

Spread Bet Terms: Standard Credit Accounts

1. Structure

1.1 When we engage in Spread Betting with you, we do so on the basis of: -

- our General Terms;
- these terms, i.e. our Spread Terms.

1.2 The Spread Terms deal with matters that are specific to Spread Betting. The General Terms contain terms that apply generally to Spread Betting, spot forex trading and cfd's.

2. Definitions

2.1 Words with capital letters have particular meanings as defined in the General Terms and in clause 9.

3. Initial Margin, Initial Margin Credit Allocation and Variation Margin Credit Allocation

3.1 Initial Margin is due to Tradefair Financials on each opening bet you place. Initial Margin must be maintained in respect of all open positions. In addition if you place a bet on a market order basis (as referred to in 3rd bullet point of clause 7.4 of the General Terms), Initial Margin is due when we accept that bet and when we execute that bet.

3.2 Initial Margin is calculated as follows: -

- for a Spread Bet (stake size multiplied by Tradefair Financials Price) multiplied by IM Factor (for the bet you wish to place, or have placed).
- for Binary Spread Bet "Up", "long" "buy" bets: stake size multiplied by the price of the bet you wish to place, or have placed
- for Binary Spread Bet "Down", "short" "sell" bets: stake size multiplied by (100 minus the price of the bet you wish to place, or have placed)
- for Options on Spread Bets, the margin is the net Delta Margin and net Vega Margin in respect of both your Options, and any Spread Bets with the same underlying. Your total margin = net Delta Margin + net Vega Margin

Note that: -

- if you place a Spread Bet on a direct deal basis (as referred to in the 3rd bullet point of clause 7.4 of the General Terms), Initial Margin will be calculated when we accept your bet based on the Tradefair Financials Price on acceptance;
- if you place a Spread Bet, or an Option on a Spread Bet, on a market order basis (as referred to in the 3rd bullet point of clause 7.4 of the General Terms), with the exception of Options on Spread Bets, and Binary Spread Bets, which use the formulas detailed in Clause 3.2, Initial Margin will be calculated when we accept your bet based on the Tradefair Financials Price on acceptance; Initial Margin will be calculated when we execute your bet based on the Tradefair Financials Price on execution;
- in relation to open Spread Bet positions, with the exception of Options on Spread Bets, and Binary Spread Bets, which use the formulas detailed in Clause 3.2, Initial Margin will be calculated based on the then current Tradefair Financials Price of the Spread Bet you have placed.
- in relation to open Binary Spread Bet positions, Initial Margin will be calculated as stated in this clause 3.2 above.

3.3 Please refer to the Market Information Sheets to ascertain the IM Factor for any given Spread Bet Market.

3.4 You must make sure you know how Initial Margin is calculated and the relevant IM Factor for the bet you propose to place. If you are in any doubt, please call our dealing desk or Customer Services Team.

3.5 Tradefair Financials can: -

- waive Initial Margin in relation to any particular bet;

- vary IM Factors. See clauses 23.1, 29.1, 30.1 and 32.1 of the General Terms and note that the new IM Factor applies to open positions so additional Initial Margin may become due to maintain open positions.
- 3.6 We will allocate you an Initial Margin Credit Allocation and a Variation Margin Credit Allocation. This will be displayed on Tradefair PRO when you access your Account.
- 3.7 You must ensure you know the Initial Margin Credit Allocation and Variation Margin Credit Allocation currently applicable to you.
- 3.8 If we have exercised our rights under clause 21 of the General Terms to suspend your Account, we also have the right (after we have concluded our investigation as referred to in clause 21 of the General Terms) to:
- alter your Initial Margin Credit Allocation, including reducing it to nil;
 - alter your Variation Margin Credit Allocation, including reducing it to nil.

We will give you at least 2 Business Days notice of any change as above.

- 3.9 We are also entitled to alter your Initial Margin Credit Allocation and/or your Variation Margin Credit Allocation, including reducing them to nil:-
- at any time for any good reason and subject to giving you at least 14 days notice;
 - at any time and with or without notice if we have exercised our rights under clause 22.2 (first or second bullet point) of the General Terms to close all your open bets.
- 3.10 During any notice period referred to in clauses 3.8 and 3.9, you will not be able to place any new bets or Orders nor to give any other instruction, except (a) insofar as necessary to close a bet or to cancel an Order already in place and/or (b) if you do so on the basis of the new Initial Margin Credit Allocation or Variation Margin Credit Allocation that is to apply to you. In particular you will not be entitled to place a closing bet or any Order in such a size that would result in a new bet being opened (unless you do so on the basis of the new Initial Margin Credit Allocation or Variation Margin Credit Allocation applicable to you).

