

banxso.eu

Leverage Policy

1. Introduction

XF Services Ltd is incorporated under the law of the Republic of Cyprus with registration number HE 415244. banxso.eu (www.banxso.eu) is a brand name of XF Services Ltd which is licensed and regulated by the Cyprus Securities and Exchange Commission as a Cyprus Investment Firm with License Number 413/22.

2. Scope

The purpose of this Policy is to define how we set leverage and procedures when our clients trade in Contracts of Difference ("CFDs"). It explains the key aspects of leverage trading with margin and what leverage levels we make available depending on our clients' knowledge and experience along with regulatory requirements. It also outlines the impact on the margin and clients' accounts where negative market movement occur.

This Policy applies when the Company executes Retail Clients' orders according to the Regulations, as defined below. **It does not apply to Professional or Eligible Counterparties as these are defined under the relevant Regulations.**

3. Our Obligations and Commitment

Treating customers fairly is the main priority to our corporate culture and ethos. The Company, as a regulated investment firm, has a duty to act honestly, fairly, professionally and in the best interest of our clients when dealing with them. In relation to Leverage, we are required:

- a. To set leverage levels that reflect retail clients' knowledge and experience in trading in complex financial instruments like CFDs given that trading with leverage and margin is a key characteristic of trading in CFDs;
- b. To avoid any aggressive leverage practices towards our retail clients;
- c. Given that, we effectively provide leverage, to have regard to our own risk management appetite and risk bearing capacity and to have in place policies, procedures and practices to manage our (primarily) market risk emanating from such leverage and margin trading by our clients. Following the aforementioned, the Company has a neutral risk appetite. We take into consideration both the leverage provided to our clients and the leverage provided by our execution venues with which we hedge clients' positions along with our available own funds.
- d. To apply regulatory requirements and caps as set out by our supervisory authority, CySEC, or any other supervisory authority in any jurisdiction we offer our services to.

4. Leverage Trading and Margin

Trading on leveraged capital means that clients can trade amounts significantly higher than the funds invested, which only serves as the margin. High leverage can significantly increase the potential return, but it can also significantly increase potential losses.

5. Leverage Ratios for Different Asset Classes and Financial Instruments and Different Clients

We enable our clients to trade via our online platforms. For retail clients, lower leverage limits apply which cannot exceed the maximum level as depicted in the following table. It shall be noted that CySEC prescribes maximum default leverage ratio of 1:30 on major FX instruments however, certain jurisdictions may apply other regulatory caps of leverage ratios based on their national product intervention measures. We reserve the right to reduce leverage ratios for CFDs in financial

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instruments that maybe the subject of actual or anticipated corporate actions, with or without notice to the clients, in order to address likely market and financial Instrument volatility. Whenever possible, the Clients will be duly notified so as to enable them to take any actions they might consider appropriate.

Furthermore, we also reserve the right to apply a specific leverage per single instrument in the event that client orders are exceeding a predetermined position size limit.

The applicable leverage ratios can be found at the Company's websites at any point in time.

CFDs	Updated default Leverage
Major FX pairs (The major currencies are currency pairs comprising any two of the following currencies:USD, EUR, JPY, GBP, CAD or CHF)	30:1 (3.33%)
All other currencies	20:1 (5%)
Gold	20:1 (5%)

*The Company takes into account the National Product Intervention Measures introduced by each Member States from time to time.

6. Margin Call and Close out Rule

Margin Call is applied when the available margin in the Client's account falls below the minimum margin requirement. The Company issues a Margin Call notification which is sent to the Client as an early warning of the performance of the open positions. The Margin Call notification triggers when the client's funds fall to 80% of the margin needed to maintain their open positions on their CFD account.

Following, the Cyprus National Product Intervention Measures, Margin Close out, was introduced, when the clients' funds fall to 50% of the margin needed to maintain their open positions on their CFD account; The Margin Close out is not a notification, rather the action of automatically closing any open position that falls to the abovementioned level.

7. Negative Balance Protection

The Company offers Negative Balance Protection, meaning that Clients can never lose more than the amounts available in their trading account as the Company will make a relevant adjustment to cover the full negative amount.

