



VSMARKETS LTD

(previously Klips CY Ltd)

LEVERAGE AND MARGIN POLICY

Version 1.0 | September 2026

VSMarkets Ltd (formerly Klips CY Ltd) is authorised and regulated by the Cyprus Securities and Exchange Commission as a Cyprus Investment Firm (CIF) under licence number 434/23. Registered Address: 11 Riga Fereou Street, Ground Floor, 3095 Limassol, Cyprus



1. INTRODUCTION

- 1.1. This Leverage and Margin Policy (the “**Policy**”) is issued by VSMarkets Ltd (formerly Klips CY Ltd), a limited liability company incorporated in the Republic of Cyprus with registration number HE431041, authorised and regulated by the Cyprus Securities and Exchange Commission (“**CySEC**”) as a Cyprus Investment Firm (“**CIF**”) under licence number 434/23 with registered address at 11 Riga Fereou Street, Ground Floor, 3095 Limassol, Cyprus (the “Company”, “**we**”, “**us**” or “**our**”).
- 1.2. This Policy explains the leverage, Margin and position close-out arrangements that apply when you trade Contracts for Difference (“CFDs”) with the Company. It should be read together with the Client Agreement, Risk Disclosure Notice, Order Execution Policy, Costs and Charges disclosures, Contract Specifications and any applicable Key Information Document (“**KID**”).
- 1.3. CFDs are complex, leveraged products and involve a high risk of losing money rapidly. Leverage magnifies both gains and losses. You should not trade CFDs unless you understand how leverage and Margin operate and can bear the risk of losing all funds allocated to your CFD trading Account.

2. SCOPE AND APPLICATION

- 2.1. This Policy applies to CFD Accounts and CFD Transactions made available by the Company. It does not apply to purchases of Physical Securities, including shares or exchange-traded funds, where they are purchased on a fully funded and non-leveraged basis.
- 2.2. Retail Clients receive the leverage limits, margin close-out protection and negative balance protection described in this Policy. These protections cannot be waived by a Retail Client.
- 2.3. The statutory Retail Client CFD leverage limits and protections do not automatically apply to Professional Clients. The Company determines the leverage, Margin and protections applicable to a Professional Client under the Client Agreement, its risk appetite and the circumstances of the relevant Account. The Company may apply Retail Client-equivalent or stricter controls.
- 2.4. Where the laws or regulatory requirements of a jurisdiction in which the Company lawfully provides Services impose a lower maximum leverage or a more protective requirement, the Company will apply that requirement to the affected Client or Account.

3. DEFINITIONS AND CALCULATIONS

- 3.1. “Leverage” is the ratio between the notional value of a CFD position and the Margin required to open that position. For example, leverage of 30:1 means that initial Margin of approximately EUR 1,000 may provide market exposure of up to EUR 30,000, subject to price, currency conversion and Contract Specifications.
- 3.2. “Notional Value” means the total market exposure of a CFD position, calculated using the position size, applicable contract size and relevant market price.



- 3.3. “Initial Margin” means the amount required to open or increase a CFD position. Unless the applicable Contract Specifications provide otherwise, Initial Margin is calculated as: Notional Value multiplied by the applicable Margin Rate. The equivalent calculation is Notional Value divided by the applicable Leverage ratio.
- 3.4. “Used Margin” means the aggregate Margin allocated to open CFD positions and, where applicable under the relevant trading-platform rules, pending Orders.
- 3.5. “Equity” means the Account balance adjusted for unrealised profit or loss and other amounts credited or debited to the Account.
- 3.6. “Free Margin” means Equity less Used Margin. The amount displayed may change continuously with market prices, exchange rates, charges and Account activity.
- 3.7. “Margin Level” is expressed as a percentage and is calculated as: Equity divided by Used Margin, multiplied by 100. Where Used Margin is zero, no Margin Level is calculated.