4. Minimum and maximum stake sizes

- 4.1 There are limits on the stake size of any bet you wish to place, as follows: -
- **minimum size:** your stake size must at least be equal to the minimum stake size we set;
 - **maximum size:** your stake size cannot be more than: -
 - the maximum stake size we set; or
 - if lower, the maximum stake calculated by applying the formulas in Clause 3.2 to your Current Position.

Note: -

- if you place a bet on a direct deal basis (as referred to in the 3rd bullet point of clause 7.4 of the General Terms), minimum and maximum stake sizes must be complied with when we accept your bet (and maximum stake size is calculated using the Tradefair Financials Price on acceptance);
 - if you place a bet on a market order basis (as referred to in the 3rd bullet point of clause 7.4 of the General Terms), minimum and maximum stake sizes must be complied with when we accept your bet and when we execute your bet. In this case maximum stake size is calculated using the Tradefair Financials Price on acceptance and then using the Tradefair Financials Price on execution.
- 4.2 All the information you need to calculate your Current Position is available from the following sources. These sources also set out IM Factors and minimum and maximum stake sizes:-
- Tradefair PRO. In particular you need to access your Account to ascertain your Current Position;
 - the Market Information Sheets, located at plus.tradefair.com
- 4.3 We can: -
- change minimum and maximum stake sizes, see clauses 23.1, 29.1, 30.1 and 32.1 of the General Terms;
 - waive any minimum and maximum stake sizes.

- 4.4 You must make sure you know the current Initial Margin, IM Factor and minimum and maximum stake sizes applicable to any bet you wish to place. You must also ensure you understand how to calculate maximum stake sizes. If you are in any doubt, please call our dealing desk or our Customer Services Team.

4.5 If the maximum stake size is nil or less you will not be permitted to bet unless you deposit funds in your Account, so that there are sufficient funds in your Account to enable you to place the bet.

4.6 If you bet the maximum stake (or more) on any particular Spread Bet Market any adverse Market movement may result in Variation Margin becoming due. See clause 8.

5. Roll-Over of futures bets

5.1 We may in our discretion allow you to roll-over a futures Spread Bet before its expiry date.

5.2 If we allow you to roll-over a futures Spread Bet: -

- the original futures Spread Bet is closed (at the Tradefair Financials Price) and due for settlement;
- a new futures Spread Bet is opened (in the same Market, at the same time as the original Spread Bet is closed), at our prevailing spread and Tradefair Financials Price applicable to roll-overs;
- any Guaranteed Stop Loss Order that was attached to the futures Spread Bet which is the subject of the roll-over is automatically cancelled and ceases to have effect when that Spread Bet is closed. However, when we open the new futures Spread Bet (as above) we will attach to that new Spread Bet a new Guaranteed Stop Loss Order. The level at which the new Guaranteed Stop Loss Order will be opened will reflect the distance between the futures Spread Bet that has been closed (as above) and the Guaranteed Stop Loss Order that was attached to it (i.e. the distance at the time of closure).

6. Daily funded Spread Bets

6.1 Please refer to the Market Information Sheets for details of the Markets on which we offer daily funded Spread Bets. We can alter those Markets at any time (though this would not affect any daily funded Spread Bets already in place).

6.2 A daily financing charge applies for each day that a daily funded Spread Bet (relating to individual equities, cash indices, foreign exchange or spot metals) remains open (including weekends and public holidays). In the case of daily funded Spread Bets relating to individual equities, the financing charge is debited from your Account in the case of long daily funded Spread Bets and normally credited to your Account in the case of short daily funded Spread Bets. In the case of daily funded Spread Bets relating to foreign exchange if the first currency has a higher interest rate, then you are normally credited interest for running a long position and debited interest for running a short position. If the first currency has a lower interest rate, then you are debited interest for running a long position and normally credited interest for running a short position. You will be debited and not credited with the financing charge/interest when the relevant interest rate is lower than the number of basis points to be deducted from that relevant interest rate.

6.3 Please refer to the Market Information Sheets or our Customer Services Department for details of how the financing charge is calculated. The amount of the financing charge will vary due to the elements that constitute the charge. For example, interest rates form part of the calculation; therefore the amount payable will vary in accordance with interest rate changes.

6.4 We reserve the right to vary: -

- the method of calculating the financing charge and/or any elements that form part of the calculation;
- the types of Spread Bets to which the financing charge is applied.

