

# Summary of Costs and Fees

## 1. Introduction

**KEY WAY MARKETS LTD** (operating trade name “CAPEX.com”) is incorporated in Abu Dhabi Global Market (ADGM) under license number 000003041 and regulated by the ADGM Financial Services Regulatory Authority (FSRA), under financial services permission number 190005, having its registered office at 103 – 132, Floor 15, Al Khatem Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

### Definitions

In this instruction, the following terms shall have the meanings as described to them below:

**Contract for Differences (CFD)** shall mean a contract between two parties, typically described as "buyer" and "seller", stipulating that the seller will pay to the buyer the difference between the current value of the underlying asset and its value at contract time (if the difference is negative, then the buyer pays instead to the seller)

**Dividends Adjustments** shall mean the transaction adjustment that will be performed on a CFD on shares in order to reflect the actual stock price on the EX-dividend date. Under Cosmos Trading Platform is referred as “Dividends” while under the MT5 Trading Platform the transaction is reflected as a “dividend transaction”.

**Future Rollover** or **Rollover** shall mean the transaction adjustment that will be performed on the expiring Future contract on Bonds, Indices and Commodities, in order to reflect the price of the new one. Under Cosmos Trading Platform is referred as “Rollover adj” while under the MT5 is reflected as a correction transaction.

**Spread** shall mean the difference between Ask (buying price) and Bid (selling price) of an Underlying Asset in a CFD

**Mid-price** shall mean the mid-range value between the Bid and Ask price

**Mid Closing Price** shall mean the mid-range value between the Bid and Ask price upon the closing time (21:00 GMT summertime or 22:00 GMT wintertime) of the market

**Used Margin** shall mean the amount required and withheld for creating a margin position. It is calculated (Mid Price x Open Volume) of an open position divided by the level of leverage.

**Profit and Loss** shall mean the realized profit or loss emanate from each CFD position.

**Swap or Swap fees** shall mean the amount which is debited or credited to client's account when a position is held open overnight after 21:00 GMT during summertime and/or after 22:00 GMT during wintertime.

**Mark up** shall mean the amount and/or percentage added by the Company to the initial cost before passed to clients.

## 2. Scope

The Company is committed to act honestly, fairly and professionally and in the best interests of its Clients when providing investment and/or ancillary service(s) (the 'Services') to the clients.

Therefore, the purpose of this document is to set out the Company's costs and associated fees charged by the Company for the provision of its Services, along with explanatory details for a better understanding (the 'Policy').

The following costs and fees applied during the provision of the Company's Services are applied to all the clients of the Company.

## 3. Types of Costs and Fees

### 3.1. Spreads

The spread is the difference between the Bid price (selling price) and the Ask price (buying price) of the Contract for Difference ('CFD').

A spread cost is charged when you open and close the position.

Across instruments, spread will vary in value and type i.e., can be fixed or variable.

There are several factors that influence the size of the spread. The most important is instrument liquidity. Popular instruments are traded with lower spreads (BID/ASK difference) while rare ones raise higher spreads.

Another factor is market volatility. On a volatile market, spreads (BID/ASK difference) tend to be wider than during quiet market conditions.

A stock's price has also an impact on spreads (BID/ASK difference). The bid-ask spread will tend to increase when the price is low; this being related to the idea of liquidity. For most low-priced securities either new or small in size, the number that can be traded is limited, making them less liquid.

## How does it work?

Assuming EURUSD is quoted bid and ask prices 1.1158 and 1.1160 respectively. If you buy EURUSD the price will be at 1.1160. If you want to sell EURUSD then the price will be 1.1158. The difference between ask and bid price is the spread. Under this example, the spread is  $1.1160 - 1.1158 = 0.0002$  (2 pips). If you open 1 lot of EURUSD then each pip value equals to 10\$. In this case and in money terms the spread cost is 20\$.

You can read more about our average spreads on our website, at the following link:  
<https://ae.capex.com/en/trading-conditions>

### 3.2. Swap Fees

Swap refers to an interest applied to a trader's account to all positions that are left open overnight for the following trading day. Positions that were opened before 21:00 GMT during summertime or before 22:00 GMT during wintertime and held after that time are subject to swaps.

