

### 3.4. CFDs on Indices

**Table 5: Costs and Charges Calculation for DAX40**

	Long Position	Short Position
<b>Metric</b>		
Quantity	0.1	0.1
Instrument Spread	1	1
Entry Price (EUR)	15814	15813
Current Price (EUR)	15813	15814
End of Day Price (EUR)	15814	15813
Overnight Swap Rate	-11.65%	-6.26%
Days Held	1	1
Spread (EUR)	-0.10 (0.00%)	-0.10 (0.00%)
Overnight Swap (EUR)	-0.51 (0.02%)	-0.28 (0.01%)
<b>Total Amount Payable (EUR)</b>	<b>-0.61 (0.02%)</b>	<b>-0.38 (0.01%)</b>

### 3.5. CFDs on Shares

**Table 6: Costs and Charges Calculation for Apple**

	Long Position	Short Position
<b>Metric</b>		
Quantity	1	1
Instrument Spread	0.01	0.01
Entry Price (USD)	188.13	188.12
Current Price (USD)	188.12	188.13
End of Day Price (USD)	188.13	188.12
Overnight Swap Rate	-15.43%	-7.59%
Commission	0.24%	0.24%
Days Held	1	1
Spread (USD)	-0.01 (0.00%)	-0.01 (0.00%)

Overnight Swap (USD)	-0.08 (0.02%)	-0.04 (0.01%)
Commission (USD)	-0.45 (0.12%)	-0.45 (0.12%)
<b>Total Amount Payable (USD)</b>	<b>-0.54 (0.14%)</b>	<b>-0.50 (0.13%)</b>

### 3.6. CFDs on ETFs

**Table 7: Costs and Charges Calculation for SPY**

	Long Position	Short Position
<b>Metric</b>		
Quantity	1	1
Instrument Spread	0.01	0.01
Entry Price (USD)	449.67	449.66
Current Price (USD)	449.66	449.67
End of Day Price (USD)	449.67	449.66
Overnight Swap Rate	-15.43%	-7.59%
Commission	0.24%	0.24%
Days Held	1	1
<b>Summary</b>		
Spread (USD)	-0.01 (0.00%)	-0.01 (0.00%)
Overnight Swap (USD)	-0.19 (0.02%)	-0.09 (0.01%)
Commission (USD)	-1.08 (0.12%)	-1.08 (0.12%)
<b>Total Amount Payable (USD)</b>	<b>-1.28 (0.14%)</b>	<b>-1.18 (0.13%)</b>

## 4. THIRD PARTY PAYMENTS

The Company maintains agreements with entities collectively referred to as “Partners” for the scope of this Document. Partners may include entities including but not limited to Business Introducers, Affiliates and Tied Agents. All Partners that enter into a business relationship with the Company sign an agreement stipulating their remuneration medium and amount, which may be dependent on the generated volume of clients. No additional costs and charges are incurred by the clients in the payment of the aforementioned Partners.