Markets South Africa (Pty) Limited

ORDER EXECUTION POLICY FOR

RETAIL CLIENTS

This Policy on Order Execution Policy for Retail Clients has been updated in July 2025 and will remain effective until a more recent version is released. Markets South Africa (Pty) Limited reserves the right to amend or supplement this Policy at any time. Markets South Africa (Pty) Limited ("Markets SA") reserves the right to amend or supplement this Document at any time. This Document does not replace our Terms and Conditions The "Agreement") which we ask that you read carefully before you enter into any trading. The prevailing version of this Document is always available on our website www.markets.com.

This Policy supplements, forms part of, and must be read together with the client Terms and Conditions entered into between you, as the client, and Markets South Africa (Pty) Limited (“Markets SA”) (the “Agreement”). Capitalized terms used but not defined in this Policy will have same meaning given to those terms in the Agreement, unless otherwise defined herein. This Policy sets out how we seek to provide you with Best Execution when you trade with us. You must read this Policy carefully before you enter into any trading with us. If any terms of this Policy are unclear to you, you should seek independent legal advice. Please contact us for any questions you may have by using the **Online Contact Form**.

Markets SA is authorized in the conduct of its activities by the Financial Sector Conduct Authority (“FSCA”) in South Africa as an authorised over-the-counter derivatives provider and financial services provider under license number 43906. Markets SA is located at Boundary Place 18 Rivonia Road, Illovo Sandton, Johannesburg, Gauteng 2196, South Africa.

MARKETS.COM is a global brand and trademark and Markets SA has the sole and exclusive use of the domain “markets.com/za/” worldwide.

Risk Warning: Trading Foreign Exchange and Contracts for Difference is highly speculative, carries a high level of risk and is not appropriate for every investor. You may sustain a loss of some or all of your invested capital, therefore, you should not speculate with capital that you cannot afford to lose. Please ensure that you fully understand our **Risk Disclosure Statement** which gives you a more detailed explanation of the risks involved.

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1. INTRODUCTION

Markets South Africa (Pty) Limited (the "**Company**", "**we**" or "**us**") is a South African company regulated by the Financial Sector Conduct Authority (FSCA) in South Africa with license number 46860.

2. SCOPE

This Order Execution policy (the "Policy") provides an overview of how we execute orders on behalf of clients and the factors that can affect the cost and timing of execution. It also describes the way in which market volatility impacts the handling of orders for buying or selling Contracts of Difference ("CFDs").

3. APPLICABILITY

This Policy applies to the Company's execution of orders on behalf of Retail clients according to Applicable Regulations.

4. OUR COMMITMENT

Treating Customers Fairly is central to our corporate culture and ethos.

We have a duty to act honestly, fairly, professionally and in the best interests of our clients when dealing with them.

In relation to order execution, we are required to take all sufficient steps to obtain the best possible result when executing client orders or when transmitting orders to other entities or venues to execute. We understand the best possible result as being the one that delivers the best possible overall price for clients (including costs) within the soonest possible execution timeframe.

5. INVESTMENT SERVICES AGREEMENT

This Policy is provided to you to help you understand, as a potential or actual client of Markets South Africa (Pty) Limited, how we execute your trading orders, and the capacity in which we deal with you, so you can make an informed decision as to whether to use, or continue to use, our services. You must ensure that you have read and understood the contents of this Policy before you commence any trading with us.

6. OUR SERVICES IN CONTRACTS FOR DIFFERENCE AND THE SOURCES OF OUR PRICES

We enable you to trade CFDs via the following trading platforms:

a. markets.com/za/ZA Web Trader
b. markets.com/za/Mobile Trader
c. MetaTrader 4 (MT4)
d. MT4 Mobile
e. MetaTrader 5 (MT5)
f. MT5 Mobile

CFDs relate to underlying asset classes and financial instruments, which we explain here below:

Product Types	Examples of financial instruments in the specific specific product types
Foreign Exchange ("FX")	EUR / USD; GBP / USD; EUR / CHF
Commodities	Crude Oil; Gold; Silver; Cotton No 2; Wheat; Natural Gas
Indices	USA500 Futures; UK100 Futures; Germany40 Futures, USA30 Futures
Shares	Facebook; Apple; Amazon; VISA; Siemens
Bonds	10-Year US Treasury Note Futures, UK Gilt Futures, 30-Year US Treasury Bond Futures
Exchange Traded Funds ("ETF's")	SPDR Dow Jones Industrial Average, iShares MSCI South Korea
Cash Indices	USA500, UK100, Germany30, Spain35, USA30.
Cryptocurrencies	Bitcoin; Litecoin; Dash; Ethereum

The instruments available in each of the above trading platforms may be different. Certain exchanges and digital exchanges may impose intraday price movement limits on trade which may result in trading suspension of trading and/or stoppage of price feeds and/or a general trading halt and/or to the inability to place or close orders. This may be a result of the imposed intraday price movement limits or due to technical issues. Such limitations often apply to the exchanges from which we source our prices for CFDs in Cryptocurrencies. **By trading with us, you accept the risks associated with the above, including the risk of inability to place or close your trading orders because of such trading suspensions or halts.**

Note that when trading CFDs where the underlying asset is a Cryptocurrency, you should be aware that:

a. Cryptocurrencies are traded on non-regulated decentralized digital exchanges. This means that the price formation and price movements of the Cryptocurrencies depend solely on the internal rules of the particular digital exchange, which may be subject to change at any point in time and without notice. In addition, such digital exchanges may introduce trading suspensions or take other actions that may result in suspension or cessation of trading on such exchanges or the price and market data feed becoming unavailable to us. The above factors could result in material adverse effect on your open positions, including the loss of all of your invested amounts.
b. Cryptocurrencies are exposed to high intra-day price volatility, which may be substantially higher compared to other Financial Instruments. Therefore, by trading CFDs in Cryptocurrencies you accept a significantly higher risk of loss of your invested amounts which may occur within a very short time frame as a result of sudden adverse price movements of the Cryptocurrencies.