4. RETAIL CLIENT LEVERAGE LIMITS

- 4.1. The maximum leverage available when a Retail Client opens a CFD position depends on the class of the relevant Underlying Asset. The corresponding minimum Initial Margin requirements are:
- 30:1 for major currency pairs, corresponding to minimum Initial Margin of approximately 3.33%;
 - 20:1 for non-major currency pairs, gold and major equity indices, corresponding to minimum Initial Margin of 5%;
 - 10:1 for commodities other than gold and non-major equity indices, corresponding to minimum Initial Margin of 10%;
 - 5:1 for individual equities and other reference values, corresponding to minimum Initial Margin of 20%; and
 - 2:1 for cryptocurrencies, corresponding to minimum Initial Margin of 50%.
- 4.2. A major currency pair comprises any two of the following currencies: US Dollar, Euro, Japanese Yen, Pound Sterling, Canadian Dollar and Swiss Franc. Other currency pairs are treated as non-major. Major and non-major equity indices are classified in accordance with the applicable CySEC product-intervention requirements.
- 4.3. The Company may offer leverage lower than the regulatory maximum. The applicable leverage and Margin Rate for each CFD will be displayed in the Contract Specifications or trading platform and will be subject to validation when an Order is submitted.

5. SETTING LEVERAGE AND MARGIN REQUIREMENTS

- 5.1. Within the applicable regulatory limits, the Company sets leverage and Margin requirements by reference to factors including the volatility, liquidity, market depth, market capitalisation and price-gap risk of the Underlying Asset; concentration and correlation risk; trading hours and market events; hedging availability and liquidity-provider



requirements; the Company's exposure and risk appetite; and applicable regulatory restrictions.

- 5.2. Lower leverage or higher Margin may apply to a particular instrument, Account, Client category, position size or exposure tier. A Client is not entitled to the highest leverage permitted by regulation or to a leverage level previously made available.
- 5.3. The Company may restrict the opening or increase of positions where there is insufficient Free Margin, a relevant market is closed or disrupted, an instrument is restricted, an Account exceeds an applicable exposure limit, or the Company reasonably considers the Transaction to present unacceptable market, credit, liquidity, concentration, operational or regulatory risk.

6. CHANGES TO LEVERAGE AND MARGIN

- 6.1. The Company may reduce leverage or increase Margin requirements for new and/or existing positions where reasonably necessary. This may occur during abnormal volatility or illiquidity, market disruption, elections, referenda, economic announcements, corporate events, trading suspensions, holidays, changes imposed by a liquidity provider, excessive concentration, suspected abusive activity, a regulatory direction or another event that materially changes the relevant risk.
- 6.2. Where reasonably practicable, the Company will provide advance notice of a change affecting existing positions. The Company may act immediately and without prior notice where delay could materially increase risk, where an authority, venue or liquidity provider acts without sufficient notice, or where exceptional market conditions require prompt action.
- 6.3. An increase in Margin requirements may reduce Free Margin, cause the Margin Level to fall and result in the cancellation of pending Orders or closure of open positions. You must monitor your Account and should not assume that a Margin Rate or leverage level will remain unchanged.
- 6.4. Any change will remain subject to the applicable maximum leverage for Retail Clients. The Company will communicate material changes through one or more communication channels agreed under the Client Agreement.

7. MARGIN MONITORING AND MARGIN CALLS

- 7.1. Equity, Used Margin, Free Margin and Margin Level are recalculated as market prices and Account values change. Exchange-rate movements, spreads, financing charges, commissions, price gaps and other Account adjustments may affect these values.
- 7.2. You are responsible for continuously monitoring your open positions, pending Orders, Margin Level and available funds. The Company is not obliged to make a Margin Call or give you an opportunity to deposit additional funds before exercising its close-out rights.
- 7.3. The Company may send an alert when the Margin Level approaches or falls below an operational alert threshold, which may commonly be set at 100%. Any alert is provided as



a convenience only, is not advice and does not guarantee that you will have sufficient time to act.

- 7.4. Following an alert, you may seek to restore the Margin Level by reducing exposure, closing positions, cancelling relevant pending Orders or depositing additional funds. A deposit is not treated as available until it has been received, credited and made available in the Account. The Company does not guarantee that this will occur before close-out becomes necessary.