Every currency trade involves borrowing one currency in order to buy another. For this reason, Interest is paid on the currency that is borrowed and earned on the purchased currency. When you Buy the EURUSD pair, you simply Buy EUROS and Sell US Dollars. On the other hand, if you Sell the EURUSD pair, you simply Sell EUROS and Buy US Dollars. Therefore, your account will either be paid or be charged interest on that position, depending on the underlying interest rates of the two currencies in the pair.

When the interest rate of the country whose currency you are buying is higher than the interest rate of the country whose currency you are selling, the difference of the Interest Rate multiplied by the volume and by the mid closing price will be added to your trading account.

If the interest rate is higher in the country whose currency you are selling, the interest rate multiplied by the volume and by the mid closing price will be deducted from your account.

Please note that the Company reserves the right to charge fees or mark ups for Swap Fees which may affect the final result.

Most banks across the globe are closed on Saturdays and Sundays, so there is no rollover on these days, but the banks still apply interest on these days. To account for that, the Forex market books three days' worth of Swap Fees on Wednesdays for CFDs on Forex and for the rest of CFDs (shares, indices, commodities, bonds, ETFs, etc.), three days' worth of Swap Fees are booked on Friday.

That is why triple swap charge for Forex pairs is applied on Wednesday and for rest of CFDs is applied on Friday.

## How does it work?

### Example A

Cosmos Trading Platform formula: Quantity \* Swap (Buy/Sell) \* Mid Closing Price \* number of days.

Example:

Assuming a Client's account currency is EUR and Client wants to open a BUY, position held overnight on asset B, swap Rate for Buy position is -0.015%, asset quotes at midnight 100/101 USD per share, and EUR/USD rate of 1.21400, then:

Swap = quantity \* Swap (Buy) \* Mid Price \* no of days

At midnight =  $1 \times -0.015\% \times 100.5 \times 1 = -0.015$  USD

Swap converted into Euro =  $-0.015 / 1.214$  (EUR/USD rate) = -0.012 EUR

\*Please note that all Future rollover, dividends adjustments are converted to the account currency, 0.5% conversion fee apply to all transactions.

\* Mid Price = Average between BUY and SELL price = (Buy price + Sell price)/2

MT5 Trading Platform formula: Lot \* Contract Size \* Point Size \* Swap (Long/Short) \* number of days.

Example:

Example MT5: Assuming a Client's account currency is EUR and Client wants to open a BUY, position held overnight on asset B, swap Rate for Buy position is -0.015%, asset quotes at midnight 100/101 USD per share, and EUR/USD rate of 1.21400, then:

Swap = Lot \* Contract Size \* Point Size \* Swap Long \* number of nights

Swap =  $0.01 \times 100 \times 0.01 \times (-1.197) \times 1 = -0.012$  USD

Swap converted into Euro =  $-0.012 / 1.214$  (EUR/USD rate) = -0.010 EUR

\*FX Pairs are subject to Triple Swap on Wednesday, while for all other CFD's are subject to Triple Swap on Friday.

### 3.3. Conversion Fee

The Company applies a conversion fee when a currency of a client's account differs from the currency of the traded instrument. The conversion fee will be applied by the Company

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to use a conversion rate and will affect any conversions made on Used Margin, Profit/Loss, Swap Fees, Dividend Adjustments, and Future Rollover.

Conversion Fee applies only for Web-trader users - Cosmos Trading Platform.

## How does it work?

Conversion fee is a fix fee set by the Company to 0.5%.

