

ITI Market Terms – Retail Clients

Contracts For Differences (“CFDs”) are complex instruments and come with a high risk of losing money rapidly due to leverage.

The vast majority of retail client accounts lose money when trading in CFDs.

You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. To ensure you fully understand the risks for this activity, these can be found on our website www.itimarkets.com

ITI Markets (“ITIM”) is a trading name of ITI Capital Limited. These ITIM Terms (“ITIM Terms”) supplement, form part of and are subject to, the ITI Terms of Business (the “Terms”), a copy of which can be found at <https://iticapital.com/assets/pdf/Terms-of-Business-Retail-Client-October-2018.pdf>, and sets out certain additional terms and conditions applicable to the specific products set out herein. Any reference in the Terms to ITI or the Company shall include a reference to ITIM as the context requires. For the avoidance of doubt, ITI Capital Limited is the provider of all services and the counterparty to any transactions undertaken pursuant to and in accordance with these ITIM Terms.

In the event of an inconsistency between these ITIM Terms and the Terms, the provisions of the ITIM Terms shall take precedence.

1. Defined Terms

All defined words and phrases in the Terms shall have the same meaning where used in these ITIM Terms. The following words and phrases shall, unless the context otherwise requires, have the following meanings:

“CFD Transaction” means a Contract for Differences Transaction in one of the Products. For the avoidance of doubt, a CFD Transaction is a “Transaction” for the purposes of and as defined in the Terms, and references to a Transaction in the Terms shall be deemed to include a CFD Transaction, as the context requires.

“ITIM Currency Sub-Account” means a sub-account established to hold a currency other than the Client’s designated Base Currency. For the avoidance of doubt, each ITIM Currency Sub-Account shall be an “ITIM Account” for the purposes of, and as defined in, these ITIM Terms.

“Hedge Transaction” means an equal and opposite transaction to a CFD Transaction entered into by the Company with a Liquidity Provider.

“ITIM Account” means a any account, including an ITIM Currency Sub-Account, that the Company maintains for the Client in dealing in CFD Transactions under these ITIM Terms and in which cash is held and to which realised profits and/or losses are credited or debited (as the case may be). For the avoidance of doubt, each ITIM Account shall be an “Account” for the purposes of the Terms.

“Liquidity Provider” means a party who provides streaming prices and execution capability to the Company.

“Margin” means funds in a currency in an amount and form acceptable to the Company, that the Company may, in its absolute discretion, require, identify and accept from time to time as security against loss or risk of loss in respect of any present, future or contemplated CFD Transactions, and shall include any realised profits in respect of closed or partially closed CFD Transactions settled into your ITIM Accounts. For the avoidance of doubt, Securities, investments and other assets (whether tangible or intangible) may not be provided as Margin for the purposes of supporting your trading activity pursuant to these ITIM Terms, and the definition of Margin as set out in the Terms is disapplied for the purposes of these ITIM Terms.

“MT4” means the MetaTrader 4 electronic trading platform, access to which is provided to you by the Company under license from Metaquotes Software Corp. For the avoidance of doubt, MT4 is a “Trading Platform” for the purposes of, and as defined in, the Terms, and references to a “Trading Platform” shall be deemed to include MT4.

“Negative Balance Protection” means an automated adjustment to zero of the balance in the Client’s ITIM Account(s) in respect of CFD Transactions in circumstances where that balance has become negative.

“Net Equity” means the sum, expressed in the Base Currency, of (i) all Margin in the ITIM Accounts and (ii) the aggregate of the profit or loss from all currently Open Positions in CFD transactions.

“Products” means the instruments specified on MT4 as, pursuant to Applicable Regulations, available to the Client, as such may be updated from time to time.

2. CFD Contracts

- 2.1 CFD Transactions carry a high level of risk and can result in losses that exceed your initial Margin. As a retail client, and to the extent required by Applicable Regulations, you cannot lose more than the Net Equity in your ITIM Account(s) and the Company will provide you with Negative Balance Protection in accordance with paragraph 4.5 (below).
- 2.2 From time to time, you may establish and maintain with the Company one or more Open Positions by way of CFD Transactions in accordance with (i) these ITIM Terms, (ii) the Terms, and (iii) the processes set out on MT4.
- 2.3 Without prejudice to clause 7 of the Terms, following receipt and acceptance of an Instruction through MT4, the Company will only enter into a CFD Transaction with you, and such CFD Transaction will only become binding, in circumstances where:
- a) the Company is able to enter into a Hedge Transaction; and
 - b) you have sufficient Margin in your Account to meet the Margin Requirements.
- 2.4 On each date that you enter into a CFD Transactions and for so long as you have Open Positions in any CFD Transactions you acknowledge and agree to be bound by and comply with these ITIM Terms.

