# REGULATIONS OF THE SOCIAL TRADING SERVICE

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Tifia Markets Limited, hereinafter referred to as the "**Company**", provides a service package hereinafter referred to as the **Social Trading Service** in the manner and on terms set out in these Regulations. The **Client** accepts fully and unconditionally the terms of these **Regulations** once he/she has registered a client profile and opened accounts specifically designed for the **Social Trading Service**.

## 1. Terms and definitions

1.1. The terms used for the purpose of these Regulations shall have the following meaning:

**Trader** – the company's client who has registered his/her trading account with the Social Trading service for other clients to be able to copy his/her trades and who receives his/her Profit share.

**Investor** – the company's client who has registered his/her trading account in the Social Trading service in order to Copy transactions from the Trader's account.

**Profit share** – a part of the profit made in the Investor's account over a certain trading period whose amount is determined by the Trader upon his/her registration in the Social Trading service and which shall be paid into the Trader's account as a Copy trading fee.

**Commission** – a profit share expressed in monetary terms and transferred from the Investor's account to the Trader's account during Rollover.

**Traders' accounts Monitoring Table** – a special table which displays aggregate information on Traders' registered accounts.

**Account liquidation** – termination of use of a trading account as the Trader's account.

**Rollover** – a procedure of settlements between the Trader and the Investor, which takes place at the end of a trading period.

**Copying/Copy/Copy trading** – simultaneous (synchronized) opening/closing of trades in the Investor's account which have the same direction as the Trader's trades and whose parameters are dependent on Copy settings.

**Trader's account** – a trading account registered in the Social Trading service with the view of providing a Copy trading option to other traders and thereby receiving a Profit share.

**Investor's account** – a trading account registered in the Social Trading service with the view of Copying trades from the Trader's account.

**Debt** – a partially or fully outstanding commitment of the Investor to pay a profit share to the Trader

**Copy settings** – settings of the Trader's account which define the rules of Copy trading.

**Volume coefficient** – a parameter of Copy settings for the Part of Trader's Volume Copy Type. It represents a ratio (in %) of the volume of the trade copied onto the Investor's account to the volume of the respective trade in the Trader's account. It may vary from 1% to 100% in 1% increments.

**Volume** – a parameter of Copy settings for the Fixed Volume Copy Type which defines the volume of the trades to be copied onto the Investor's account. It's measured in lots.

**Equity Stop Copying Level** – a parameter of Copy settings which defines the amount of the Investor's account equity deemed to be critical. Once this level achieved, copying of new trades onto the account will be suspended.

**Copy equity** – a parameter of Copy settings for the Allocate Equity Copy Type which defines in monetary terms the maximum amount of funds that may be used for opening trades in the Investor's account.

**Attachment** – registration of a trading account as the Investor's account.

**Detachment** – disconnection of a trading account from the Trader's account.

**Trader's pause** – suspension of Copy trading initiated by the Trader.

**Investor's pause** – suspension of Copy trading initiated by the Investor.

**Trading interval** – a period of time between Rollovers.

**Debt Settlement** – deposit of money into the Investor's account (or a trading account that used to be the Investor's account at the moment of debt creation) with the view of paying off profit share liabilities to the Trader.

**Debt table** – a list of the client's trading accounts with registered Debt.

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If the above list does not provide a definition of one of the terms used in these Regulations, the interpretation of this term should be based on the definition provided in the Terms of Business and the Client Agreement in the manner set out in items 12.1 and 12.2 of these Regulations.

## 2. General provisions

2.1. These Regulations set out the rules and manner of providing the clients with the Social Trading service that represents a system for copying trades. The Company is responsible for providing the service in the manner set out in these Regulations. The Company does not manage Trader's accounts and shall not be liable for Traders' trading results.

2.2. These Regulations come into force as soon as the client registers his/her trading account as the Investor's account or Trader's account and shall be valid as long as the client has at least one trading account registered as the Investor's account or the Trader's account and/or a Debt.

2.3. Under the terms of the Social Trading service, the Company's liability shall be limited to providing due technical operation of the Social Trading service and shall not concern Traders' trading results.

