

**CONTENTS**

**1. INTRODUCTION..... 1**  
**2. MARGIN..... 1**  
**3. SPREAD ..... 1**  
**4. HOLDING COSTS ..... 1**  
**5. OTHER COSTS ..... 3**

**1. INTRODUCTION**

**This Costs Disclosure only relates to business conducted on a direct basis between you and CMC Markets. It does not apply to clients introduced through a third party.**

In this Costs Disclosure, CMC Markets Germany GmbH is also referred to as "CMC Markets", "we", "us" and "our" in relation to your activities carried on with us.

Certain capitalised words and expressions in this document shall have the meaning given to them in our MT4 Terms of Business or in the clause in which they appear in this Costs Disclosure.

In this Costs Disclosure, we provide you with information to help you understand the costs and charges associated with entering into trades with us and our related services. You should take sufficient time to read our Costs Disclosure and other documentation available to you, including our MT4 Terms of Business, MT4 Order Execution Policy, MT4 Risk Warning Notice and Key Information Documents<sup>1</sup>, in addition to other relevant information available on our Website and the Trading System.

For real time information on our costs please refer to the product overview for the relevant instrument, available on the Trading System. We strongly recommend that you refer to the product overview to ensure you understand the relevant costs involved before placing a trade with us. It is your responsibility to ensure that you have sufficient funds in your Account to pay any amounts due to CMC Markets in full.

You should not trade with us unless you fully understand the costs and charges associated with entering into Trades. If you have any queries please contact our client services team: [clientservices@cmcmarkets.com](mailto:clientservices@cmcmarkets.com) or +44 (0)20 7170 8200.

**2. MARGIN**

If you open a Trade (or a Position) with us, you will be required to deposit money into your Account, which is known on the Trading System as 'margin'. Margin represents a percentage of the total value of the Position.

The Margin required for your Position(s) will be calculated using the Margin Rate applicable as shown on the MT4 Platform in the 'contract specification' section of each Product and on the Back Office Platform in the 'product overview' section of each Product.

To calculate your Margin, you must take the opening Price, shown on the MT4 Platform.

The Margin required at any given time is calculated as follows:

$$\text{The sum of (portion of Position in units x relevant Margin Rate x opening Price x Currency Conversion Rate)}$$

**3. SPREAD**

The Bid Price and Ask Price of a Trade is generally not the same. As soon as you have placed a Trade, there is a risk of loss in the amount of the difference between the Bid Price and Ask Price ("Spread") taking into account the number of units of your Position, and depending on Price movements, the size of the spread fluctuates.

**4. HOLDING COSTS**

**4.1 Holding Costs Overview.**

This is only applicable to Trades referencing cash contracts. At the end of each trading day (17:00 NY time), Positions that remain open in your Account will be subject to a cost known as a 'Holding Cost'. Holding Costs can be positive or negative depending on the direction of your Position (buy or sell) and the applicable Holding Cost rate.

The historic Holding Cost rates, expressed as an annual percentage rate, are available on the Back Office Platform in the 'product overview' section of each product.

<sup>1</sup> Generic Key Information Documents (KIDs) are displayed on the Legal section of our website. Instrument specific KIDs are available in our Back Office Platform.

CMC Markets Germany GmbH is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht registration No. 154814

Registered at the Local Court of Frankfurt under HRB 114199

The Holding Cost payable per Trade can be found in the 'product overview' for the relevant instrument on the Back Office Platform.

The following table shows the Holding Cost payable by you per asset class:

ASSET CLASS	DAILY HOLDING COST
Commodities	Daily Inferred Holding Cost* +/- 0.0082%
Indices	Daily Underlying interbank rate +/- 0.0082%
FX	Daily TomNext rate +/- 1%

Holding Costs can be calculated using the formulas below:

**Buy Trade:**

$$(\text{units} \times \text{EOD market mid-price} \times \text{buy holding rate}) \times \text{Currency Conversion Rate}$$

**Sell Trade:**

$$(\text{units} \times \text{EOD market mid-price} \times \text{sell holding rate}) \times \text{Currency Conversion Rate}$$

Holding costs will be calculated using the 17:00 NY time market mid-price or, where the market is closed, the last published CMC mid-price.

The resulting sum of all Holding Costs will be credited or debited from your Account. This can be seen in the "history" section on the Back Office Platform.

\*The difference between the price of the undated CFD (a CFD which is not a forward CFD) and the relevant underlying future (on exchange) price that CMC Markets uses to price its undated CFDs, converted into a Holding Cost.

**4.2 Indices.**

Holding Costs for cash index Trades will be calculated based on the underlying reference interest rate of the index plus 0.0082% on buy Trades and minus 0.0082% on sell Trades.

The Holding Costs will be charged or debited when you have buy Positions and credited when you have sell Positions, unless the underlying reference interest rate is equal or less than 0.0082%, in which case a charge will be made from your Account for the sell Positions.

**4.3 FX.**

Holding Costs for cash currency pair Trades will be calculated based on the tomorrow to next day ("TomNext") interest rate of the respective currency pair on the relevant underlying markets, expressed as an annual percentage.

