Central Counterparty Clearing

We provide central counterparty clearing on certain markets. We provide this service as standard through an Omnibus Segregated Clearing Account (OSCA) free of charge to our clients.

It is also possible for clients to choose an Individual Segregated Clearing Account (ISCA) instead of, or in addition to, the omnibus account we provide as standard.

Key features of these two account types are listed below:

Account	**Omnibus Segregated Clearing Account (OSCA)**	**Individual Segregated Clearing Account (ISCA)**
Funds fully segregated (under FCA rules)	Y	Y
Nature of segregation	Fully segregated from assets of the firm and the clearing house. Held with other retail client funds	Fully segregated from assets of the firm and the clearing house. Held separately in your name only.
Account fees	No fees	Account opening fee £13,000 Corporate account opening fee £200,000 Plus maintenance and transaction fees
Uncleared markets available	Y	N
Standard margin rate	Y	Margin multiplier applies
For Open Positions, generally 24 hours notice of margin rate changes	Y	N Margin changes effective immediately
Full trading features available	Y	N Orders aware margining, stop loss orders, guaranteed stop loss not available

What is Central Counterparty Clearing?

Central Counterparty Clearing is a model of trading in which a clients' credit exposure to his/her broker is transferred to a central clearing house. It forms one of the European Union's (and wider G20's) key tenets in respect to necessary financial reform following the recent global economic crisis and is aimed at increasing stability in the over-the-counter (OTC) derivatives markets by providing greater transparency and reducing counterparty risk. In practical terms, in a Central Counterparty Clearing model when we take a trade from a client we immediately execute a back-to-back trade with a Central Counterparty Clearing house and move all or part of the client's margin capital to the Clearing House – this effectively transfers the client's credit exposure from us to the Clearing House. Client funds remain fully segregated from those of the firm, and those of the Clearing House, in accordance with FCA CASS rules. Client funds protection remains unchanged.

Further information can be found in our Guide to Central Counterparty Clearing

- Is my money protected through centrally cleared trades?

Your money has always been and will always remain protected with us in full compliance with FCA rules.

GAIN Capital UK Ltd will be using the leading global independent clearing house, LCH.Clearnet, which is overseen by the regulator in each jurisdiction in which it operates (including the Financial Conduct Authority in the UK).

LCH.Clearnet provides services to major international exchanges and platforms, as well as a range of OTC markets. By assuming the counterparty risk, LCH.Clearnet underpins many important financial markets, facilitating trading and increasing confidence within the market.

Only your margin will be transferred to the clearing house and they will hold that money in a segregated client transaction account that may not be combined with any other account. The clearing house will have no right to set-off against the client transaction account any amounts owing to the clearing house on any other account.

Irrespective of protections that we put in place under the FCA Rules, contingent risks remain so that in the unlikely event that either the clearing house or we become insolvent you may not receive back all of the monies in which you have a proprietary claim. However, in the event of our insolvency you may be entitled to compensation under the Financial Services Compensation Scheme as explained in our General Terms.

For further information please see our Risk Warning Notice in our Terms and Policies document.

- What types of accounts are available to me:
    - A General account which provides trading in centrally cleared markets through an Omnibus Segregated Clearing Account (OSCA) and also allows trading in uncleared markets. This account type is provided as standard, free of charge.
    - An Individual Segregated Clearing Account (ISCA) which only allows trading in centrally cleared markets through an ISCA. This account type incurs fees.
    - Read more

- What are the differences between an ISCA and an OSCA?

    - The primary difference between these two accounts is the nature of segregation. In both accounts client funds are fully segregated from assets of the firm and the clearing house, but in an OSCA account client funds are held with other retail client funds, while in an ISCA funds are held separately in your name only.

- I wish to trade on a centrally cleared market, what action do I need to take?

    - You do not need to take any action. Once central clearing is introduced on a market, any positions you hold and any new trades that you place in that market will automatically be cleared through an OSCA.

    - If you wish to open an ISCA account you can find all the details on these pages, then contact our client management team to request an ISCA election form.

- I am an existing account holder, what do I need to do if I wish to open an ISCA account?

    - To open an ISCA account you will need to complete an ISCA election form and pay the account opening fees. Contact our client management team to make these arrangements.