Assuming a Client's account currency is EUR and Client wants to open a BUY position on asset B (a CFD on an US share) which is denominated in USD, with a volume of 10 contracts, Asset B quotes at opening time: 10.50/11.50 USD, asset leverage is 1:10 and EUR/USD trades at 1.15000, then:

Used Margin = Volume x Mid Price\* x Margin) = 10 x 11 USD x 10% = 11 USD  
Used Margin Converted into Euro = 11 USD / 1.15 (EUR/USD rate) = 9.57 EUR  
Conversion Fee on Used Margin = 9.57 x 0.5% = -0.048 EUR  
Assuming quotes of asset B change to 12.50/13.50 USD per share, then:

Profit/Loss = Volume x (Market price – Opening Price) = 10 x (12.50 – 11.50) = 10 USD  
Profit/Loss Converted into Euro = 10 USD / 1.15 (EUR/USD rate) = 8.69 EUR  
Conversion Fee on Profit/Loss = 8.69 x 0.5% = -0.043 EUR

Assuming company pays dividend of 0.25 USD/share, then:

Dividend adjustment = Volume x Dividend = 10 x 0.25 USD = 2.5 USD  
Dividend Adjustment Converted into Euro = 2.5 / 1.15 (EUR/USD rate) = 2.17 EUR  
Conversion fee on Dividend Adjustment = 2.17 x 0.5% = -0.01 EUR

Assuming position is held overnight, Swap Fees for Buy positions is -0.015%, asset quotes remaining at midnight 12.50/13.50 USD per share, then:

Swap fees = Quantity x Swap (Buy) x Mid Price \*\* at midnight = 10 x -0.015% x (12.50+13.50)/2 = -0.019 USD  
Swap converted into Euro = -0.019 / 1.15 (EUR/USD rate) = -0.016 EUR  
Conversion Fee on Swap = -0.016 x 0.5% = -0.00008 EUR

*\* Mid Price = Average between BUY and SELL price = (Buy price + Sell price)/2*

### 3.4. Inactivity Fee

If the Client Account is inactive for three months (90 days) or more i.e., Client fails to provide an Order, the Company will charge each inactive Client account a fee relating to the maintenance, administration and compliance management of these accounts. The inactive accounts will be subject to a monthly charge of thirty (30) USD or its equivalent in the currency of the trading account from that moment onwards.

## How does it work?

- where you have more than one (1) Trading Account and all of such Trading Accounts are Inactive Accounts, the Inactivity Fee shall be charged separately for each Inactive Account.
- where you have more than one (1) Trading Account, and at least one (1) of your Trading Accounts is inactive, the Inactivity Fee shall apply for each Inactive Account(s).
- where the balance of any Inactive Account to which Inactivity Fee is applicable under this Clause is less than thirty (30) USD, then the Inactivity Fee for such Inactive Account shall be equal to the amount of the remaining balance on such Inactive Account. We reserve the right to charge the Inactivity Fee retroactively for any month in which we had the right to charge it but we did not do so, for technical reasons.

### 3.5. Used Margin Calculation

Note: The used margin that the Company applies is calculated as follows:

Cosmos Trading Platform Formula:  $(\text{Quantity} * \text{Mid Price} * \text{Margin Rate}) + (\text{Quantity} * \text{Spread})$

Example: Assuming a Client's account currency is EUR, and the client wants to open a BUY position on asset B which is denominated in USD, the quantity of 1, quotes at the opening time: 100/101, leverage of 1:10 and EUR/USD rate of 1.21400, then:

Used Margin =  $(\text{Quantity} * \text{Mid Price} * \text{Margin Rate}) + (\text{Quantity} * \text{Spread}) = (1 * 100.5 * 0.1) + (1 * 1) = 11.05 \text{ USD}$

Used Margin Converted into Euro =  $11.05 \text{ USD} / 1.214 \text{ (EUR/USD rate)} = 9.10 \text{ EUR}$

\*Please note that all dividend adjustments, Future rollover, dividends are converted to the account currency, a 0.5% conversion fee apply to all transactions.

MT5 Trading Platform formula:  $\text{Lot} * \text{Contract Size} * \text{Opening Price} * \text{Margin Rate}$ .