6.1. The basis of your dealing with us

When you enter into any order to Buy or Sell a CFD on our online trading platforms, you trade with us as our counterparty. Markets South Africa (Pty) Limited acts as a market maker and we are the Principal to each trade that you enter.

This means that:

a) We are always the counterparty to your transactions.
b) You may only close each position you trade in with us.
c) Your position is not transferable to any other regulated investment firm. This is a major difference to when you trade for example in Shares. In such cases, you can move your holding in Shares to be traded through another investment firm – broker. In CFDs, you can only trade / close your position with the investment firm – broker you initially opened your position with.
d) As a market maker we derive our income from:
i. Spreads ii. Overnight Swaps (Swap Fee)

As we are hedging transactions back to back, our profits are derived solely by the difference in the Spread we offer to you and the spread our liquidity providers offer to us.

6.2. Our Prices and where we source these from

We quote a two-way price for each CFD we offer.

This two-way price consists of a **Bid** (the lower price which is the price at which you as a client may "**Sell**" the CFD) and an **Ask** (higher price which is the price at which you as the client may "**Buy**" the CFD).

The difference between our Bid and our Ask price is commonly referred to as our "**Spread**". We aim to ensure our Spreads contribute towards delivering competitive Bid and Ask prices to you. The Spread includes our costs for the services we provide to you.

Our Spreads are variable. We publish our Spreads on our website and these may differ depending on the trading platform. For more information please refer to paragraph "Trading Conditions" below.

A variable Spread means that the Spread will vary throughout the day, depending on market volatility and available liquidity. They represent the best bid and ask prices we are able to obtain from our liquidity providers, underlying regulated markets or other data feed providers. Variable Spreads have a minimum value set by us, meaning that the Spread can be as low as certain pre-determined level and can fluctuate above that level according to market conditions. These minimum values are published on our website as mentioned above.

We have the right to change Spreads to reflect periods of actual or potential increased market volatility in the prices of underlying financial instruments or other market volatility caused by political or economic events.

Our CFD prices are proprietary prices which are derived from the prevailing ("published") market prices of the underlying financial instruments in the relevant markets in which the underlying instruments maybe traded in or from other applicable third – party data vendor sources. We take all sufficient steps to source the best possible prices for our clients. Our prices are therefore usually sourced as follows:

Asset Class	Source of the underlying CFD price
Foreign Exchange (“FX”)	Based on price feeds from global investment banks and other liquidity providers
Commodities	Based on published prices from underlying commodity exchanges
Indices	Based on published prices from underlying regulated stock exchanges
Shares	Based on published prices feeds from regulated stock exchanges
Bonds	Based on published prices from underlying regulated stock exchanges
Cash Indices	Based on published prices from underlying regulated stock exchanges
Cryptocurrencies	Based on price feeds from underlying cryptocurrency exchanges

All available CFDs may be found on our website. With respect to the below Asset Classes where there is no organized / regulated market from which prices can be sourced:

a. Foreign Exchange - we ensure we source price feeds from global investment banks and other major price feed providers.
b. Cryptocurrencies - we ensure to derive our market and pricing data from reputable digital decentralized exchanges the Cryptocurrencies are traded on.

Markets SA receives price feeds from a number of reputable liquidity providers or price feed providers. Having multiple liquidity providers is important especially during times of high volatility or other abnormal market conditions in order to be able to offer competitive prices to clients. A list of the feed providers used by Markets SA is available as an Appendix to this Policy.

We review our choice of data providers at least annually in order to assess their suitability for the purposes of this Policy.

Markets SA applies a standardized method of calculation to all CFD products to ensure that the price it is offering at any given time is always considered fair and the best price it can obtain on the client’s behalf. Markets SA will monitor the calculation method to ensure that it is applied consistently at all times.

Once we have received a market price, we then add our Spread in order to arrive at our published Bid and Ask prices. The final published price is determined by our pricing mechanism by taking the market median price ((Bid + Ask)/2) and adding our spread symmetrically to both sides (i.e. to Bid and Ask).

As a result of all these factors, our published prices will be close to but will generally not be the same as the underlying market Bid/Ask prices. The Company will not quote any price outside the Company’s trading hours as indicated on our website.

Markets SA will check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product and, where possible by comparing with similar or comparable products.

6.3. Order Handling

Trading and order execution is available between designated hours as set out on our trading platforms (“Trading Hours”) and as indicated on our website.

During the Trading Hours, clients may place trades and orders on our trading platforms. Please note that your orders may only be triggered / executed during the Trading Hours specified in the trading platforms for each product.

All active orders (whether against open positions as stop-loss or take-profit (limit) orders) are executed based upon the published price as quoted by us. A Sell order will be triggered with the Bid price and a Buy order will be triggered with the Ask price. A Buy order will be triggered if our Ask price reaches or exceeds the specified order price. The types of orders we offer on our trading platforms and their characteristics are set out further below. You must familiarize yourself fully with these before you enter into any trading.

6.4. Triggering of Orders Outside Trading Hours

Orders will not be monitored or executed outside of the Trading Hours. For the underlying instruments which continue to trade outside our Trading Hours, the price at which the order may be executed on the resumption of trading may be substantially different to your specified order price due to the price changes on the market occurring prior to our Trading Hours.

6.5. Pending orders Out of Trading hours

As per our Investment Services Agreement, clients will be able to place pending orders outside of the hours in which the relevant market is open for trading. These orders will stay inactive and will be executed in the hours in which the relevant market is open for trading. We reserve the right to change these terms by amending the Investment Services Agreement. Clients will not be able to close/open positions outside of the hours in which the relevant market is open for trading.

