

COSTS AND CHARGES DOCUMENT

A. SCOPE OF THIS DOCUMENT

The present contains description of the costs that might incur while trading in the different asset classes of CFDs offered by iCFD Limited (the “**Company**” or “**iCFD**”); formulae that can be used in order to calculate certain associated costs; as well as relevant worked examples based on different performance scenarios, which illustrate, among others, a breakdown of the applicable costs and the effect of such costs on both (i) the investment, and (ii) the P/L generated. It shall always be noted that the total costs might increase or decrease proportionate to the actual trading sizes and volumes.

B. COST ASSOCIATED TO CFDs TRADING

1) CURRENCY CFDs

a) Applicable costs and charges

Spread

A spread is the difference between the Sell (“Bid”) price and the Buy (“Ask”) price of an asset and is considered as the cost for opening a trade. The minimum spread per instrument is detailed on iCFD’s website but each client may have different spread according to the client’s history, volume, activities or certain promotions.

Overnight Financing

iCFD applies Overnight Financing for deals that remain open at the end of their underlying asset’s daily trading session. This Overnight Financing may be subject to credit or debit, calculated on the basis of the quoted currency/ies’ interest rates for the currencies in which the underlying instrument is traded, plus an interest fee (mark-up). The mark-up for currency pairs is 0.75%.

If the calculated Overnight Financing percentage is positive, it means that an applicable amount will be added (credited) to the client’s account. A negative Overnight Financing percentage means that an applicable amount will be subtracted (debited) from the client’s account. If the CFD's quoted currency differs from the account’s currency, it will be converted to the account’s currency at the then prevailing exchange rates.

Formulae

1. Formula for Currencies Overnight Financing =
For Buy (Long Positions): $\sum (- ((3M \text{ interest rate of quote currency} - 3M \text{ interest rate of base currency} + \text{interest fee})/360) \times \text{Deal Amount} \times \text{Overnight Financing Market Rate})$
For Sell (Short Positions): $\sum ((3M \text{ interest rate of quote currency} - 3M \text{ interest rate of base currency} + \text{interest fee})/360) \times \text{Deal Amount} \times \text{Overnight Financing Market Rate})$. As Overnight Financing calculation is based on daily variables such as the Closing Rate and the 3M Interest Rate, every run can

get different values. As a result, to calculate all the Overnight Financing for a specific position, it is required to sum (i.e. the Sigma) all the Overnight Financing daily occurrences of the position.

2. Formula for **3M interest rate** = $(3M \text{ Bid} + 3M \text{ Ask}) / 2$
3M Bid = 3 months interbank bid rate (deposit rate)
3M Ask = 3 months interbank ask rate (lending rate)
3. **Interest fee** = mark-up of the interest rate. For currencies it's 0,75%
4. **Deal Amount** = expressed in the base asset units
5. **Overnight Financing Market Rate** = the last known rate if you were to close your deal when the Overnight Financing occurred

If the calculated Overnight Financing is positive, it means that an applicable amount will be added (credited) to the client's account. It will reduce the total cost of the deal. A negative Overnight Financing means that an applicable amount will be subtracted (debited) from the client's account, thus increasing the total cost of the deal. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the prevailing exchange rates.

CFD which is traded 5 days a week will be credited or debited with a value 3 times the displayed Overnight Financing value during the last day of its underlying asset trading week.

b) Currency CFD - Trading Example in EUR/GBP

For the purpose of the examples below we will assume a deal size of 10,000 on EUR/GBP and a 3 pips spread. One pip on EUR/GBP equals to 0.0001 GBP. $(0.0001) \times (-3) \times 10,000 = -3 \text{ GBP}$.

It shall be noted that the spread is the immediate loss upon opening the deal as it reflects the scenario of closing the deal at that moment. Therefore, in our example, immediately after opening the deal, the P/L of that deal will be -3 GBP.

1st scenario

Assuming that you opened a buy position of 10,000 on EUR/GBP on 12/10/2017 07:26 GMT and closed the position on 12/10/2017 11:04 GMT.