3. Margin

3.1 You agree:

a) prior to (or simultaneously with) establishing an Open Position in a CFD Transaction, to provide such initial Margin as is determined by the Company, in its sole and absolute discretion, to meet the Margin Requirement; and

b) on demand, to provide such additional variation Margin as is determined by the Company, in its sole and absolute discretion, to ensure that sufficient Margin is held to satisfy the Margin Requirement for all Open Positions.

3.2 The Company reserves the right to vary the amount of Margin required at our sole and absolute discretion. You acknowledge and agree that as a result of dynamic market movements demands for variation Margin pursuant to paragraph 3.1 b) of these ITIM Terms (above) may be made by the Company, and must be settled by you, in real time. You further acknowledge that the Company is not required to notify you of your failure to meet or maintain your Margin Requirement prior to exercising its rights under paragraph 4.3 of these ITIM Terms (below) or clause 17 (Default and Default Remedies) of the Terms.

3.3 All Margin held by us shall be held pursuant to the Client Money Rules as set out in the Terms and subject to the Security Interest.

3.4 On the termination of the Terms in accordance with clause 22 (Suspension and Termination) and following the application of any Margin held by us in satisfaction of your obligations and liabilities to us under the ITIM Terms, if there are no outstanding CFD Transactions and we determine at our sole discretion that we are not at risk of loss on present, future or contemplated CFD Transactions under the ITIM Terms, we will return to you any remaining Margin.

4. Close Out and Settlement

- 4.1 You may close out an Open Position in a CFD Transaction at any time by providing an Instruction to do so through MT4 [or otherwise in accordance with clause 7 of the Terms].
- 4.2 The Company may close out an Open Position in a CFD Transaction without notice to you, by entering instructions via MT4, if the Hedge Transaction fails (for whatever reason) and the Company determines, in its absolute discretion, that it cannot reasonably enter into and maintain an equivalent Hedge Transaction with a substitute Liquidity Provider.
- 4.3 Without prejudice to any other rights the Company may have under these ITIM Terms or the Terms, save that the provisions of clauses 8.3 and 8.4 of the Terms in respect of a Margin Liquidation Event shall be disapplied for the purposes of CFD Transactions and these ITIM Terms, if at any time the Net Equity is less than the Margin Requirement in respect of all Open Positions in CFD Transactions:
- a) the Company will only accept instructions (i) to close out (in whole or in part) Open Positions in CFD Transactions or (ii) to enter into CFD Transactions that are risk reducing in nature and result in an overall reduction of the absolute value of the Open Positions in the ITIM Account, until such time as the Net Equity meets or is in excess of the Margin Requirement; and
 - b) the Company may, at its sole discretion and without further notice to you, close out any or all out-of-the-money Open Positions, starting with the CFD Transactions with the largest out-of-the-money exposure, until the Net Equity is at least equal to the Margin Requirement.

- 4.4 Without prejudice to any other rights the Company may have under these ITIM Terms, if at any time the Net Equity is less than 75% of the Margin Requirement in respect of all Open Position in CFD Transactions, the Company will, without notice, close out any or all out-of-the-money Open Positions, starting with the CFD Transaction with the largest out-of-the-money exposure, until the Net Equity is at least equal to 75% of the Margin Requirement.
- 4.5 Without prejudice to paragraph 4.4 (above), in the event of high market volatility and/or where the relevant market “gaps”, ITI may not be able to close out your Open Positions immediately that your Net Equity breaches the 75% threshold of your Margin Requirement. In such circumstances, the Company will continue to use reasonable endeavours to close out your Open Positions as soon as practicable, but if your ITIM Account goes negative, and to the extent required by Applicable Regulations, we will provide Negative Balance Protection as soon as reasonably practicable to ensure that your losses do not exceed the Net Equity in your ITIM Account(s).