7. EXECUTION VENUES

Execution Venues are the entities with which the orders are placed or to which the Company transmits orders for execution. For the purposes of the orders submitted to the Company by the client, as mentioned above, the Company acts as Principal on the client's behalf at all times. Even where the Company transmits the orders for execution to third party liquidity providers, the Company remains the sole counterparty to your trades. Therefore, the Firm is the sole Execution Venue for clients' orders.

By accepting this Policy, the client acknowledges that the orders placed with the Company are not undertaken or executed on a regulated market or multi-lateral trading facility (MTF) but are executed on an Over the Counter ("OTC") basis through the Company's trading platforms and, accordingly, the client may be exposed to greater risks. The Company may not be able to execute an order or it may change the opening/closing price of an order in cases of technical failure of the trading platform or the feed quotes received.

8. HEDGING ARRANGEMENTS

As mentioned above, the Company acts as the main execution venue, as principal and the sole counterparty in all client orders. Solely for risk mitigation purposes (but not with respect to sourcing price data), the Company uses several liquidity providers with which it may hedge some or all of its exposure in certain assets or products in accordance with its hedging strategy, thereby transferring the market risk to another counterparty. The prices that we may make available to clients under this model will not be affected by the hedging arrangements from the selected liquidity providers.

9. BEST EXECUTION

9.1. What does Markets SA mean by 'Best Execution'?

Best Execution is the process by which Markets SA seeks to obtain the best possible result when executing client orders.

The definition of best possible result will vary as we may take into account a range of execution factors and determine their relative importance based on the characteristics of the respective client, the order size, the orders that we receive and the underlying Financial Instruments for which we offer trading on Contracts for Difference. Prices and costs carry the highest importance when executing transactions for our clients.

These Execution Factors and the relevant importance/criteria we place on them, depending on the circumstances of the clients and the order, are as follows:

Factor	Explanation	Importance
Price	The market price at which the order is executed. Please refer to the relevant sections in this Policy for information on how we determine our prices.	High
Costs	Any additional charges that may be incurred in executing the order in a particular way over and above Markets SA's Spread. Please refer to the relevant section in this Policy for information regarding the costs and charges. The costs are not incorporated in the Company's quotes price for all types of instruments offered by the Company.	High

Size	The way that Markets SA executes an unusual order (for example, one that is larger than the normal market size) may differ from the way it executes a standard order. In general, Markets SA does not apply different execution arrangements between larger and smaller positions and as such the execution factors are the same across all orders. When placing an order, we will in most cases execute and confirm the trade within 100-300 milliseconds, when volume requested is of size which can be supported and justified by underlying market volumes and depth of liquidity. When a request on an illiquid or otherwise not so liquid asset is received, we may reject the trade or manually process the order to provide a price which is realistic and fair according to the liquidity of the underlying market. During manual processing, execution and confirmation may be delayed.	Low
Speed of Execution	This can be particularly important in fast moving markets. Please refer to the relevant sector in this Policy for Speed of Execution and Latency for more information.	High
Likelihood of execution and settlement	We rely on third-party feed providers for prices and/or available volume of the different financial instruments we offer. Therefore, the execution of Client's orders will depend on whether there are prices and/or liquidity available at the time these orders are received.	Medium
Market impact	The effect that executing a client's order, or showing it to other market participants, might have upon the market	Medium
Other factors relevant to particular order types	May vary depending on the circumstances	As applicable

The relative importance of these factors can vary between different products. Although we endeavor to provide the best possible execution after having taken into account the above factors, we cannot absolutely guarantee to you that the price that we make available to you at the time of opening or closing a position with us will always be better than one which is or might have been offered elsewhere.

Although we take all reasonable efforts, where we use an external counterparty as our liquidity provider, we will not be obliged to enter into any transaction with the client if in doing so we may be at risk of exceeding the liquidity available to us in the underlying market. For larger transactions, we may add an additional mark up or mark down and / or charges to our prices.

If a client undertakes repeated transactions, Markets SA will view them on a cumulative basis for the purpose of determining such additional mark up and / or charges.

9.2. Trade Sizes

For every CFD we offer, we attach a minimum and a maximum trade size. These trade sizes are reviewed by us frequently. The sizes vary depending on current market conditions affecting the underlying instrument as well as our risk management for overall exposures and hedging capabilities on certain assets.

Markets South Africa (Pty) Limited reserves the right to place a cap on the number of transactions it enters into in relation to a Financial Instrument and/or limit on the total net position value for specific instruments subject to its Risk Management policy and in case of high volatility or low-liquidity assets. To this extent, the Company reserves the right to decline an order as mentioned above.

9.3. Slippage

It is important to note that we cannot guarantee the execution price of orders, that is, such prices are non - guaranteed (unless otherwise explicitly stated). We endeavor to execute orders at or close to the specified order price. Due to price movements in the underlying Financial Instruments, it is possible that our prices may move quickly and erratically from one level to another. This is known as gapping and can arise in periods of low liquidity and high volatility (such as, for example, after a profit warning by a corporate in whose shares you may be invested in via the CFD or immediately after the release of economic data).

You should be aware of the following risks associated with volatile markets, especially at or near the open or close of the standard trading session:

- Execution of your order at a price which is substantially different from the quoted Bid or Ask price or the last reported price at the time of placement by you of an order.
- Opening prices may differ substantially from the previous day's close.
- System capacity constraints applicable to exchanges, data vendors as well as to Markets SA.

