Costs and Charges

Professional clients

Contents

1. INTRODUCTION

Finalto EU Ltd ("Finalto EU", the "Company", "we" or "us") is regulated investment services firm, authorized in the conduct of its activities by the Cyprus Securities and Exchange Commission (CySEC) under registration number HE332334.

2. PURPOSE

This document aims to serve as a general guide in reference to the costs and charges associated with our products, and includes the formulas applied to the calculation of our charges as well as worked examples.

3. OVERALL COSTS AND CHARGES

Costs & Charges		Description	Amount
Costs and associated charges charged for the investment service(s) and/or ancillary services			
On-going charges	**N/A**	N/A	N/A
One-off charges	**Minimum fees**	A minimum fee will be charged when the total trading commissions in a given month are lower than the pre-agreed minimum fee.	Variable, depending on the setup
Costs and associated charges related to the financial instrument			
One-off charges	**Spreads**	Spread is the difference between the Bid price (selling price) and the Ask price (buying price) and reflects, in part, the spreads of the underlying exchange where the underlying instrument is traded on. Our spreads are variable and are built into the buy/sell prices we offer. This cost is realized every time you open and close a trade. As spreads are variable, the amount may be different when opening and closing a trade. Our spread value is constantly changing based on current market conditions and volatility.	Variable
	Commissions	We charge a commission when you enter or exit a trade.	See Appendix A for further details
On-going charges	**Overnight Rollover (Swap Fee – Daily Financing)**	We charge or credit you with overnight fees for facilitating you to maintain an open Buy or Sell position on CFDs. These are ongoing fees / credits for as long as you have open trades with us (holding a trade open overnight).	See Appendix B for further details
Other costs related to transactions	**Currency conversion fee**	Currency conversion fees (Foreign exchange costs) will apply only when your account currency is different than the quoted currency of the underlying asset being traded. The fee will be reflected as a percentage of the conversion rate used. This will affect any conversions made on the Used Margin, Profit and Loss, overnight swap (Swap Fee) etc.	The Currency conversion fee (Foreign exchange costs) will not be higher than 0.25%.

Note: We do not charge fees when processing deposits and/or withdrawals. There may be charges applied depending on the financial institution through which you choose to fund your account with us.

APPENDIX A – COMMISSIONS

1. Contracts for Difference (CFDs)

- **PIP commissions**
    - The formula applied is the following:

Traded Amount * Commission rate = PIP Commission

Example:

Traded Amount: 20 Contracts of 100GBP

Traded price: 10,583

Commission rate: 0.01 Pips

20 * 0.01 = 0.2 GBP = PIP Commission

- **Standard commissions**
    - The formula applied is the following:

Traded Amount * Traded price * Commission rate = Standard Commission

Example:

Traded Amount: 20 Contracts of D30EUR

Traded Price: 24,828

Commission rate: 0.0004 %

20 * 24,828 * 0.0004% = 1.99 EUR = Standard Commission

(Note that commission fees are rounded up to the second decimal place. In this case, rounded up from 1.98624 EUR)

- **Per unit commissions**
    - The formula applied is the following:

Traded Amount * Commission rate = Per unit Commission

Example:

Traded Amount: 20 shares of Amazon

Traded price: 247.30

Commission rate: 0.03 USD per share

20 * 0.03 = 0.6 USD = Per unit Commission

APPENDIX B – OVERNIGHT ROLLOVERS (SWAP CHARGES)

Note: The calculation methodology of the overnight rollover (swap fee) charge varies according to the type of asset to which it applies. Moreover, the amount of the overnight swap (swap fee) charge will vary between different assets as it is linked to interest rates related to each asset and in addition to an extra financing charge defined by us.

1. Rolling contracts - Forex, NDFs & Commodities

Swap rates are updated daily and can be found via the Finalto BackOffice Swap Rates report.

Please see the following general example explaining how rollovers are calculated for Forex and Commodities products.