8. MARGIN CLOSE-OUT PROTECTION

- 8.1. For a Retail Client CFD Account, where the total funds in the CFD trading Account fall to 50% or less of the total Initial Margin protection amount for all open CFDs in that Account, the Company will close one or more open CFD positions as soon as market conditions and available liquidity permit.
- 8.2. The Company may cancel pending Orders and close one or more positions without obtaining further consent or giving prior notice. Positions will be closed until the Account is restored above the required threshold or until all positions that can be closed have been closed.
- 8.3. The order in which positions are closed is determined by the close-out methodology configured for the relevant trading platform. The methodology may take account of the losses on positions, available liquidity, market status, Margin released, exposure and operational feasibility. The Company does not guarantee a particular liquidation sequence unless it is expressly stated in the applicable platform terms or Contract Specifications.
- 8.4. Close-out is not guaranteed at the price which first caused the relevant threshold to be reached. Price gaps, latency, insufficient liquidity, market closure, suspension or fast-moving markets may result in execution at a materially different price. Hedged positions may also be closed and do not prevent Account-level close-out.
- 8.5. The Company may exercise any additional close-out or risk-management right available under the Client Agreement, including where an Event of Default occurs, an Account presents an unacceptable risk or action is required by Applicable Regulations. The failure to exercise a right on one occasion does not waive that right.

9. NEGATIVE BALANCE PROTECTION

- 9.1. For each Retail Client CFD trading Account, the Client's aggregate liability for all CFDs connected with that Account is limited to the funds in that CFD trading Account, as required by Applicable Regulations. Where a qualifying CFD Account becomes negative, the Company will make the adjustment necessary to return that balance to zero.
- 9.2. Negative balance protection does not prevent you from losing all funds allocated to the CFD trading Account. It does not prevent the Company from recovering amounts unrelated to CFD trading losses, including amounts arising from fraud, wilful misconduct, manifest error, invalid or reversed payments, chargebacks or other liabilities where recovery is permitted under Applicable Regulations and the Client Agreement.



- 9.3. The Company will not apply any contractual provision in a manner that removes or limits mandatory negative balance protection for a Retail Client.

10. IMPORTANT CLIENT RESPONSIBILITIES

- 10.1. Before placing an Order, you must understand the applicable leverage, Margin Rate, contract size, notional exposure, charges and potential loss. You should use leverage only where it is appropriate for your financial circumstances, objectives, knowledge and experience.
- 10.2. You must maintain sufficient funds and allow for price gaps, widening spreads, financing charges, currency conversion and delays in crediting deposits. You must also keep your contact information current and maintain access to the trading platform and agreed communication channels.
- 10.3. Stop Loss, Take Profit and other conditional Orders do not guarantee execution at the requested price. Unless expressly designated and accepted by the Company as guaranteed, such Orders may be executed at the next available price and may not prevent a loss or Margin close-out.

11. GOVERNANCE AND MONITORING

- 11.1. The Board of Directors approves this Policy and oversees its alignment with the Company's regulatory obligations and risk appetite. The relevant dealing, risk management, compliance, operations and information-technology functions are responsible for implementing and monitoring the controls within their respective responsibilities.
- 11.2. Material leverage or Margin parameter changes must be authorised under the Company's approved delegation and change-management arrangements. Emergency changes may be implemented by authorised personnel where necessary to protect Clients or the Company, followed by prompt documentation, independent review and escalation.
- 11.3. No exception may result in a Retail Client receiving leverage above an applicable legal cap or losing a mandatory protection. Other exceptions must be justified, approved at the appropriate level, time-limited where appropriate, recorded and monitored.
- 11.4. The Company monitors Margin calculations, close-out outcomes, negative balances, parameter overrides, price-feed issues, incidents, complaints and the consistency of platform settings with the Company's contractual and public disclosures. Relevant records are retained in accordance with Applicable Regulations and the Company's record-retention arrangements.

12. REVIEW AND AMENDMENTS

- 12.1. The Company reviews this Policy at least annually and earlier where there is a material regulatory, product, platform or risk-management change, a significant market event, a control failure or a relevant complaint or Client-outcome trend.



- 12.2. The Company may amend this Policy from time to time. Active Clients will be informed of material Client-facing changes in accordance with the Client Agreement and Applicable Regulations. The current version will be made available through the Company's Website or another Durable Medium.
- 12.3. If this Policy conflicts with a mandatory legal or regulatory requirement, that requirement prevails. If it conflicts with a more protective term expressly granted in the Client Agreement, the more protective term applies unless prohibited by Applicable Regulations.