Markets SA is obligated to take necessary steps to keep an orderly market in any of the underlying Financial Instruments for which it offers CFDs in order to mitigate effects of slippage. Markets SA cannot be held liable for price slippage caused by Markets SA acting so as to keep an orderly market. **Examples of Slippage**

Example 1:
Assume that you place a Market Order to Sell EUR/USD at 1.11352.
During Non-Farm Payroll News, the price of EUR/USD rises significantly reaching 1.11527 and this is the price that then becomes available.
In such case, you will receive the price of 1.11527 instead of the price initially requested (this is a positive slippage since you received a better price than the price you requested). You will not receive a reject in market execution, unless a Spread Limitation occurs as described further below.

Example 2:
Assume that you place a Market Order to Sell EUR/USD at 1.11352.

During Non-Farm Payroll News, the price of EUR/USD drops significantly reaching 1.11121 and this is the price that then becomes available.

In such case, you will receive the price of 1.11121 instead of the price initially requested (this is a negative slippage since you receive a worse price than the price you requested). You will not receive a reject in market execution, unless a Spread Limitation occurs as described further below.

9.4. Speed of Execution and Latency

Fast order execution is critical to ensure that orders are executed accurately. Latency – being any delay or lapse of time between a request and a response - can potentially cause delays and lead to orders being executed at the next available price either in favor or against the client depending on the price.

The flow of market-pricing data originates at the underlying exchange or marketplace. Price data is then transferred to our trading platform and then communicated to you. Streaming data-transfer speeds are typically measured in milliseconds from origin to you. The latency that occurs on average is 0.1 seconds but could be as much as 2 seconds.

Excess latencies can be present in the following parts of the data stream, impacting the order routing and execution process:

- Exchange or market based servers
- Our servers
- Company Internet connectivity
- Client internet connectivity and speed
- Client computer hardware and software

We seek to manage latency challenges as follows:

- Continuous assessment of current feed providers
- Seeking new feed providers to minimize issues occurring from price latency or quality.
- Cooperating with multiple providers of high internet bandwidth
- The Company applies a delay in the order execution of orders which is defined per asset and it is on average at 0.1 seconds. The maximum delay is 2 seconds.

9.5. Costs and charges

9.5.1. Spread Cost and Commissions

The Spread is in effect your cost for opening a new position/placing a new order. For certain types of accounts, a commission may be payable. Such commissions will be disclosed to you in the Cost Schedule and will be debited from your Account at the same time as Markets SA opens and/or closes the relevant CFD.

9.5.2. Overnight Swap (Swap Fee)

A daily overnight swap (swap fee) charge will apply to each open CFD position if it is held overnight. The overnight swap (swap fee) is charged daily at 22:00GMT (21:00GMT during DST) on all positions left open until that time. The method of calculation of the overnight swap (swap fee) charge varies according to the type of underlying asset or Financial Instrument to which the CFD applies. Moreover, the amount of the overnight swap (swap fee) charge will vary between different assets as it is linked to interest rates related to each asset and in addition to an extra financing charge defined by us.

Overnight Swap (Swap Fee) used by the Company:

The Financing Charge is set as per the below table:

Asset class	Amount
FX	3.75%
Indices	3.75%
Oil	7%
Shares	16%
Commodities	7%
Bonds	3.75%
ETFs	16%
Natural Gas	15%
VIX Volatility Index	15%
Cryptocurrencies: BCHUSD, BTCUSD, Dash, Ethereum, Litecoin	54%
Cryptocurrencies: Others	72%

CFD Expiration Rollover:

Where the underlying instrument of a CFD is a Future or similar instrument (but excluding any Cash Index CFDs), there will be an expiration date. However, you should be aware that CFDs are not traded up until the exact expiration date of the underlying instrument. Instead, CFDs are rolled over to the next underlying Future Price on the last Friday (or, in the case of CFDs in Cryptocurrencies, Thursday) before the official expiration day (except in cases of when it falls on a Friday when the markets are closed or due to low liquidity and volume). This is known as the Expiration Rollover.

The price difference between the price of the expiring Future contract underlining your original CFD Order as at the expiration date and the price of the rolling over (new) Futures contract underlining your effectively new CFD Order (being the next underlining Future price referred to above) will be debited/credited to your Account by means of negative/positive adjustments into your Account, relative to the size of your order. Whenever an Expiration Rollover occurs, we will charge you an amount (which will be include within “Swap” or ‘Expiration Rollover” charges depending on the trading platform you are using) which will be equal to the Spread of the CFDs being rolled-over. This effectively aligns to the cost that you would have incurred if your CFD Order would have been closed on the expiration date and you would open a new CFD Order based on the new Future contract. These charges (included in the “Swap” or “Expiration Rollover” charges depending on the trading platform you are using) will be determined by us from time to time, in our absolute discretion. We will subtract such charges from your Account without your prior consent having regard to the disclosures made herein.

For Web Trader Platform/MT4, any stop loss/take profit, entry stop or entry limit orders attached to your original CFD Order in the underlying Future contract before it is rolled over will be adjusted to symmetrically (point-for-point) reflect the price differences between the expiring underlying Future contract and the new CFD Future contract that your position will be automatically rolled over into. New stop loss/take profit levels will therefore automatically symmetrically apply to the new CFD Future contract, based on the distance you selected for such loss/take profit levels for the original CFD Future contract.

For MT5, any existing pending order(s) (S/L, T/P, entry stop and entry limit) placed in the underlying Future contract will be automatically removed on the rollover date.

We will exercise our best effort to inform clients about any projected expiration of instruments by pop-up notifications, email or through our website. However, note that we cannot provide adjustment information about the rollover in advance and before the adjustment occurs. Therefore, clients with open positions who do not wish to have their positions rolled over into the new tradable contract should close their position(s) and/or cancel orders before the rollover date and open a new position afterwards.