Example MT5: Assuming a Client's account currency is EUR, and the client wants to open a BUY position on asset B which is denominated in USD, quotes at the opening time: 100/101, leverage of 1:10 and EUR/USD rate of 1.21400, then:

Used Margin =  $\text{Lot} * \text{Contract Size} * \text{Opening Price} * \text{Margin Rate} = 0.01 * 100 * 101 * 0.1 = 10.1 \text{ USD}$

Used Margin Converted into Euro =  $10.1 \text{ USD} / 1.214 \text{ (EUR/USD rate)} = 8.32 \text{ EUR}$

## 4. Adjustments

### 4.1 Future Rollover

A week before the expiration of the Future contract on Bonds, Indices and Commodities a transaction adjustment will be performed on the expiring Future contract, in order to reflect the price of the new one. The Company applies this adjustment as follows:

Cosmos Trading Platform Formula: (Quantity \* Contracts Difference) + (Quantity \* Spread)

Example:

Scenario 1: New contract trades at a higher price than the expiring contract.

Assuming a Client's account currency is USD, and the client is holding a position in a future contract is denominated in USD that will expire the current contract trading trades at 100\$ and new contract trades at 105\$.

If you have a BUY position of 1 contract on the asset subjected to rollover, you will register, at rollover time, an artificial profit of 5\$ (105-100) per each contract opened, as asset price increases from 100\$ to 105\$, in the favour of long trades.

Therefore, a negative adjustment will be processed in your account:

Rollover adjustment = (1 contract x contracts difference (105\$ - 100\$) + 1 contract x Spread) \*(-1)  
= (5\$ + 0.03\$) \*(-1) = - 5.03 \$

If you have a SELL position of 1 on the asset subjected to rollover, you will register, at rollover time, an artificial loss of 5\$ per each contract opened, as asset price increases from 100\$ to 105\$ in disadvantage to short trades.

Therefore, a positive rollover adjustment will be processed in your account:

Rollover adjustment = 1 contract x contract difference (105\$ – 100\$) + 1 contracts x Spread x (-1) =  
5\$ - 0.03\$ = 4.97\$

Scenario 2: New contract trades at a lower price than the expiring contract.

Let us assume that expiring contract, trades at 105\$ and new contract trades at 100\$.



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If you have a SELL position of 1 contract on the asset subjected to rollover, you will register, at rollover time, an artificial profit of 5\$ (100\$ - 105\$) per each contract opened, as asset price drops from 105\$ to 100\$, in favor of short trades.

Therefore, a negative rollover adjustment will be processed in your account:

Rollover adjustment = 1 contract x contracts difference (100 - 105) - 1 contract x Spread = -5\$ - 0.03\$ = - 5.03\$

If you have a BUY positions of 1 contract on the asset subjected to rollover, you will register, at rollover time, an artificial loss of 5\$ per each contract opened, as asset price drops from 105\$ to 100\$ in disadvantage to long trades.

Therefore, a positive rollover adjustment will be processed in your account:

Rollover adjustment = (1 contract x contracts difference (100 - 105) + 1 contract x Spread) \*(-1) = (5\$ + 0.03\$) \*(-1) = 4.97\$

\*Please note that all adjustments, swap, rollover adjustments, dividends are converted to the account currency, 0.5% conversion fee apply to all transactions.

MT5 Trading Platform Formula: Price difference \* Contract size \* net volume.

Example:

Scenario 1: New contract trades at a higher price than the expiring contract.

Assuming a Client's account currency is USD, and the client is holding a position in a future contract is denominated in USD that will expire the current contract trading trades at 100\$ and new contract trades at 105\$.

If you have a BUY position of 1 contract on the asset subjected to rollover, you will register, at rollover time, an artificial profit of 5\$ (105-100) per each contract opened, as asset price increases from 100\$ to 105\$, in the favor of long trades.

Let us assume that expiring contract, trades at 100\$ and new contract trades at 105\$. If you have a BUY position of 1 contract on the asset subjected to rollover, you will register, at rollover time, an artificial profit of 5\$ (105-100) per each contract opened, as asset price increases from 100\$ to 105\$, in favour of long trades.