    - Please note that if you elect to hold ***only*** an ISCA account your existing account will be closed, and you will ***only*** be able to trade markets that are centrally cleared.

    - If you choose to hold both an OSCA and an ISCA account you must manage the positions yourself.

- Are there any fees to open an account to allow me to trade in centrally cleared markets?

    - We provide central counterparty clearing through an Omnibus Segregated Clearing Account (OSCA) free of charge as standard to all clients

    - If you wish to open an ISCA account fees apply:

        - For an individual these charges are: £13,000 account opening fee, plus account maintenance and transaction charges

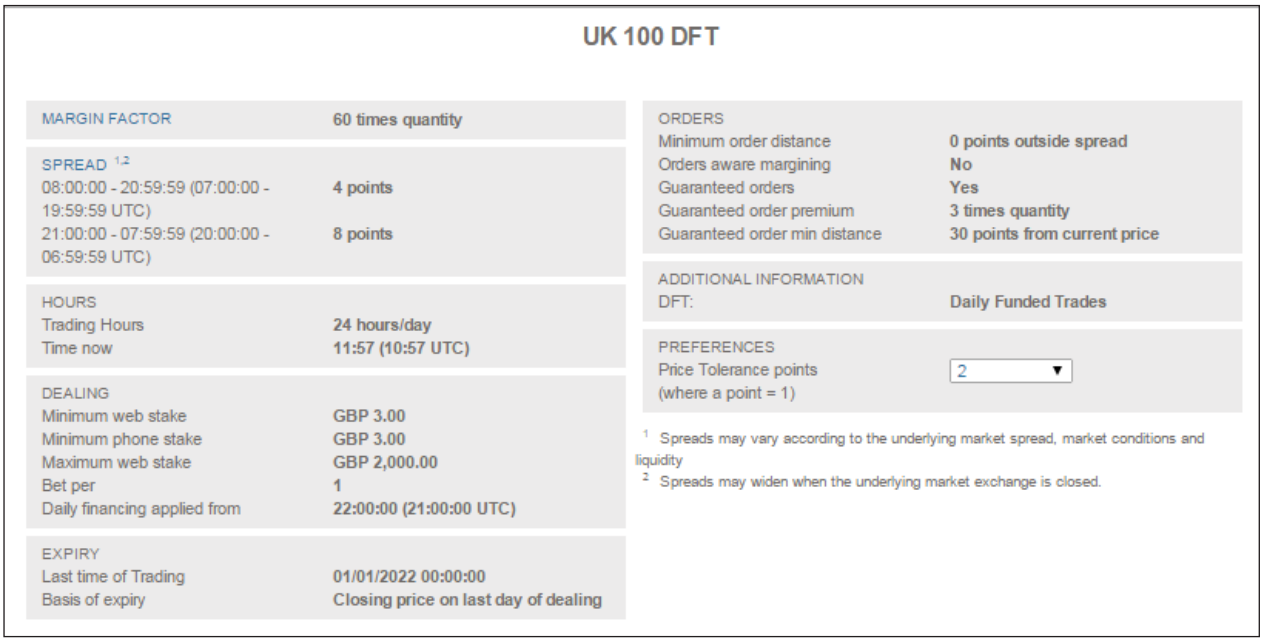
        - For a corporate these charges are: £200,000 account opening fee, plus account maintenance and transaction charges

- How can I tell which markets are centrally cleared and which are not?

    - This information can be found in the Market Information Sheets. You can also contact our client management team for details of centrally cleared markets.

    - [show screenshot of each type – centrally cleared and not cleared]