The formula used by Markets South Africa (Pty) Limited for calculating the Rollover Charge:

- MT4 and MT5 Platforms:
  (Lots x Contract Size) x [(New Contract – Old Contract Price) + Spread]

- Markets Web / Mobile Trader:
  Quantity x [(New Contract – Old Contract) + Spread]

General rules:

New Price < Old Price = Credit for Long Positions/Debit for Short Positions

For full information on our Overnight Swap (Swap Fee) charges please refer to the Section “Trading Conditions” below.

9.5.3. Currency conversion fees (Foreign exchange costs)

Currency conversion fees (Foreign exchange costs) will apply only when your account currency is different than the quoted currency of the underlying asset being traded. The fee will be reflected as a percentage of the conversion rate used. This will affect any conversions made on the Used Margin, Profit and Loss, Overnight Swap (Swap Fee), CFD Rollovers and adjustments for Corporate Actions (such as Dividends and Splits).

As an example, if the account currency is US dollars and you open a position on a Euro quoted asset (i.e. Germany40) your Used Margin is converted in US dollars. The conversion will include a fixed percentage on the conversion rate applicable at the time as a mark-up.

The currency conversion fee (Foreign exchange costs) is set at 1.20%.

Example:
Account is denominated in EURO and you want to open a position on APPLE which is quoted in US dollars. You buy long Apple of 6 contracts.

Apple price at opening:	Apple price at closing:
BID 147.58	BID 155.32
ASK 147.93	ASK 155.67

If:
Margin requirement 10%
EURUSD Conversion Rate at opening: 1.14360
EURUSD Conversion Rate at closing: 1.12990 Margin
Fee: 1.20%

Used Margin: (mid-price*margin requirement) *volume) = (147.76*10%)*6= 88.66 USD
Used Margin Converted into EUR: 88.66/1.14360= 77.53 EUR
Margin Fee at opening of the position: User Margin *margin fee = 77.52*1.20%= -0.93 EUR

Used Margin at closing Converted into EUR: 88.66/1.12990=78.46 EUR
Margin P/L: Closing Margin - Opening Margin = 78.46 - 77.53= 0.94

Total Margin Fee: -0.93
Closed P/L: ((Closing Price- Opening Price)*volume) = (155.32-147.93)*6)= 44.34 USD
Closed P/L in EUR: Closed P/L in USD/ Conversion Rate= 44.34/1.12990=39.24 EUR
P/L Currency conversion fee (Foreign exchange costs): Closed P/L * Currency conversion fee (Foreign exchange costs)= 39.24*1.20%= 0.47 EUR
Margin Adjustment: Margin Fee+ Margin p/L= 0.94+(-0.93) = 0.01 EUR
Closed P/L after margin adjustment and Currency conversion fee (Foreign exchange costs): closed P/L +margin adjustment+ P/L Currency conversion fee (Foreign exchange costs)= 39.24+0.01+(-0.47) = 38.78 EUR

9.6. Negative Balance Protection

Unless otherwise notified on an individual client basis, we offer to all of our clients Negative Balance Protection. This means that a client will never lose more than the invested capital.

The negative balance protection limits your aggregate liability for all CFDs connected to your account, ensuring that your maximum losses from trading CFDs, including all related costs, are limited to the total funds that are in your account. This includes any funds yet to be paid into your account due to net profits from the closure of open CFDs connected to the account.

In the event of a sudden movement or gap in the price of the CFD on which you have open positions, your Margin Level might suddenly fall below the 50% level without the system being able to liquidate your position at that level. Your position will be liquidated at the next available price at a lower Margin level resulting in a negative balance in your account. In this case, the negative balance will be returned to your Account.

For example, if you have a balance of $100 and you open a position of 2,000 EUR/USD with leverage 1:30 at 1.0740.
Your Used Margin will be $71.60. Your Margin Level will be at 139%.
After a sudden movement if your Loss becomes $110, this means that your Equity will become -$10 and your position will be automatically closed since the Margin Level will be -14%. Your balance will become negative -$10.

This amount will be returned to your Account as we offer Negative Balance Protection to you.

10. TYPE OF ORDERS

10.1. CFDS ON MARKETS.COM MOBILE/WEB TRADER

10.1.1. Market order

With a market order the client instructs us to execute a trade of a certain size as promptly as possible at the prevailing market price. We are required to execute market orders without regard to price changes.

Therefore, if the market price moves significantly during the time it takes to execute a client's order, the order will most likely be exposed to the risk of execution at a different price from the price when the order was entered (i.e. slippage).

Market Orders in the Markets.com Mobile/Web Trader are subject to a slippage limitation as described below.

10.1.2. Pending Orders

All types of pending orders specified in this paragraph are executed at the market price which can be different from the price specified in the order.

10.1.2.1. Entry Limit Order

With an entry limit order, the client sets the maximum purchase price, or minimum sale price, at which the order is to be executed. Once the market price reaches such an entry limit price the order will be triggered and executed at the limit price or better. As a limit order may be entered at a price which differs from the current market price, it may not be executed immediately. A client that leaves an entry limit order must be aware that he/she is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. In case the client account does not have enough funds for opening the position, the pending order will be rejected and automatically deleted by the system.

10.1.2.2. Good till Cancelled ("GTC")

Good till cancelled is a pending order, that by its terms, is set to remain valid indefinitely, or until filled or cancelled by the client or by the system in the event of no available funds.

10.1.2.3. Entry Stop Order

Different from an entry limit order, a stop order allows selling below the current market price or buying above the current market price if the entry stop price is reached or breached. An entry stop order is therefore a pending order until the stop price is reached or breached.

10.1.2.4. Modification of Pending Orders

The Client may modify a pending order including Stop Loss and Take Profit, before it is executed. However, a pending order may not be changed or removed if the price has reached the price level for the execution of the order. Based on the terms and conditions clients may place pending orders during Out of Trading Hours. These orders will stay inactive and may be changed until the trading hours and will be executed in the hours in which the relevant market is open for trading. We reserve the right to change these terms by amending the Investment Services Agreement.