4.6 Following the closing of a CFD Transaction (for whatever reason), to the extent the CFD Transaction was:

a) in-the-money, the Company will credit an amount equal to the in-the-money value to your ITIM Account in the Base Currency or, if previously agreed, to the relevant ITIM Currency Sub-Account; or

b) out-of-the-money, the Company will debit an amount equal to the out-of-the-money value from your ITIM Account in the Base Currency or, if previously agreed, from the relevant ITIM Currency Sub-Account,

PROVIDED THAT if more than one CFD Transaction has been closed out and:

c) relevant ITIM Currency Sub-Accounts exist, the Company shall calculate the value of all in-the-money amounts owed by the Company to you and all out-of-the-money amounts owed by you to the Company in each of the Base Currency and in the relevant currency (or currencies) of the ITIM Currency Sub Account(s) (as the case may be), and shall set off such amounts in the same currency against each other so that only a single net sum is payable in each relevant currency (including, for the avoidance of doubt, the Base Currency) which shall be credited or debited to or from your ITIM Account or the relevant ITIM Currency Sub-Account(s) (as the case may be); or

d) the close out is a result of either paragraph 4.3 or 4.4 of these ITIM Terms or an Event of Default under the Terms, or no ITIM Currency Sub-Accounts have been established, the Company shall convert all such amounts (at the Client's cost) into the Client's Base Currency, calculate the value of all in-the-money amounts owed by the Company to you and all out-of-the-money amounts owed by you to the Company, and shall set off such amounts against each other so that only a single net sum denominated in the Base Currency shall be payable to or from you to or from the Company (as the case may be), and, for the avoidance of doubt, such single net sum shall be included in the Company's general rights of set-off under clause 17.2 of the Terms.

5. Fees and Commissions

- 5.1 The fees and commissions in respect of CFD Transactions are set out in the Rate Card, as updated from time to time.
- 5.2 The Company may use the fees and commissions received from the Client to pay fees, commissions, spreads or rebates to the Liquidity Provider in respect of the Hedge Transactions.
- 5.3 The Company further understands that the Liquidity Provider may from time to time have commercial relationships with introducing brokers who may act for or advise the Client in respect of investment opportunities including, without limitation, entering into CFD Transactions with ITI. To the extent any such introducing broker directs the Client to enter into a CFD Transaction with the Company, such introducing broker may receive an indirect benefit from the fees and commissions paid by the Client to the Company and subsequently passed on by the Company to the Liquidity Provider (in accordance with paragraph 5.2) as a result of that introducing broker's relationship with the Liquidity Provider.

6. Representations and Warranties

6.1 The Client represents and warrants on each date that the Client enters into a CFD Transaction and on each date that the Client has an Open Position in a CFD Transaction that the Client:

a) has the knowledge and experience to understand the risks of each CFD Transaction, it has made its own assessment as to the suitability and appropriateness of each CFD Transaction and, where necessary, it has have taken independent advice (including, without limitation, legal and tax advice) to ensure it fully understands the provisions of these ITIM Terms (and the Terms) and the legal and financial effects and risks of any such CFD Transactions;

b) is, and shall at all time remain, in compliance with all Applicable Regulations, including for the avoidance of doubt and without limitation all anti-money laundering and counter-terrorist financing rules under Applicable Regulations;

c) is not relying on any advice, assurance, representation, statement, promise or undertaking from the Company as to the expected performance of any CFD Transaction or the suitability of any such CFD Transaction for the Client.

6.2 The Client undertakes on a continuing basis that the Client will promptly:

a) provide the Company with such information regarding its financial and business affairs as the Company may reasonably request; and

b) notify the Company if it breaches these ITIM Terms or the Terms or if any of the representations, warranties and/or undertakings cease to be true to a material extent.

7. Termination

- 7.1 Provided that the Client has no Open Positions in CFD Transactions, the Client may terminate these ITIM Terms by giving written notice to the Company and such notice may take effect immediately.
- 7.2 If the Client has open CFD Transactions, the Client may terminate these ITIM Terms by giving five (5) Business Days' written notice. The Client agrees that if there remain open CFD Transactions on the Business Day immediately following the end of the fifth (5th) Business Days' notice period, the Company may without notice to the Client close out any and all Open Positions in CFD Transactions in such manner as the Company in its absolute discretion thinks fit.
- 7.3 These ITIM Terms shall automatically terminate simultaneously with the termination of the Terms.

8. Miscellaneous

- 8.1 If any provision of these ITIM Terms is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.
- 8.2 ITI and the Client do not intend that any provision of these ITIM Terms should be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to its terms.
- 8.3 No failure or delay by ITI to exercise any right or power hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or an abandonment of any steps to enforce such right or power, preclude any other, further or future exercise of any such right or power under these ITIM Terms.

9. Governing Law

- 8.1 These ITIM Terms and the relationship between the parties (including any non-contractual obligations arising out of or relating to these ITIM Terms) shall be governed by and construed in accordance with English Law.
- 8.2 Any disputes and claims arising under these Terms will be dealt with by the courts of England and Wales.