**Holding Cost rate on a buy Trade:**

$$\text{TomNext rate in \% minus 1\%}$$

**Holding Cost rate on a sell Trade:**

$$\text{TomNext rate in \% plus 1\%}$$

Different rates are quoted for in markets for buying and selling a Position and the rates are actively negotiated between the banks. Tom-next rates in the underlying market are based on the interest rate differential between the two currencies. As a general rule, if the interest rate of the first named currency is higher than the second named currency in the pair (subject to the (1%) adjustment), and you hold a buy Trade, the Holding Cost will be credited to your account. On the other hand, if you hold a sell Trade in the same scenario, the Holding Cost will be debited from your Account.

#### 4.4 Commodities.

The Holding Cost rates for Positions in cash commodities are based on the underlying futures market from which the prices are derived. A cash product does not have a determined expiry or liquidation date. The price of the cash commodities does not include the Holding Costs which are incorporated in the futures of these products in order that the cash prices are 'constant'. The inferred daily Holding Cost is then applied as our holding cost, which can be positive or negative.

#### 4.5 Forward Contracts.

A Trade referencing a Forward is a Product with a fixed maturity or liquidation date, at which open Positions will liquidate at the closing Price.

Forwards will not be subject to a Holding Cost.

### 5. OTHER COSTS

#### 5.1 Payments in to/out of your Account.

You can make deposits in your Account via credit or debit cards, or through funds transfer from your bank account. We do not accept cash or cheque payments. Please ensure that any payment that you make is from an account or card in your name. Any third party payments will be returned.

There is no charge to receive funds via a standard bank transfer (national transfers). Urgent international transfers may incur a cost, depending on the international location.

#### 5.2 Currency Conversion.

The Trading System will automatically convert Amounts from the Product Currency into the Account Currency at the Currency Conversion Rate if the currency is different. The Currency Conversion Rate is the Price of our cash Forex product for the relevant Product Currency/Account Currency pair +/-0.50%. (*this change is effective from 1<sup>st</sup> September 2019. Before this date this figure is +/-0.3%*).

The Currency Conversion Rate can be calculated using the formulas below. For the purposes of the examples, the Account Currency is GBP and the Product Currency is EUR.

##### For Realised Profit and Realised Loss:

$$\left( \frac{1}{\text{the Bid Price of the Account Currency/Product Currency currency pair (e.g. GBP/EUR)}} \right) \text{ +/- 0.50\%}$$

##### For Margin:

$$\left( \frac{1}{\text{the mid price of the Account Currency/Product Currency currency pair (e.g. GBP/EUR)}} \right)$$

##### For positive Holding Costs:

$$\text{(the Bid Price of the Product Currency/Account Currency currency pair (e.g. EUR/GBP)) +/- 0.50\%}$$

##### For negative Holding Costs:

$$\text{(the Ask Price of the Product Currency/Account Currency currency pair (e.g. EUR/GBP)) +/- 0.50\%}$$

Our exchange rate conversions from the Product Currency into the Account Currency on the basis of our Currency Conversion Rate that may be subject to changes at any time (see our Terms of Business).

#### 5.3 Dormant Account Inactivity Charge.

A monthly inactivity charge will be deducted from the balance of any dormant Account. For this purpose, an Account shall be considered dormant if there are no open Positions and there has been no other trading activity for a continuous period of 1 year.

The monthly inactivity charge will be deducted from a dormant Account until either:

- the Account is closed by you or CMC Markets;
- trading activity recommences on the Account; or
- the balance of the Account is reduced to zero.

The amount of monthly inactivity charge will depend on your Account Currency, please see the table below for the applicable monthly inactivity fee for your Account:

ACCOUNT CURRENCY	MONTHLY INACTIVITY FEE
GBP	£10
EUR	€10
USD	\$15
CHF	15 CHF
NOK	100 NOK
SEK	100 SEK
PLN	50 PLN

The monthly inactivity charge will be deducted in arrears, on or about the first Business Day of each calendar month.

Once the balance of a dormant Account has reduced to zero, CMC Markets will not deduct further monthly inactivity charges from the dormant Account. A dormant Account will not incur a negative balance as a result of the deduction of the monthly inactivity charge.

#### 5.4 Price Adjustments – Dividend Equivalent Payments.

These are not a charge on your account as such, however they may result in debits to your account.

##### Cash Index CFDs

Where you hold a position in an index which is subject to the payment of price adjustments, generated from the dividends paid by the underlying company constituents of the index, a cash adjustment will be posted to your account to reflect the value change, or drop points, in the index.

These adjustments are made on both long and short positions.

Economically these adjustments have no impact in the performance of the position held as the calculated fall in value of the index based on the dividend payment will be exactly offset by the debit or credit posted to your account.

For example if the UK 100 has a price adjustment of 7.5 points and last price before the price adjustment is applied is 7,720.00 you would expect the value of the index to fall to 7,712.50.

Any difference between the expected first price of 7,712.50 and the actual first price will be the impact of market movement.