10.2. META TRADER 4 (MT4) AND META TRADER 5 (MT5)

10.2.1. Market order

With a market order the client instructs us to execute a trade of a certain size as promptly as possible at the prevailing market price. We are required to execute market orders without regard to price changes.

Therefore, if the market price moves significantly during the time it takes to fill a client's order, the order will most likely be exposed to the risk of execution at a different price from the price when the order was entered.

10.2.2. Pending Orders

All types of pending orders specified in this paragraph are executed in market price which can be different from the order price.

10.2.2.1. Limit Order

With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. Once the market price reaches such limit price the order will be triggered and executed at the limit price or better. As a limit order may be entered at a price which differs from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. In case the client account does not have enough funds for opening the position, the pending order will be rejected and automatically deleted by the system.

10.2.2.2. Good till Cancelled ("GTC")

Good till cancelled is a pending order, that by its terms, is set to remain valid indefinitely, or until filled or cancelled by the client or by the system in the event of no available funds.

10.2.2.3. Stop Order

Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a pending order until the stop price is reached or breached.

10.2.2.4. Trailing Stop Order

The trailing stop order is a stop order as described above with the only difference being that, instead of setting a price at which the order will be activated, the trailing stop order is activated at a fixed distance from the market price. For example, if a client has a long open position with a trailing stop attached to it and the market Ask price increases, the trailing stop price will also increase and will trail behind the market Ask price at the fixed distance set by the Client. If the market Ask price then decreases, the trailing stop price will remain fixed at its last price set and if the market Ask price reaches the trailing stop price, the order will be executed. Due to market gapping, the best available price that may be achieved could be materially different to the price set on the trailing stop order, therefore, trailing stop orders are not guaranteed to take effect at the fixed distance for which they are set. This type of order is only available on our MT4 Platform and MT5 Platform.

10.2.2.5. Modification of Pending Orders

The Client may modify a pending order including Stop Loss and Take Profit, before it is executed. However, a pending order may not be changed or removed if the price has reached the price level for the execution of the order. Pending orders cannot be modified outside of the designated Trading Hours.

11. CANCELLATION OF TRADES AND CLOSURE OF POSITIONS

The Company in certain cases is required to cancel your orders or close your open positions. The reasons for such actions are presented below.

11.1. Maintenance Margin and Margin Close Out

Maintenance Margin refers to the minimum equity (i.e. funds) you need to maintain on your account with us in order to keep your positions open, this is also commonly referred to as “maintenance requirement” or “minimum maintenance margin”.

Our Margin Close Out level is currently 50%. This means that if your Margin Level falls below the Margin Close Out level of 50%, you will receive a stop out and your open positions will start liquidating, without any notice by us to you, starting from the position with the highest losses.

Clients need to ensure that they have sufficient funds in their trading account(s), at all times, in order to maintain their open position. All clients need to continuously monitor any open positions to avoid positions being closed due to insufficient funds being available on their account.

We have the right to change this Margin Close Out level at our discretion. For more information please visit our Leverage and Margin Policy.

11.2. Off-market price/spike

In the event of an off-market price entering our system due to a technical issue or misquotation, should you open any position at such price, the Company reserves the right to cancel your position by closing it at the current price offered on the relevant trading platform and reversing any Profit or Loss generated from this action. In case your already opened position is closed at an off-market price, either by you or by automatic Stop Loss or Take Profit orders, or your position is liquidated as a result of the off-market price, the Company will reverse any Profit or Loss and re-instate your position at its initial opening price.

Spike Mode:

Spike mode is a tool that protects you from trading at off-market prices as well as against extreme widening of the spread.

The Spike mode is enabled once a pre-defined percentage between the last tick and the new tick is met. In order for the Spike mode to be disabled, a pre-defined number of ticks is required to be received. This enables the system to identify whether the price received is indeed in-market. The configuration of the settings may differ, based on the liquidity and volatility for each of the underlying asset.

In the event that the Spike mode is enabled, you will not be able to perform any trades based on that price until the system validates that the price is an in-market price. Once the price is validated, the Spike mode is disabled. This means that the next tick received will be accepted and you will be able to place trades at the new price.

11.3. Abusive trading

As a result of the highly automated nature of delivering streaming, tradable prices, price misquotations and technical issues are likely to occur from time to time.

Should you execute trading strategies with the objective (in the Company's opinion acting reasonably) of exploiting such misquotations or technical issues, or act in bad faith, Markets SA will consider this abusive behavior.

Should Markets SA determine, at its sole discretion and in good faith, that you are taking advantage, benefiting, attempting to take advantage or to benefit from such misquotation or technical issues or that you are committing any other improper or abusive trading act such as for example:

1. fraud/illegal actions;
2. orders placed based on manipulated prices as a result of system errors or system malfunctions;
3. arbitrage trading, such as "Swap Arbitrage" "Latency Arbitrage" or "Bonus Arbitrage" on Prices offered by our platforms;
4. scalping trade or placing and closing orders or entering into positions for an arbitrarily short period of time;
5. arbitrage trading on prices offered by our platforms as a result of systems errors;
6. coordinated transactions by related parties in order to take advantage of systems errors and delays on systems updates;
7. entering into transactions or combinations of transactions (voluntarily and/or involuntarily) such as holding long and short positions in the same or similar instruments at similar times either by you or by you acting in concert with others, including (but not limited to) between accounts held with different entities, which, taken together or separately, are for the purpose of manipulating the trading platform for gain; or
8. abuse of Negative Balance protection by entering into hedged transactions between two accounts either held by you or by other clients of ours or of any other broker by utilizing fully your leverage engaging in essence in risk-free trading,

Markets SA will have the right to close any open positions subject to such abusive behavior as described above or cancel any Profit or Losses that were booked as a result of you using abusive strategies as described above.