The above applies to all open positions as well as new positions. We will give you at least 14 days notice of any such change if it will affect your open positions (subject to our rights under clause 6.5). In all other cases we can make such changes with immediate effect.

6.5 If an Event Outside Our Control and/or a Market Disruption Event occurs we can immediately vary: -

- the method of calculating the financing charge and/or any elements that form part of the calculation;
- the types of Spread Bets to which the financing charge is applied.

The above applies to all open positions as well as new positions.

6.6 Details of current financing charges will be on the Market Information Sheets (available on plus.tradefair.com). Details of changes to the financing charges will also be published on the Market Information Sheets and may either be effective immediately or on such later dates as we specify (in accordance with clause 6.4 and 6.5). It is your responsibility to make sure you know how to calculate the financing charge. If you are in any doubt, contact our Customer Services Team.

7. Calculation of profits and losses

7.1 Subject to adding or deducting amounts in relation to the bet concerned in accordance with clause 7.2 and subject to relevant adjustments (see for example clause 32 of the General Terms, Corporate Action) when you close a bet: -

- you have made a profit if the Tradefair Financials Price you sold at (whether to open or close) exceeded the Tradefair Financials Price you bought at (whether to open or close);
- you have made a loss if the Tradefair Financials Price you sold at (whether to open or close) was less than the Tradefair Financials Price you bought at (whether to open or close).

7.2 Profits and losses on Spread Bets are calculated as follows: -

- stake size on closing multiplied by (difference between closing Tradefair Financials Price and opening Tradefair Financials Price of the relevant bet);
- less all amounts payable by you to us in relation to that bet, such as in relation to daily funded Spread Bets (clause 6);
- plus any financing charge payable by us to you in relation to that Spread Bet (see clause 6).

7.3 If you wish to calculate whether any particular open bet is in profit or loss at any given time, you can do so as provided in clause 7.2, but using the relevant Marked to Market price as the closing Tradefair Financials Price.

8. Variation Margin and closure of positions

When is Variation Margin payable?

- 8.1 You must pay Variation Margin to us if the Margin% is minus 25% or a greater negative percentage figure (e.g. minus 35%). Margin% is a percentage calculated as follows: -
- (Available Equity divided by Variation Margin Credit Allocation) multiplied by 100.
- 8.2 For the purpose of calculating whether Variation Margin is payable, and if so how much, all relevant figures will be converted into your Base Currency in accordance with clause 27 of the General Terms.

How much is payable?

- 8.3 The amount of Variation Margin you must pay to us depends on your Available Equity. Available Equity is calculated as set out in clause 9.1.

The amount of Variation Margin you must pay to us ("Variation Margin") is the amount needed to return your Available Equity to zero. For example if your Available Equity is minus £250.00 you must pay us £250.00.

When must payment be made?

- 8.4 Variation Margin is payable immediately upon your Margin% reaching minus 25% or a greater negative percentage figure (e.g. minus 35%). It is due for payment immediately on a Variation Margin Call being made and is payable (in full) in accordance with the following timescales: -

Amount of Variation Margin due	Timescale for payment
Less than £10,000 (or currency equivalent).	Within 5 Business Days (including the date of the Variation Margin Call if a Business Day).
£10,000 or more (or currency equivalent).	If the Variation Margin Call was made before noon on a Business Day, full payment must be made on that Business Day. In any other circumstances, full payment must be made on the next Business Day.

Please note that if Variation Margin due is less than £10,000 (or currency equivalent) but then rises to £10,000 or more (or currency equivalent) the timescale for payment will be that applicable to Variation Margin of £10,000 or more (or currency equivalent) (in other words you will not be permitted 5 Business Days in which to pay one tranche).

- 8.5 You must monitor your Account, and all relevant factors, so that you know the current Margin%, Available Equity and whether or not Variation Margin is payable. All the information you need in order to make these calculations is available from the following sources: -
- Tradefair PRO;
 - the Market Information Sheets, located at plus.tradefair.com.

You must also make sure you understand how to calculate Margin%, Available Equity and Variation Margin. If you are in any doubt call our Customer Services Team.

Will I receive Variation Margin Calls or any other reminders to pay Variation Margin?

8.6 We are not obliged to tell you if Variation Margin is payable nor to make a Variation Margin Call. We have no liability to you if we fail to tell you that Variation Margin is payable and/or fail to make a Variation Margin Call.

8.7 Despite clause 8.6, we will endeavour to make a Variation Margin Call to you:-

- when the Margin% reaches minus 25%;
- when the Margin% reaches minus 50%;
- when the Margin% reaches minus 75%.