The position was opened and closed within the same day.

During this period no Overnight Financing was executed.

Account Currency	EUR
Conversion Rate (EUR/GBP)	0.90131
Conversion Spread	0.00015
Instrument	EUR/GBP
1 PIP Value	0.0001
Deal Direction	Buy (i.e. Long)
Time Period (number of days the deal was kept open overnight)	0
Opening Quote - Sell (BID)	0.8958
Opening Quote - Buy (ASK)	0.8961
Spread (pips)	3
Deal Amount	10000
Overnight Financing Market Rate	N/A
3M	N/A
Currency Pairs Interest Fee	0.75%
Overnight Financing	N/A
Overnight Financing Cost	N/A
Rate spread	= 0.0001 x 3 x 10,000
	£3.00
Converted rate spread	= 3/0.90116
	-€ 3.33
Overnight funding	N/A
Rollover	N/A
PL before cost	£46.70
PL after cost	£49.70
PL conversion	= (49.7/ 0.90146) - (49.7 / 0.90146)
	-€ 0.0092

Total cost	= - 3.33 - 0.00092
	-€ 3.3382
Investment size (deal size)	€ 9,942.20
Return of investment before cost (%)	0.521%
Total cost (%)	0.034%
Return of investment after cost (%)	0.487%

2nd scenario

Assuming that you opened a buy position of 10,000 on EUR/GBP on 03/10/2017 and closed the position on 06/10/2017.

The position was kept open for 4 days (3 nights).

Account Currency	EUR
Conversion Rate (EUR/GBP)	0.8979
Conversion Spread	0.00015
Instrument	EUR/GBP
1 PIP Value	0.0001
Deal Direction	Buy (i.e. Long)
Time Period (number of days the deal was kept open overnight)	3
Opening Quote - Sell (BID)	0.8869
Opening Quote - Buy (ASK)	0.8872
Spread (pips)	3
Deal Amount	10000
Overnight Financing Market Rate	0.8932
EUR 3M Bid	-0.44%
EUR 3M Ask	-0.22%
GBP 3M Bid	0.40%

GBP 3M Ask	0.60%
EUR 3M	$(-0.44\% - 0.22\%)/2$
	-0.33%
GBP 3M	$(0.40\% + 0.60\%)/2$
	0.50%
Currency Pairs Interest Fee	0.75%
Overnight Financing	$\sum (- ((3M \text{ interest rate of quote currency} - 3M \text{ interest rate of base currency} + \text{interest fee})/360) \times \text{Deal Amount} \times \text{Overnight Financing Market Rate})$
Overnight Financing Cost	-£0.39
Rate spread	$= 0.0001 \times 3 \times 10,000$
	£3.00
Converted rate spread	$= 3 / 0.89775$
	-€ 3.3417
Overnight funding	$= 3 \times 0.39$
	-£1.18
Converted overnight funding	$= -1.18 / 0.89775$
	-€ 1.3100
Rollover	N/A
PL before cost	£102.10
PL after cost	£105.10
PL conversion	$= (105.1 / 0.89805) - (105.1 / 0.8979)$
	-€ 0.0196
Total cost	$= -3.3417 - 1.3100 - 0.0196$
	-€ 4.6712
Investment size (deal size)	€ 9,881.17
Return of investment before cost (%)	1.151%

Total cost (%)	0.047%
Return of investment after cost (%)	1.103%

3rd scenario

Assuming that you opened a sell position of 10,000 on EUR/GBP on 08/06/2017 and closed the position on 13/09/2017.

The position was kept open for 98 days (97 nights).