The Company reserves the right to take additional measures it deems necessary, depending on the circumstances and the severity of the abusive act, such as to:

1. restrict your access to streaming, instantly tradable quotes, including providing manual quotation only; introduce time delays of up to 2 seconds between your placing of the order and the order opening on the Electronic Trading Platforms (to prevent scalping); and/or
2. restrict your access to only certain assets; and/or
3. restrict leverage in specific assets or in the trading account, or
4. adjust the Spreads available to you; and/or
5. immediately terminate the Agreement.

12. CORPORATE ACTIONS AND ASSET MATERIAL ADVERSE CHANGE

If the price of a share CFD is affected by a corporate action being applied on the underlying financial instrument, the Company reserves the right to perform any necessary adjustments to the value and/or the size of the position held on the CFD, aiming to neutralize the economic effect of the corporate action on the CFD price.

The Company will take all reasonable steps to ensure that it has reflected all market conditions affecting the price of the underlying financial instrument. In the occasion where the Company is unable to fairly value the effect of the Corporate action or in case of the underlying financial instrument being delisted from the relevant exchanges, the Company reserves the right to proceed to closure of your positions at the last official mid-price quoted on the underlying exchange prior to the relevant Corporate action.

12.1. Types of Corporate Actions

12.1.1. Dividends

In case of dividend distribution by the issuer of the underlying shares in a CFD, cash adjustments are applied in order to neutralize the economic effect that this corporate action may have on the price of the underlying shares on the ex-dividend date. Ex -dividend date refers to the date on which the underlying shares trade with no rights for dividend anymore. This is the date we make the adjustment described below.

If you hold a long position on the ex-dividend date, you will receive a dividend in the form of a cash adjustment. Please note that we will deduct 30% withholding tax from the credited dividend amount when you trade CFDs on US instruments in accordance with the US IRS requirements. Withholding tax is income tax paid to the government by the payer of the income rather than by the recipient of the income. The % withheld may be reduced if you are able to provide us with the W8-BEN (or W9) form to evidence your tax residence and assess whether a different tax treatment should be applied to your account.

Example 1:

APPLE dividend: 3.29USD per share

Ex-dividend date: 8th May

Clients holding a long CFD position will receive a positive adjustment and clients holding a short CFD position will receive a negative adjustment. Adjustments will be calculated as follows:
Quantity (units) x dividend amount – WTH (applicable for long positions)

If you are holding a Long position of 300 units APPLE CFD, you will receive a positive adjustment of 300*((3.29) -(3.29*0.3)) = 690.9USD

Quantity (units) x dividend amount
If you are holding a short position of 200 units of APPLE CFD, you will receive a negative adjustment of 200*3.29 = 658USD **Example 2:**

BMW dividend: 2.5 EUR per share

Ex-dividend date: 8th May

Clients holding a long CFD position will receive a positive adjustment and clients holding a short CFD position will receive a negative adjustment. Adjustments will be calculated as follows:
Quantity (units) x dividend amount

If you are holding a Long position of 300 units BMW CFD, you will receive a positive adjustment of 300*2.5 = 750EUR

12.1.2. Dividends in relation to Cash Index CFDs

Cash dividends are applicable to Cash Index CFDs. An index consists of hypothetical portfolio of shares. If one of the issuer of the shares included in the index pays dividend, respectively the price of the index is affected. In order to neutralize the economic effect caused by the dividend payment, cash adjustments are applied in the accounts holding positions on that particular cash index in our MT5 platform.

If you hold a long position on the payment day, you will receive a positive dividend adjustment, and respectively a negative adjustment for short positions. Cash dividend adjustments are processed at 22:00 GMT (21:00 GMT during Summer Time). We will debit 30% withholding tax from the credited dividend amount when you trade CFDs on US instruments.

Example 1:
US500 Cash dividend 0.05USD

Ex-dividend date: 1st February

Clients holding a long CFD position will receive a positive adjustment and clients holding a short CFD position will receive a negative adjustment. Adjustments will be calculated as follows:

(Quantity (units) x dividend amount)-WTH

If you are holding a Long position of 50 units US500 CFD, you will receive a positive adjustment of 50*(0.055-(0.05*0.3)) = 1.75USD

Quantity (units) x dividend amount
If you are holding a short position of 50 units of US500 CFD, you will receive a negative adjustment of 50*0.05 = 2.50USD

Example 2:
SPA35 Cash dividend 0.07EUR

Ex-dividend date: 1st February

Clients holding a long CFD position will receive a positive adjustment and clients holding a short CFD position will receive a negative adjustment. Adjustments will be calculated as follows:
Quantity (units) x dividend amount

If you are holding a Long position of 50 units SPA35 CFD, you will receive a positive adjustment of 50*0.07= 3.50EUR

If you are holding a short position of 50 units of SPA35 CFD, you will receive a negative adjustment of 50*0.07 =3.50EUR

The provisions of this section are without prejudice to any of Markets SA's rights in respect of the Corporate Actions set out in your Investment Services Agreement.

12.1.3. Stock Split/Reverse Stock Split

Stock Split is a corporate action in which a company divides its existing shares into multiple shares. Although the number of shares increases, the value of the shares remains the same as the split does not add any real value.

Reverse Split is a corporate action in which a company reduces the total number of its shares to form a smaller number of proportionately more valuable shares. A Reverse Split is the opposite of a Stock Split and equally it does not add any real value.

When you hold a position on a share of which the underlying company shares encountered a split or reverse split, the Company will proceed with a position adjustment and/or cash adjustment on the Ex-date in order to reflect the Stock Split's or Reverse Split's economic effect on your account.