The swap rates applicable to this example are below:

Instrument	EoD Rate	Decimals		Pips	
		Short	***Long***	***Short***	***Long***
GBPUSD	1.34500	-0.0000028	0.0000048	-0.028	0.048
EURUSD	1.14402	0.0000425	0.0000485	0.425	0.485

At End of Day (EoD) we have the following example open positions:

-3,476,000 GBPUSD

5,962,000 EURUSD

Roll steps - SHORT position:

1) Close position – BUY

Rate = EoD rate - swap rate

Rate = 1.34500 - (-0.0000028) = 1.3450028

The short position - 3,476,000 GBPUSD will be closed (BUY) at rate 1.3450028 at EoD

Roll steps - LONG position:

1) Close position - SELL

Rate = EoD rate - swap rate

Rate = 1.14402 - (0.0000485) = 1.1439715

The long position 5,962,000 EURUSD will be closed (SELL) at rate 1.1439715 at EoD

2) Open position - SELL

Rate = EoD rate

Rate = 1.34500

The position - 3,476,000 GBPUSD will be re-opened (SELL) at rate 1.34500 at EoD

Cost of rollover – SHORT position

Rollover cost = dealt amount x (sell rate - buy rate) x no. days rolled

Rollover cost = 3,476,000 x (-0.0000028) x 1 = -9.7328 USD

2) Open position - BUY

Rate = EoD rate

Rate = 1.14402

The position 5,962,000 EURUSD will be re-opened (BUY) at rate 1.14402 at EoD

Cost of rollover – LONG position

Rollover cost = dealt amount x (sell rate - buy rate) x no. days rolled

Rollover cost = 5,962,000 x (- 0.0000485) x 1 = - 289.157 USD

2. <u>Indices CFD & Cryptocurrency CFD</u>

Indices CFD and Cryptocurrency CFD Financing costs are updated daily and can be found via the Finalto BackOffice CFD Costs report.

Please see the following example explaining how financing costs are calculated for CFD products (including indices and cryptocurrencies).

The swap rates applicable to this example are below:

Instrument	EoD rate	Short	Long
U30USD	52,193	3.26652871	-7.64615371
100GBP	10,583.40	0.65693086	-1.52588702

At End of Day (EoD) we have the following example open positions:

-5 U30USD

7 100GBP

Roll steps - SHORT position:

1) Close position - BUY

Rate = EoD rate

Rate = 52,193

Roll steps - LONG position:

1) Close position - SELL

Rate = EoD rate

Rate = 10,583.40

The short position – 5 U30USD will be closed (BUY) at rate 52,193 at EoD	The long position – 7 100GBP will be closed (SELL) at rate 10,583.40 at EoD

2) Open position - SELL

Rate = EoD rate

Rate = 52,193

The position – 5 U30USD will be re-opened (SELL) at rate 52,193 at EoD

Cost of rollover – SHORT position

Rollover cost = dealt amount x short cost x no. days rolled

Rollover cost = 5 x 3.26652871 x 1 = 16.3326 USD

2) Open position - BUY

Rate = EoD rate

Rate = 10,583.40

The position – 7 100GBP will be re-opened (BUY) at rate 10,583.40 at EoD

Cost of rollover – LONG position

Rollover cost = dealt amount x long cost x no. days rolled

Rollover cost = 7 x (-1.52588702) x 1 = - 10.6812 GBP

3. Equities CFD and ETFs CFD

Positions on Equity and ETF CFDs will be subject to a financing cost.

The Financing costs for these instruments are updated daily and can be found via the Finalto BackOffice CFD Costs report.

Please see the following examples explaining how financing costs are calculated for CFD products on Equities and ETFs:

Instrument: FTNT.xnas
Amount held overnight: 285 shares (long position)
EoD rate: 160.74
Financing Cost: Long positions: -0.02338562 / Short positions: 0.00999062

Amount held overnight x Long position = **Cost of financing**

Cost of financing: 285 x (-0.02338562) = -6.67 USD (rounded up from -6.6649017 USD)

Instrument: CBK.xetr
Amount held overnight: 140 shares (short position)
EoD rate: 37.94
Financing Cost: Long positions: -0.00234090/ Short positions: 0.00234090

Amount held overnight x Short position = **Cost of financing**

Cost of financing: 140 x (0.00234090) = 0.33 EUR (rounded up from 0.327726 EUR)