2.4. If, for some reason, the Client cannot use the Social Trading service by means of the Client Profile, the Client has a right to use any of the specified communication means to contact the Company in order to give instructions for some particular actions (Detachment, Account Liquidation, Rollover and so on). If the Client fails to undertake any of these actions, the Company shall not be liable for any damage or missed profits.

## 3. Description of the Social Trading service

3.1. The Social trading service is a software solution which implements and automates all processes of copy trading in the trading accounts within the Company.

3.2. The Social trading service automates the following processes:

- registration of trading accounts as Trader's accounts;
- attachment of trading accounts as Investor's accounts;
- Copying of trades from the Trader's accounts onto the Investor's accounts in accordance with relevant Copy settings;
- execution of Rollovers and payment of Commission;

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- update of information on the Trader's accounts in the Monitoring table;
- update of information on Debt.

3.3.     The Trader conducts trading operations in his/her own Trader's accounts. The document that shall govern the conduction of trades in the Trader's accounts is the Terms of Business.

3.4.     The trades conducted in the Trader's accounts are copied onto the Investor's accounts. Copying a trade from the Trader's account shall mean a simultaneous opening/closure of a trade on the same trading instrument, of the same type (Buy or Sell) in accordance with Copy settings in the Investor's account.

3.5.     The Client's acceptance of the terms of these Regulations does not form contractual relationships between the Investor and Trader and therefore does not result in concluding an agreement between them.

3.6.     The Trader has a right to use any trading strategy complying with the Terms of Business  ; conducts trades by use of his/her own funds, does not provide asset investment services or advice to Investors.

3.7.     The Investor has a right to set the parameters of Copy settings independently, including the possibility to change the Volume coefficient, which allows him/her to equate trading risks in the Investor's account with the risks in the Trader's account, or lower them.

3.8.     The Investor has the right to close or modify independently the trades copied from the Trader's account.

## 4. Trader's Rights and Responsibilities

4.1. The Client has the right to register any of his/her START, CLASSIC, CRYPTO or ECN PRO type of trading accounts as the Trader's account.

4.2. The Trader has the right to set his/her Profit Share in a 0% - 100% range.

4.3. The Profit Share set in the Trader's Account applies to the each Investor's account attached to this Trader's Account.

4.4. The Trader has the right to change the percentage of the Profit Share at any time. New Profit Share setting will be applied only to new investors attached after changing.

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4.5. By registering the Trader's Account, the Client confirms his/her consent to copying trades from the Trader's account onto all attached Investor's accounts.

4.6. The Trader has a right to initiate Rollover any time.

4.7 The minimum balance required in the Trader's Account for conducting trading operations shall be at least 100 USD (or the equivalent in the account currency).

4.7.1 The Client shall make a deposit of at least 100 USD (or the equivalent in the account currency) to start working in the Social Trading system.

4.7.3. The Trader shall control the minimum account balance. If the trader's account balance becomes less than 100$, Company has a right to pause Trader's Account and restore only after a deposit.

4.7.3. The minimum balance may not be withdrawn from the Trader's Account. To make a withdrawal, the Client shall disable the trader's account first and then make a withdrawal request.

## 5. Investor's Rights and Responsibilities

5.1. The Client has the right to register any of his/her START, CLASSIC, CRYPTO or ECN PRO type of trading accounts as the Investor's account.

5.2. When registering the Investor's account, the Client shall

- specify the Trader's account from which the trades will be copied;
- select the Copy type;
- determine Copy settings relevant to the selected Copy type.

5.3. The Investor's account is considered as attached to the Trader's Account specified as a copy trading source at the moment of registration, until the moment of Detachment.

5.4. The Investor has a right to change Copy settings at any time under the relevant Copy Type in his/her Investor's account. Copy type can be changed provided that no copied trades are opened in the account.

5.5. Attaching one's own Investor's Accounts to one's own Trader's account is forbidden.

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## 6. Copy trading

6.1. Any trading operation executed in the Trader's Account will be copied onto attached Investor's accounts, except the following cases:

6.1.1. The volume of a trade to be copied onto the Investor's account is less than the minimum trade volume set by the Company.

