



## NEGATIVE BALANCE PROTECTION

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### Negative Balance Protection

TrioMarkets' Negative Balance Protection Policy guarantees that the clients' losses are limited to the funds invested in the client's account and/or gained by the client, if so. According to this policy, a client shall never have to face a debit balance (losses), when trading with TrioMarkets.

This policy forms part of the Client Service Agreement and shall be treated as such. In addition, it shall be read in conjunction with the Order Execution Policy.

### Margin Call Level Procedure

To implement this policy, TrioMarkets uses advanced monitoring tools and automated technology to monitor the clients' margin level in real time.

The margin level is the percentage value based on the amount of accessible usable equity versus used margin, i.e. the ratio of equity to margin. The margin call level for all Triomarkets Clients is set at 200%. It is calculated in the following way:

margin level = (equity/used margin) x 100.

### Stop-out level

Trading on margin («leverage») can magnify losses and profits due to factors like price movements, volatility, or limited liquidity. Failure to re-deposit additional funds may result in the CFD position being automatically closed («margin call»). Margin calls occurs when the equity of the account falls below the required margin level. To keep your positions open, you must maintain a certain level of funds in your account («margin level»), in order to avoid forced closure («margin call/stop-out level») of positions (50% for all retail clients). At that point, the platform will begin to automatically closing of positions, starting from the biggest negative to the biggest positive, but it cannot be guaranteed that all of them shall close. Rather, the system shall close only as many positions as required to maintain a margin level above the stop-out level.

The 50% stop-out rule, imposed by the new [ESMA Product Intervention Measures on CFDs](#),\* was first implemented on August 1st, 2018 and currently renewed from 2 October 2018 for a further three months.

It was nonetheless a tool that TrioMarkets was offering way in advance, prior to the mandatory requirements set by ESMA as above.

\*ESMA is an abbreviation that stands for European Securities and Markets Authority, which is a European Union financial regulatory institution and European Supervisory Authority.

	Retail Clients	Professional Clients
Stop-out Level	50%	30%

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