



## Costs and Charges Policy

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## 1- INTRODUCTION

NAGA Markets Europe Ltd (the “**Company**”) is a private company registered in the Republic of Cyprus with Registration Number HE 251168, located at Agias Zonis 11, 3027, Limassol, Cyprus. The Company is regulated and licensed by the CySEC with license number 204/13 to offer certain investment and ancillary services subject to the provisions of the Law of 2017 regarding the Provision of Investment Services, the Exercise of Investment Activities and the Operation of Regulated Markets, L.87(I)/2017. Definitions

**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).

**ETFs** shall mean a type of investment fund and exchange-traded product. ETFs are provided by investment companies that offer investors a way to pool their money in a fund that invests in stocks, bonds, or other assets. In return, investors receive an interest in the fund.

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

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

**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 MT5 is reflected as a correction transaction.

**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 23:59 GMT.



## 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- LEGAL FRAMEWORK

Following the implementation of the Markets in Financial Instruments Directives 2014/65/EU (the "MiFID II") Naga Markets Europe Ltd ("the Company") is required to provide appropriate information in good time to clients or potential clients with regard to the investment firm and its services, the financial instruments and proposed investment strategies, execution venues and all costs and related charges. The information referred to above shall be provided in a comprehensible form in such a manner that clients or potential clients are reasonably able to understand the nature and risks of the investment service and of the specific type of financial instrument that is being offered and, consequently, to take investment decisions on an informed basis.

## 4- EX-ANTE AND EX-POST DISCLOSURE OF INFORMATION

For ex-ante and ex-post disclosure of information on costs and charges to clients, the Company shall aggregate the following:

- a- all costs and associated charges charged by the investment firm or other parties where the client has been directed to such other parties, for the investment services(s) and/or ancillary services provided to the client; and
- b- all costs and associated charges associated with the manufacturing and managing of the financial instruments.
- c- The **ex-ante** disclosure is given before the provision of services about the costs related to the financial instrument or ancillary service and will be provided based on an assumed investment amount. Ex-ante disclosures to the client can be provided in various venues such as on the Company's website as well as on dedicated document that describe the company's costs and charges.



The **ex-post** disclosure is the information related to costs and charges which should reflect the client's actual investment amount at the time the disclosure is produced. This information is provided in the client's statement which is readily available to be downloaded from the client's trading platform at any given time.

## 5- COSTS AND CHARGES

Please find below the relevant fees (costs and charges) applicable to Naga Markets Europe Ltd Clients:

### 5.1 Spread

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.

Naga Markets Europe Ltd offers low market spread to all clients, irrespective of their account types and trade sizes. The spread is variable; therefore, it may increase depending on the market conditions and the volatility. To provide efficient and attractive conditions for all clients, the Company constantly adapt them to suit traders across all markets. Spread cost is measured in pip value and clients will be able to find the value of a pip across all instruments on the [website](#).

<b>Example:</b>
Volume in Instrument trades: 1 standard lot in EUR/USD
(1 standard lot for FX =100,000 units of base currency)
Current Bid/Ask Price: 1.13000/1.13060
Spread [Ask Price – Bid Price] = 1.13060- 1.13000= 0.0006
Cost Calculation [ Volume traded per lot* Point size* Spread] = 1*100,000*0.0006= 60 USD



## 5.2 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 23:59 GMT and held after that time are subject to swaps.

Every currency trade involves borrowing one currency 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 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, spot commodities and for the rest of CFDs (shares, cryptocurrencies, indices, Rolling Futures, bonds, ETFs, etc.), three days' worth of Swap Fees are booked on Friday.

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

**The triple swap charges are applied on:**

- Wednesday for FX/Metals/ Spot Commodities
- Friday for CFDs on Indices/Cryptocurrencies/Equities/Futures/US Oil/UK Oil/ETFs

The details of the swap charges can be found [here](#).



Clients can also calculate their swaps in our [Swap Calculator](#).

How does it work?

### **Example A**

Quantity \* Swap (Buy/Sell) \* 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 15%(yearly), asset quotes at midnight 100/101 USD per share, and EUR/USD rate of 1.21400, then:

Swap(daily) =Closing Price \* Volume \* (Long or Short percentage)/360 = 100\* 1 \* 15%/360= 0.041 USD

Swap converted into Euro = 0.041/ 1.214 (EUR/USD rate) = = 0.034 EUR

\*Please note that all Future rollover, dividends adjustments are converted to the account currency, 2% conversion fee apply to EUR & USD and 3.5% to all other currencies transactions.

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

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



## 5.2 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:

$(\text{Quantity} * \text{Contracts Difference}) + (\text{Quantity} * \text{Spread})$

Widened spread charges may apply at times, on the rollover, due to market volatility, liquidity, etc.

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

Let us assume that expiring contract on Oil, trades at \$70 and new contract trades at \$75.

If you have a BUY position of 10 contracts on Oil, you will register, at rollover time, an artificial profit of \$5 (75-70) per each contract opened, as Oil price increases from \$70 to \$75, in favour of long trades.

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

$\text{Rollover adjustment} = 10 \text{ contracts} \times \text{contracts difference} (75 - 70) \times (-1) + 10 \text{ contracts} \times \text{Oil Spread} \times (-1) = -\$50 - \$0.3 = -\$50.3$

If you have a SELL position of 10 contracts on Oil, you will register, at rollover time, an artificial loss of \$5 per each contract opened, as Oil price drops from \$70 to \$75 in disadvantage to short trades.