8.8 We will be regarded as having made a Variation Margin Call if we send you an e-mail requesting payment of Variation Margin. In addition, e-mail will generally be the only method by which we make a Variation Margin Call on you. Therefore you must ensure that you maintain an e-mail address at all times and keep us up to date and informed of your current e-mail address.

8.9 We will also be regarded as having made a Variation Margin Call if we: -

- use any means of communication to contact you requesting payment of Variation Margin, for example SMS text, pager, voicemail, telephone, fax or post;
- send you a message via Tradefair PRO;
- have left a message with someone we reasonably believe will pass the message to you (e.g. a spouse or work colleague), even if you do not contact us;
- have used other reasonable means to contact you, even if we have been unable to do so and have not been able to leave a message for you.

Please note that we will generally only use the means of communication in this clause 8.9 if: -

- we have reasonable concerns that an e-mail we have sent has not been received by you;
- for any reason we are unable to send you an e-mail;
- acting reasonably, we think it appropriate to do so.

What happens if I fail to pay Variation Margin or my Credit Risk Level falls to minus 99% or a greater negative percentage figure?

8.10 If any of the following occur we are entitled to close all open positions on your Account and cancel all Orders: -

- if Credit Risk Level is minus 99% or a greater negative percentage figure (e.g. minus 110%). Note that your Credit Risk Level is a percentage calculated as provided in clause 9.1;
- if you have failed to pay the full amount of Variation Margin due in accordance with the timescales in clause 8.4.

8.11 We can close your open positions and cancel all Orders as referred to in clause 8.10 with or without giving you notice. If we do so without giving notice, we will inform you that we have done so either by e-mail or as referred to in clause 8.9.

Other Matters

8.12 The following also apply in relation to Variation Margin: -

- all payments you make to us must be in your Base Currency, unless we agree otherwise;
- we only accept payment of Variation Margin by telegraphic transfer, debit card or any other method of immediate electronic transfer acceptable to us;
- subject to the Regulatory System, we can allow your open positions to run, and allow you to open new positions, even if you have not paid Variation Margin payable;
- Variation Margin does not represent your total liability to us. You must also, for example, pay to us any losses you have incurred on closed positions as well as any other amounts payable under the Terms.

9. Definitions

9.1 The following expressions have the following meanings: -

“Account”	an account with us for Spread Betting.
“At-the-Money”	a term that describes an Option with a Strike Price that is equal to the current market price of the underlying instrument.
“Available Equity”	<ul style="list-style-type: none">• Step 1: Total Equity less Margin Req plus Initial Margin Credit Allocation. This figure will be your Available Equity, unless Step 2 below applies;• Step 2: This will only apply if any of the following are a negative figure: Cash and/or Floating P&L. If any of these are negative, all those negative figures will be added together to reach a total negative figure (“Total Negative”). We then add to the figure achieved under Step 1 the amount of your Variation Margin Credit Allocation to the extent that it reduces as far as possible the Total Negative to zero. Assume, for example, that Total Negative is minus £250. If your Variation Margin Credit Allocation is £100, then £100 will be added to the figure achieved in Step 1. If your Variation Margin Credit Allocation is £300, then a total of £250 would be added to the figure achieved in Step 1.
“Binary Spread Bet”	<p>a Spread Bet that can only expire at one of the following prices:</p> <p>In the case of a one touch Binary Spread Bet, there can only be two possible settlement prices on expiry: 100 if the event has happened, or zero if it has not.</p> <p>In the case of up/down Binary Spread Bets, or a ladder Binary Spread Bet, there can only be three possible settlement prices on expiry: 100 if the event is applicable at the time of expiry, 50 if the event settles at the Strike Price, and zero if the event is not applicable at the time of expiry.</p>
“Cash”	the balance of your Account after all credits and debits have been made (for example in respect of closed positions, but not open positions).
“Credit Risk Level”	<p>a percentage calculated as follows: -</p> <p>(Total Equity divided by Variation Margin Credit Allocation) multiplied by 100</p>
“Current Position”	<p>the total of the following: -</p> <ul style="list-style-type: none">• Total Equity;• Less Margin Req.
“Delta”	the rate of change of the Options price with respect to changes in the underlying price. e.g. an Option with a Delta of +0.25 means if the underlying rises by 1 tick then the price of the Option will increase by 0.25 of a tick (1 tick x +0.25 of a tick).
“Delta Margin”	stake multiplied by Delta multiplied by Underlying Margin%.
“Floating P&L”	the total of all open positions on your Account, Marked to Market.
“General Terms”	our general terms and conditions as amended and/or replaced in accordance with clause 41 of those general terms.
“IM Factor”	the percentage or multiplier specified by Tradefair Financials (in its absolute discretion) in relation to each Spread Bet Market.
“Implied Volatility”	the estimated volatility of the price of the Underlying between the time of calculation and the time of expiry.
“Initial Margin” (also known as “Margin”)	funds required by us in Order for you to open (and maintain) a bet, calculated in accordance with clause 3.2. Please note that on Tradefair PRO “Initial Margin” is referred to as “Margin”.
“In-the-Money”	a term that describes an Option that has intrinsic value. A call Option is in the money if the price of the underlying instrument is above the Strike Price. A put Option is in the money if the price of the underlying instrument is below the Strike Price.