Not Cleared



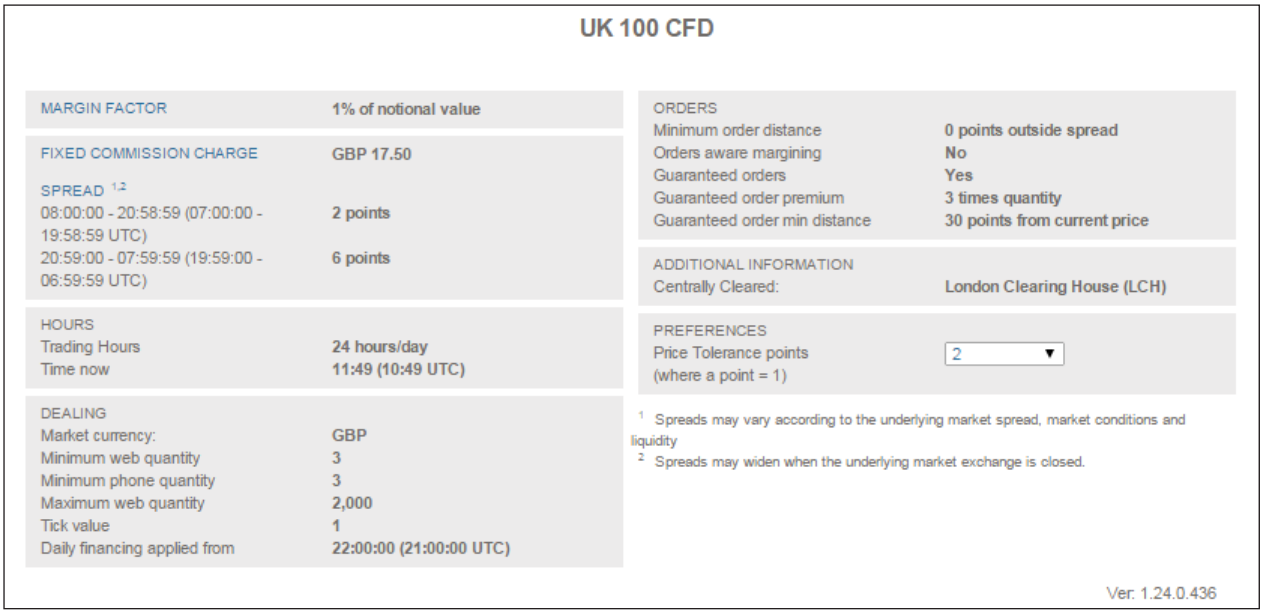
UK 100 DFT

MARGIN FACTOR	60 times quantity
SPREAD [1,2]	
08:00:00 - 20:59:59 (07:00:00 - 19:59:59 UTC)	4 points
21:00:00 - 07:59:59 (20:00:00 - 06:59:59 UTC)	8 points
HOURS	
Trading Hours	24 hours/day
Time now	11:57 (10:57 UTC)
DEALING	
Minimum web stake	GBP 3.00
Minimum phone stake	GBP 3.00
Maximum web stake	GBP 2,000.00
Bet per	1
Daily financing applied from	22:00:00 (21:00:00 UTC)
EXPIRY	
Last time of Trading	01/01/2022 00:00:00
Basis of expiry	Closing price on last day of dealing

ORDERS	
Minimum order distance	0 points outside spread
Orders aware margining	No
Guaranteed orders	Yes
Guaranteed order premium	3 times quantity
Guaranteed order min distance	30 points from current price
ADDITIONAL INFORMATION	
DFT:	Daily Funded Trades
PREFERENCES	
Price Tolerance points (where a point = 1)	2

[1] Spreads may vary according to the underlying market spread, market conditions and liquidity
[2] Spreads may widen when the underlying market exchange is closed.

Centrally cleared



UK 100 CFD

MARGIN FACTOR	1% of notional value
FIXED COMMISSION CHARGE	GBP 17.50
SPREAD [1,2]	
08:00:00 - 20:58:59 (07:00:00 - 19:58:59 UTC)	2 points
20:59:00 - 07:59:59 (19:59:00 - 06:59:59 UTC)	6 points
HOURS	
Trading Hours	24 hours/day
Time now	11:49 (10:49 UTC)
DEALING	
Market currency:	GBP
Minimum web quantity	3
Minimum phone quantity	3
Maximum web quantity	2,000
Tick value	1
Daily financing applied from	22:00:00 (21:00:00 UTC)

ORDERS	
Minimum order distance	0 points outside spread
Orders aware margining	No
Guaranteed orders	Yes
Guaranteed order premium	3 times quantity
Guaranteed order min distance	30 points from current price
ADDITIONAL INFORMATION	
Centrally Cleared:	London Clearing House (LCH)
PREFERENCES	
Price Tolerance points (where a point = 1)	2

[1] Spreads may vary according to the underlying market spread, market conditions and liquidity
[2] Spreads may widen when the underlying market exchange is closed.

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Further information

To discuss your central counterparty clearing options, or request an ISCA election form, please contact our client management team.