Leverage and Margin Policy

AMEGA

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1. Introduction & Scope

1.1. Amega Global Ltd. (referred to as the 'Company') provides you with this 'Leverage and Margin' (the Policy) to help you understand how leverage and margin works when trading Contracts for Difference ('CFDs'). However , you need to bear in mind that the Policy does not contain all the risks and aspects involved in trading CFDs. The Client should carefully read the Policy in conjunction with the 'Client Agreement', the 'Order Execution Policy' and the documentation/information available to you through our Website.

1.2. The purpose of this Policy is to define how we set leverage and procedures when our Clients trade in Contracts for Difference ("CFDs").

1.3. This Policy explains the key aspects of leverage trading with margin and what leverage levels we make available depending on our clients' knowledge of and experience along with regulatory requirements. It also outlines the impact on the margin and clients' accounts where negative market movement occurs.

2. Applicability

2.1. 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

3.1. Treating customers fairly is our main obligation to our corporate culture and ethos.

3.2. The Company has a duty to act honestly, fairly, professionally and in the best interest of our Clients when dealing with them.

3.3. 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. To have regard to the underlying performance fundamental of the financial instrument on which the CFD is based, including among others, historic volatility, depth of market (liquidity and trading volumes), market capitalisation of the issuer and country of issuer of the underlying financial instrument, hedging capabilities, general economic climate and geopolitical events. We adjust and calibrate the above variables in determining the leverage levels we offer for asset classes or financial instruments;

d. 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 execution venues with which we hedge clients' positions along with our available own funds. The conditions of netting positions within the execution venues, where possible, allow the Company to provide larger leverage to our clients than the leverage received.

e. To apply regulatory requirements and caps as set out by any regulator in any jurisdiction we offer our services to.

4. Leverage trading and margin call

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

4.2. This means that clients can trade with an amount higher than they could invest in a particular CFD without the margin the Company provided.

4.3. We reserve the right to reduce leverage ratio for CFDs in financial instruments that may be 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. Whether possible, we might give three (3) business days' notice of such changes so as to enable the clients to take any actions they might consider appropriate.

4.4. 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.

4.5. The Clients' stop out and margin call levels shall be determined based on analysis of statistical data in order to ensure that they are at the levels sufficient to minimise to the extent possible the probability of negative balances occurring.

4.6. The levels of the stop out and margin call are at least 20% and 150%, respectively, so as to comply with the regulatory requirements. Furthermore, the Company can increase at its own discretion the levels prior to and during periods of anticipated increased market volatility and/or major economic or political events.

5. Negative balance protection

5.1. We offer all our clients Negative Balance Protection. This means that Clients can never lose more than the amounts deposited in their trading account.

6. Margin level

6.1. Margin level is the percentage value basis on the amount of accessible usable margin versus used margin. In other words, it is the ratio of equity to margin. When the margin level decreases, your account bears an increased risk of liquidation. You are advised to monitor margin level at all times. Whilst we may from time to time send you a notification of your Margin Level reaching certain thresholds, you are reminded that it is your responsibility to monitor at all times the margin level and take relevant actions.

6.2. Please note that we do not provide advice for the trading decisions and actions you take, including the actions you may take to address the Margin Level requirements.

6.3. Free Margin is the sum of funds you have available to use as initial margin for new positions. This is calculated by subtracting the margin used for your open positions from your Equity.

6.4. Maintenance Margin refers to the minimum equity you need to have in order to keep your positions open. This is also commonly referred to as ‘maintenance requirement’ or ‘minimum maintenance’. If your equity falls below the minimum equity, your account may encounter Stop-Out. Stop-Out means one or all of the active trades will be closed automatically, starting from the least beneficial trades, because the accounts margin level has dropped to a point where it can no longer support loss from open trades. Our Stop-Out occurs when the margin level of the account is less than or equal to 20%.

6.5. Margin Call and Margin Stop-Out. Margin Call occurs when the funds in the trading account cannot cover the possible loss from open trades. It happens when equity falls below used margin. Stop-Out means that one or all of the trader’s active trades are closed automatically, starting from the least beneficial trades, because the accounts margin level has dropped to a point where it can no longer support loss from open trades. Our Stop-Out occurs when the margin level of the account is less than or equal to 20%.

Margin Level percentage formula: Equity/Margin used *100

6.6. We advise you that it is your sole responsibility to monitor the margin level of your positions in real-time via your web trading platform or your mobile application.

6.7. If your margin level drops to or below 100%, you will not be able to open any new positions. Should your margin level fall below the minimum of 20%, then we reserve the right to liquidate all or part of your open trades and close any open positions at our discretion, until your account margin level rises above the 20%. We will liquidate positions starting from least profitable trades.

7. Further information

7.1. If you would like further details regarding this Policy, please feel free to contact our Customer Support Department at support@amegafx.com.