"Initial Margin Credit Allocation"	a figure we specify (in our absolute discretion) as the initial margin credit allocation in respect of your Account and subject to variation in accordance with clauses 3.8 and/or 3.9. Please note that on Tradefair PRO Initial Margin Credit Allocation is shown as "IMCA"; "Margin" this means the same as "Initial Margin", please refer to that definition.
"Margin%"	a percentage calculated as follows: - <ul style="list-style-type: none"> • (Available Equity divided by Variation Margin Credit Allocation) multiplied by 100.
"Margin Req"	the total of all Initial Margin in respect of all open positions on your Account.
"Marked to Market"	the value of an open position calculated at the current Tradefair Financials Price.
"Market Information Sheets"	our Spread Bet market information sheets, as amended and/or replaced in accordance with the General Terms. The Market Information Sheets are available at plus.tradefair.com .
"Option"	an off exchange Option in respect of Spread Bets.
"Spread Bet/Betting"	spread bet
"Spread Terms"	these terms and conditions as amended and/or replaced; see clause 41 of the General Terms.
"Strike Price"	the price on which Tradefair Financials base and quote a Tradefair Financials Buy Price and Tradefair Financials Sell Price in respect of a particular Option.
"Tradefair PRO"	any electronic dealing system we make available to you via the internet, to facilitate Spread Betting, trading in CFDs and/or Spot Forex, including but not limited to the systems known as Tradefair PRO, Tradefair WEB and Tradefair Mobile, and any rebranded version of our software or any Application Programming Interface (API)
"Total Equity"	the sum of the following:- <ul style="list-style-type: none"> • Cash; • Plus any positive Floating P&L; • Less any negative Floating P&L.
"Variation Margin Credit Allocation"	a figure we specify (in our absolute discretion) as the variation margin credit allocation in respect of your Account and subject to variation in accordance with clauses 3.8 and/or 3.9. Please note that on Tradefair PRO "Variation Margin Credit Allocation" is shown as "VMCA".
"Variation Margin"	as defined in clause 8.3.
"Variation Margin Call"	a request for payment of Variation Margin, as referred to in clauses 8.8 and 8.9.
"Vega"	the rate of change of the Options price with respect to changes in the implied volatility.
"Vega Margin"	stake size multiplied by Vega multiplied by Implied Volatility multiplied by VolFactor.
"VolFactor"	the percentage or multiplier specified Tradefair Financials (in its absolute discretion) in relation to each Underlying and as stated in the Market Information Sheets.

9.2 Unless otherwise stated, a reference (in these Spread Terms) to a clause is to a clause in these Spread Terms.

10. Law and Jurisdiction

10.1 Our relations prior to the establishment of any contract between us, all bets and these Terms shall be governed by and construed in accordance with the laws of England.

10.2 Except for the right of Tradefair Financials below, the courts of the United Kingdom will have exclusive jurisdiction over any claim or matter arising under or in connection with these Terms and the legal relationships established by these

Terms. Nothing in this clause shall limit the right of Tradefair Financials to take proceedings against the Client in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdictions.

10.3 You irrevocably consent to any process in any legal action or proceedings arising out of or in connection with these Terms being served on you by post in accordance with clause 42 of the General Terms. Nothing in these Terms will affect the right of either party to serve process in any other manner permitted by law.

11. Regulation of Tradefair Financials

11.1 Tradefair Financials' ("Tradefair") is a trading name of GAIN Capital - FOREX.com UK Limited and is authorised and regulated by the Financial Conduct Authority FCA No. 190864 with registered office at 34th Floor (CGC 34-03) 25 Canada Square, London E14 5LQ United Kingdom. © 2014 GAIN Capital – FOREX.com UK Limited.