Therefore, a negative rollover adjustment will be processed in your account:

Rollover adjustment = (1 contract x contracts difference (105\$ - 100\$) \*(-1) = (1 \* 5\$) \*(-1) = - 5\$

If you have a SELL position of 1 on the asset subjected to rollover, you will register, at rollover time, an artificial loss of 5\$ per each contract opened, as asset price increases from 100\$ to 105\$ in disadvantage to short trades.

Therefore, a positive rollover adjustment will be processed in your account:

$$\text{Rollover adjustment} = 1 \text{ contract} \times \text{contract difference} (105\$ - 100\$) \times (-1) = 5\$ = 5\$$$

Scenario 2: New contract trades at a lower price than the expiring contract.

Let us assume that expiring contract, trades at 105\$ and new contract trades at 100\$.

If you have a SELL position of 1 contract on the asset subjected to rollover, you will register, at rollover time, an artificial profit of 5\$ (100\$ - 105\$) per each contract opened, as asset price drops from 105\$ to 100\$, in favour of short trades.

Therefore, a negative rollover adjustment will be processed in your account:

$$\text{Rollover adjustment} = 1 \text{ contract} \times \text{contracts difference} (100 - 105) = 5\$$$

If you have a BUY positions of 1 contract on the asset subjected to rollover, you will register, at rollover time, an artificial loss of 5\$ per each contract opened, as asset price drops from 105\$ to 100\$ in disadvantage to long trades.

Therefore, a positive rollover adjustment will be processed in your account:

$$\text{Rollover adjustment} = (1 \text{ contract} \times \text{contracts difference} (100 - 105) = (5\$)$$

## 4.2 Dividend Adjustments

Cosmos Trading Platform Formula: Quantity \* Dividend Amount

Example: Assuming company pays dividend of 0.25 USD/share, then:

$$\text{Dividend adjustment (Buy)} = \text{Volume} \times \text{Dividend} = 1 \times 0.25 \text{ USD} = 0.25 \text{ USD}$$

$$\text{Dividend Adjustment Converted into Euro} = 0.25 / 1.214 \text{ (EUR/USD rate)} = 0.21 \text{ EUR}$$

\*Please note that all adjustments, financing swap, rollover adjustments, dividends are converted to the account currency, 0.5% conversion fee apply to all transactions.

MT5 Trading Platform Formula: Volume \* Contract Size \* Dividend

Example: Assuming company pays dividend of 0.25 USD/share, then:

$$\text{Dividend adjustment (Buy)} = \text{Volume} \times \text{Contract Size} \times \text{Dividend} = 0.01 \times 100 \times 0.25 \text{ USD} = 0.25 \text{ USD}$$

$$\text{Dividend Adjustment Converted into Euro} = 0.25 / 1.214 \text{ (EUR/USD rate)} = 0.21 \text{ EUR}$$

## 5. Costs over time

### Assumptions

Invested Amount: 1,000 EUR

Position: Buy position EURUSD

Size: 0.1 Lot

Entry Price: 1.0000

Leverage: 1:10

Holding Period: 5 days

Based on the abovementioned assumptions the price moved in favor towards 1.1050 resulting to a profit of \$50.00 (excluding 2\$ spread cost). Assuming that the profit remains stable, and you keep the specific position for 5 days. In this case the impact of the costs that will affect the Return in Yield of your investment as follows:

Investment Services and/or ancillary services (Maintenance fees*, Inactivity Fees**)	0	
Financial Instruments (Spreads, Swaps, Conversion Fee)	16.03 USD	32.06%
<b>Total Costs and Charges</b>	<b>16.03 USD</b>	<b>32.06%</b>

\* The Company do not charge any maintenance fees.

\*\* Inactivity fees applies to accounts that are inactive for three months.

## 6. Costs and Fees on Specific Product(s)

### - StoX

StoX refers to Contract for Differences (CFD) of certain Share(s), where the CFD financial instrument carries a Fixed Leverage 1:1. Also, the said product allow traders to perform Fractional Trading, i.e., giving the ability to trade a portion of an equity stock that is less than one full share. “StoX” can be found at ‘Cosmos Trading Platform’.

The said product is subject to the following cost and charges:

- Spread
- Swap Fees (only on Short Positions)