1. In case you hold a long position and a Stock Split is effected we will perform a positive adjustment to your account. In case of a Reverse Split, a long position will result in a negative adjustment to your account.
2. In case you hold a short position and a Stock Split is effected, we will apply a negative adjustment to your account. In case of a Reverse Split, a short position will result in a positive adjustment to your account.

Example:

APPLE 1:7 Stock Split date on the 6th June Ex-dividend

date: 6th June

Cash adjustments (positive or negative) for clients holding position until the closing of trading on the 6th of June 2014:

The adjustment will be calculated as follows: closing price on 6th June - (closing price on 6th June * adjustment factor)

e.g.: closing price on 6th June = 606.97

Adjustment factor = 0.1428571 (1/7)

606.97-(606.97*0.1428571) = 606.97 – 86.7099 = 520.26 USD

Then the adjustment factor is multiplied by the units: 520.26*units.
- If you hold a Long position of 10 units of APPLE CFD, you will receive a positive adjustment of 520.26*10 = 5202.60 USD
- If you hold a Short position of 20 units of APPLE CFD, you will receive a negative adjustment of 520.26*20= 10405.20USD

Rights Issue

After a Rights Issue it is common that the share price is reduced due to additional dilution of the share value. Therefore, cash adjustments are applied in order to neutralize the economic effect that this corporate action may have on the price of the CFD on the ex-rights date.

If you hold a long position on the ex-rights date, you will receive a positive adjustment in the form of a cash adjustment. If you hold a short position on the ex-rights date, you will be charged a negative adjustment in the form of a cash adjustment.

12.2. Asset Material Adverse Change

If: (i) a Corporate Action occurs in relation to a Financial Instrument which is underlying any open position which you have with us, or (ii) Asset Material Adverse Change occurs; or (iii) our market exposure in respect of any Financial Instrument or other instrument exceeds our internal exposure limits, we may exercise any of the following rights, provided that in doing so we must act reasonably and will use our reasonable efforts to preserve the value of your open positions having regard to our duty to treat our customers fairly and our best execution obligations to you:

a) Change our Prices;
b) Change any trading limits which we may have in place;
c) Change any Margin or Leverage parameters;
d) Change the opening Price, opening stake or opening size of any position;
e) Require (by a reasonable advance notice) that you close any open positions which you may have in the affected Financial Instrument or other instrument, and, should you fail to do so, close such positions at our Price;
f) Open new position for you in any relevant new Market;
g) Freeze the Account including the opening or closing of any or all affected positions and suspend any trading activity between us until the relevant adjustments are performed;

h) Set the asset of which its underlying Financial Instrument is subject to the Corporate Action on a close-only mode, in which case no new positions may be opened;
i) Make the relevant adjustments in your Account to restore the Account's Transactions in the underlying Financial Instruments which were (post the Effective Date) or are to be (prior to the Effective Date) affected by a Corporate Action. Such adjustments will be executed at the then-current market prices which may be different than the Prices at which the original Transactions were executed; and

Restrict or disable opening of any new Sell and/or Buy Positions in the affected Financial Instrument or other instrument.

13. REGULAR REVIEW

Markets South Africa (Pty) Limited reviews this Policy annually and whenever a material change occurs that affects Markets SA's ability to obtain the best possible result for the execution of client orders.

Markets South Africa (Pty) Limited regularly reviews the overall quality of its order execution and of the published prices in underlying Financial Instruments provided by third – party data vendor sources to ensure the continuous achievement of the objectives of this Policy. Markets South Africa (Pty) Limited will amend this Policy on the basis of such reviews if it considers it to be necessary. Any new policy will be made available on our web-site and will be in force as from the date of its publication. Whenever we introduce a material change to the terms of this Policy (i.e. changes that affect your rights and obligations under the Agreement and the Policy), we will endeavor to notify you of such changes prior to the same taking effect. For the avoidance of doubt, changes to the trading terms including changes to our Spreads, leverage ratios, overnight or other fees and charges, CFD expiration period and other CFD product features will not be deemed material for the purposes of this Policy.

14. APPLICABLE LANGUAGE

Please note that where you have been provided with a copy of this Policy other than in the English language, such Policy is provided to you for information purposes only. The English version of this Policy is the version that is binding on Markets SA at all times.

15. IMPORTANT INFORMATION

15.1. Leverage information

There may be specific leverage limits on the instruments available. The Company offers a maximum default leverage of 1:1000.

We reserve the right to reduce leverage ratios for CFDs in financial instruments that maybe the subject of actual or anticipated corporate actions, with or without notice to you, in order to address likely market and financial instrument volatility. Where possible we will give you 3 business days' notice of such change so as to enable you to take the action you consider appropriate.

15.2. Trading Conditions

Further information on trading conditions, including Trading Hours, Spreads, Leverage, CFD Rollover charges, Overnight Swap (Swap Fee), are available at all times to clients on our website. We note that the trading conditions may vary depending on the instrument and platform.

15.3. Offering of CFDs in certain jurisdictions.

CFDs are not eligible for sale in certain jurisdictions or countries. This Policy is not directed to any jurisdiction or country which is included in the Company's Banned Jurisdictions as this is defined in the Agreement. The Policy does not constitute an offer, invitation or solicitation to buy or sell CFDs.

15.4. Questions.

For any questions regarding this Policy, please contact at a first instance the Customer Support Department through the **Contact Us** page or via **Live Chat**.

APPENDIX I – FEED PROVIDERS

Markets SA receives its feed from the following liquidity and price feed providers:

a. Safecap Investments Limited, a company incorporated in Cyprus, our liquidity provider and hedging counterparty, for the purposes of hedging of the Company's trading exposure to you; Safecap is a company operating independently from Markets SA but which is ultimately controlled by our parent company. All our dealings with Safecap are at a commercial arms-length basis. We do not remunerate Safecap on the basis of revenues generated from our clients' trading.