Account Currency	EUR
Conversion Rate (EUR/GBP)	0.90176
Conversion Spread	0.00015
Instrument	EUR/GBP
1 PIP Value	0.0001
Deal Direction	Sell (i.e. Short)
Time Period (number of days the deal was kept open overnight)	97
Opening Quote - Sell (BID)	0.8659
Opening Quote - Buy (ASK)	0.8662
Spread (pips)	3
Deal Amount	10000
Overnight Financing Market Rate	0.8786
EUR 3M Bid	-0.44%
EUR 3M Ask	-0.22%
GBP 3M Bid	0.27%
GBP 3M Ask	0.47%
EUR 3M	$(-0.44\% - 0.22\%)/2$
	-0.33%
GBP 3M	$(0.27\% + 0.47\%)/2$
	0.37%

Currency Pairs Interest Fee	0.75%
Overnight Financing	$\sum ((3M \text{ interest rate of quote currency} - 3M \text{ interest rate of base currency} + \text{interest fee})/360) \times \text{Deal Amount} \times \text{Overnight Financing Market Rate}$
Overnight Financing Cost	-£0.35
Rate spread	= $0.0001 \times 3 \times 10,000$
	£3.00
Converted rate spread	= $3 / 0.90161$
	-€ 3.3274
Overnight funding	= 97×0.35
	-£34.33
Converted overnight funding	= $34.33 / 0.90161$
	-€ 38.0724
Rollover	N/A
PL before cost	£357.20
PL after cost	£360.20
PL conversion	= $(360.2 / 0.90191) - (360.2 / 0.90191)$
	-€ 0.0664
Total cost	= $- 3.3274 - 38.0724 - 0.0664$
	-€ 41.4662
Investment size (deal size)	€ 9,605.66
Return of investment before cost (%)	4.123%
Total cost (%)	0.432%
Return of investment after cost (%)	3.691%

All P/L and Overnight Financing amounts that are quoted in a currency which differs from the account's currency, are converted to the account currency according to the market rates and the market spread.

If your account is in a currency other than the quote currency, the P/L and Overnight Financing will be converted to the account currency. Positive amounts (credit) are converted according to the Buy (Ask) rate and Negative amounts (debit) are converted according to the Sell (Bid). As the spread is a cost, it is considered as a negative amount and therefore will be converted according to the Sell rate. In our example, EUR/GBP is quoted in GBP, so assuming that your account is in EUR, any negative amount will be converted as per the EUR/GBP Sell (Bid) rate, while any positive amount will be converted as per the EUR/GBP Buy (Ask) rate.

2) SHARE CFDs

a) Applicable cost and charges

Spread

A spread is the difference between the Sell (“Bid”) price and the Buy (“Ask”) price of an asset and is considered as the cost for opening a trade. The minimum spread per instrument is detailed on iCFD’s website but each client may have different spread according to the client’s history, volume, activities or certain promotions.

Overnight Financing

iCFD applies Overnight Financing for deals that remain open at the end of their underlying asset daily trading session. This Overnight Financing may be subject to credit or debit, calculated on the basis of the quoted currency/ies interest rates, plus a mark-up. The mark-up for share CFDs is 5%.

If the calculated Overnight Financing percentage is positive, it means that an applicable amount will be added (credited) to the client’s account. A negative Overnight Financing percentage means that an applicable amount will be subtracted (debited) from the client’s account. If the CFD’s quoted currency differs from the account’s currency, it will be converted to the account’s currency at the then prevailing exchange rates.

Formulae

1. Formula for Shares Overnight Financing =
 For Buy (Long Positions): $\sum (- ((3M + \text{interest fee})/360)) \times \text{Deal Amount} \times \text{Overnight Financing Market Rate}$
 For Sell (Short Positions): $\sum ((3M - \text{interest fee})/360) \times \text{Deal Amount} \times \text{Overnight Financing Market Rate}$
2. As Overnight Financing calculation is based on daily variables such as the Closing Rate and the 3M Interest Rate, every run can get different values. As a result, to calculate all the Overnight Financing for a specific position, it is required to sum (i.e. the Sigma) all the Overnight Financing daily occurrences of the position.
3. Formula for **3M = (3M Bid + 3M Ask) / 2**
 3M Bid = 3 months interbank bid rate (deposit rate)
 3M Ask = 3 months interbank ask rate (lending rate)

4. **Interest fee** = mark-up of the interest rate. For shares it's 5%
5. **Deal Amount** = expressed in the base asset units
6. **Overnight Financing Market Rate** = the last known rate if you were to close your deal when the Overnight Financing occurred

If the calculated Overnight Financing is positive, it means that an applicable amount will be added (credited) to the client's account. It will reduce the total cost of the deal. A negative Overnight Financing means that an applicable amount will be subtracted (debited) from the client's account, thus increasing the total cost of the deal. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the prevailing exchange rates.