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

$\text{Rollover adjustment} = 10 \text{ contracts} \times \text{contract difference} (75 - 70) + 10 \text{ contracts} \times \text{Oil Spread} \times (-1) = \$50 - \$0.3 = +\$49.70$

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

Let us assume that expiring contract on Oil, trades at \$71 and new contract trades at \$68.

If you have a SELL position of 10 contracts on Oil, you will register, at rollover time, an artificial profit of \$3 (71-68) per each contract opened, as Oil price drops from \$71 to \$68, in favour of short trades.

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





Rollover adjustment = 10 contracts x contracts difference (71 - 68) x (-1) + 10 contracts x Oil Spread x (-1) = -\$30 - \$0.30 = - \$30.30

If you have a BUY position of 10 contracts on Oil, you will register, at rollover time, an artificial loss of 3\$ per each contract opened, as Oil price drops from \$71 to \$68 in disadvantage to long trades.

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

Rollover adjustment = 10 contracts x contracts difference (71 - 68) + 10 contracts x Oil Spread x (-1) = \$30 - \$0.30 = + \$29.70

All the Roll-Over dates of futures contracts can be found [here](#) as well as symbol specifications of Roll-Over Future Symbols can be found [here](#) .

### 5.3 Commission Fee

It means the commission you pay when you buy and sell an instrument calculated according to the volume traded or per trade basis. Naga Markets Europe Ltd charges commission with regards to specific financial instruments:

- Commissions on CFDs: 2.50EUR (or equivalent in other currencies) for an in/out transaction. (Example 1)
- Commissions on Stocks: 3 EUR (or equivalent in other currencies for an in/out transaction. (Example 2)
- Commissions on ETFs: 0.10% on notional value. (Example 3)



**Example 1:**

MT5

Opening position on AllianzAG (ALVG.DE) - Fee charged = 2.50EUR (or equivalent) Closing position on ALVG.DE- Fee charged = 2.50EUR (or equivalent)

Total cost = 5.00 EUR MT4

Opening position on AllianzAG (ALVG.DE) - Fee charged = 5.00EUR (or equivalent) Total cost = 5.00 EUR

**Example 2:**

Opening position on Apple (AAPL.re) - Fee charged = 3 EUR (or equivalent) Closing position on AAPL.re - Fee charged = 3 EUR (or equivalent)

Total cost = 6 EUR

**Example 3:**

1 lot of 'iShares S&P Global Energy ETF' (IXC.P) has a notional value of 1 and if Price = 20 Commission =  $1 * 1 * 20 * 0.10\% = 0.02$  EUR (or equivalent)

Total Cost = 0.04 EUR

For more details about the commission fees, you may find it available [here](#).

## 54 Currency Conversion

It is the cost of converting realized profit and losses, adjustments, fees and charges that are dominated in a currency other than the base currency of your trading account.

**Example:**

The currency of Client Account: EUR

Currency Pair: EURUSD

Closed Profit: 300 USD

Value of EURUSD at time of position closing: 1.21

Conversion:  $300/1.21 = 247.93$ EUR



## 5.5 Withdrawal Fees

Withdrawal transactions are subject to withdrawal fees. The size of the withdrawal depends on the VIP user level\* and vary between 0-5 USD/EUR per withdrawal:

Iron	Bronze	Silver	Gold	Diamond	Crystal
5	4	3	2	1	0 Fees
EUR/USD/GBP or equivalent	EUR/USD/GBP or equivalent	EUR/USD/GBP or equivalent	EUR/USD/GBP or equivalent	EUR/USD/GBP or equivalent	

You may refer to the [website](#) which includes additional details for all available VIP levels\*.

**Note:** There also may be additional charges from your payment provider (i.e., bank, debit/credit card provider).

\* VIP User Levels might not be available based on client's country of residence.

## 5.6 Copy Trading Fee

The Autocopy fee applies to closed copied positions (the equivalent amounts will be applied according to the account's base currency). When a client copies a trade, he'll pay a fix 0.99 fee per trade. An additional fee applies for 5.01-10 EUR profits, 10.01-20 EUR profits and 20+ EUR profits. For any profitable €5.01-€10 trade, 5% fee will be charged for copying a trader's order, for any profitable €10.01 - €20+ trade, 10% fee will be charged for copying a trader's order and, for any profitable €20+ trade, 15% fee will be charged for copying a trader's order

In the below table, you may find some examples on the Autocopy fee applied per trade and on profitable trades:

Equity	Balance after closing a copied trade position	Profit	Fixed copy fee	Variable copy fee
€100	€103.26	€4.25	€0.99	n/a
€100	€96.01	-€3	€0.99	n/a
€100	€134.49	€37.35	€0.99	€5.60



## 5.7 Inactivity Fee

If the Client Account is inactive for six or more consecutive months 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 twenty (20) 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 twenty-five (25) 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.

## 5.8 Other Fees exclusively for BVB Stocks:

In addition to the abovementioned fees, the below charges are applicable when trading BVB Stocks:

<u>Service</u>	<u>Charge</u>
Commission on Shares (exclusively for BVB Stocks)	0.30% on the value of the BVB Stock
Settlement Fee	Zero Settlement Fee
Transfer Out of shares	EUR 5 per symbol