CFD which is traded 5 days a week will be credited or debited with a value 3 times the displayed Overnight Financing value during the last day of its underlying asset trading week.

b) Shares CFDs trading example on Apple share

For the purpose of the examples below we will assume a deal size of 50 shares on Apple CFD and a 6 pips spread. One pip on Apple CFD's equals to 0.01 U.S. dollar (\$0.01). $0.01 \times (-6) \times 50 = -\3

The spread is the immediate loss upon opening the deal as it reflects the scenario of closing the deal at that moment. Therefore, in our example, immediately after opening the deal, your P/L of that deal will be -\$6.

1st scenario

Assuming that you opened a buy position on a CFD of 50 shares on Apple on 06/11/2017 15:26 GMT and closed the position on 06/11/2017 17:00 GMT.

The position was opened and closed within the same day.

During this period no Overnight Financing was executed.

Account Currency	PLN
Conversion Rate (EUR/PLN)	3.65575
Conversion Spread	0.00095
Instrument	Apple
1 PIP Value	0.01

Deal Direction	Buy (i.e. Long)
Time Period (number of days the deal was kept open overnight)	0
Opening Quote - Sell (BID)	173.510
Opening Quote - Buy (ASK)	173.570
Spread (pips)	6
Deal Amount	50
Overnight Financing Market Rate	N/A
3M	N/A
Shares Interest Fee	5.00%
Overnight Financing	N/A
Overnight Financing Cost	N/A
Rate spread	= 0.01 x 50 x 6
	\$3.00
Converted rate spread	= 3 x 3.65665
	-PLN 10.9701
Overnight funding	N/A
Rollover	N/A
PL before cost	\$53.50
PL after cost	\$50.50
PL conversion	= (50.5 x 3.6548) - (50.5 x 3.65575)
	-PLN 0.0480
Total cost	= - 10.9701 - 0.048
	-PLN 11.0181
Investment size (deal size)	PLN 31,726.4264
Return of investment before cost (%)	0.616%
Total cost (%)	0.035%
Return of investment after cost (%)	0.582%

Vestle is the trading name of iCFD Limited, authorized and regulated by CySEC under license # 143/11.

Corner of Agiou Andreou & Venizelou Streets, Vashiotis Agiou Andreou Building,
Second Floor, P.O.B. 54216, Limassol, Cyprus

Tel: +35725204600 | Fax: +35725204607 | www.vestle.com

2nd scenario

Assuming that you opened a buy position on a CFD of 50 shares of Apple on 12/09/2017 and closed the position on 15/09/2017.

The position was kept open for 4 days (3 nights).

Account Currency	EUR
Conversion Rate (EUR/USD)	1.1928
Conversion Spread	0.0001
Instrument	Apple
1 PIP Value	0.01
Deal Direction	Buy (i.e. Long)
Time Period (number of days the deal was kept open overnight)	3
Opening Quote - Sell (BID)	161.160
Opening Quote - Buy (ASK)	161.220
Spread (pips)	6
Deal Amount	50
Overnight Financing Market Rate	158.110
US Dollar 3M Bid	1.27%
US Dollar 3M Ask	1.47%
3M	$(1.27\% + 1.47\%)/2$
	1.370%
Shares Interest Fee	5.00%
Overnight Financing	$= (- ((3M + \text{interest fee})/360)) \times \text{Deal Amount} \times \text{Overnight Financing Market Rate}$