6.1.2. The Investor's account does not have enough funds to open a new position.

6.1.3. The Investor's Pause has been set in the Investor's account.

6.1.4. The Trader's Pause has been set in the relevant Trader's account.

6.1.5. The Social Trading service has been disabled for the profile of the Investor's account or Trader's Account holder due to Debt or for any other reason.

6.1.6. The Investor's account equity is less than or equal to the Equity Stop Copying level.

6.2. The copy trade process can take a time. The trades copied onto the Investor's account are executed at current market prices and can therefore be different from the prices at which the respective trades have been executed in the Trader's Account. Please note if Trader use news trading strategy it may have an significant influence on opening/closing price difference between Trader's and Investors' accounts.

6.3. If the volume of the trade to be copied onto the Investor's account is more than the maximum trade volume set by the Company, the trade shall be copied with the maximum trade volume set by the Company.

6.4. When calculating the volume of the trade to be copied onto the Investor's Account, the volume shall be rounded to a value equal to 1 trade volume increment set for the respective account type.

6.5 "Close by" and "Multiply Close By" trading platform options for closing multiple trades at once are not available for trading accounts registered as Trader's accounts.

6.6 At its own discretion and with no special notice, the Company has the right to limit the leverage in the Investors' and/or the Trader's account if the total collective equity in all accounts of the Investors copying the Trader exceeds the limits set in the table below:

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| Maximum leverage | Limitations by maximum sum of equity on all Investors' accounts |
|---|---|
| 1:1000 | 1 - 5000 USD |
| 1:600 | > 5000 USD |
| 1:400 | > 10000 USD |
| 1:200 | > 20000 USD |
| 1:100 | > 100000 USD |
| 1:50 | > 200000 USD |

6.7 At its own discretion, the Company has the right to limit leverage in the Trader's and/or the Investors' accounts if the total volume of the aggregate open position in all the accounts of the Investors copying the Trader exceeds the limits set in the table below:

| Sum of volume | Leverage Limitations |
|---|---|
| more than 2000000 USD | 1:200 |
| more than 5000000 USD | 1:100 |
| more than 10000000 USD | 1:50 |

## 7. Copy settings and types

7.1. All settings applicable to the Investor's Account, including Copy Settings, shall be set by the Investor independently. The Trader cannot influence the choice of Copy Type or the copying process in general.

7.2.  The Company provides four types of copy trading and each of them has different parameters of Copy Settings:

7.2.1. Full Size. This Copy Type implies that the volume of a trade copied onto the Investor's Account is equal to the volume of the respective trade in the Trader's Account. No extra parameters are available.

7.2.2. Fixed Size. This Copy Type implies that the volume of a trade copied onto the Investor's Account is always identical to the Volume pre-set in Copy Settings.

7.2.3. Part of Trader's Volume. This Copy Type implies that the volume of a trade copied onto the Investor's Account is equal to the volume of the respective trade in the Trader's Account multiplied by the Volume Coefficient. The following formula applies to this Copy

Type: Trade volume in the Investor's Account = Trade volume in the Trader's Account * Volume Coefficient/100

7.2.4. Allocate Equity. This Copy Type implies that the volume of a trade copied onto the Investor's Account shall be computed by use of the following formula:

Trade volume in the Investor's Account = Trade volume in the Trader's Account * Copy Equity/Trader's Equity where:

- Copy Equity is defined by Copy Parameters;
- Trader's Equity is the amount of funds in the Trader's Account at the moment of trade copying.
- Copy Settings shall specify in which way the amount of Copy Equity will be computed:
- Part of Equity - the value implying that the amount of Copy Equity is specified by the Investor.
- All Equity - the value implying that Copy equity shall be equal to the current amount of funds in the Investor's Account at the moment of copying the trade.

7.3. In order to limit potential losses in the Investor's Account, the Client may set the parameter

"Equity Stop Copying Level" in his/her Investor's Account. If the Investor's Account Equity becomes less than or equal to the Equity Stop Copying level, copy trading will be suspended in this account.

7.4. The equity amount in the Investor's account is compared with the Equity Stop Copying level every 3 (three) minutes.

## 8. Rollovers and trading intervals

8.1. Each Trading Interval in the Investor's Account ends with Rollover in this account.

8.2. Rollover occurs in the presence of a positive aggregate profit from copied trades in the Investor's Account. Only the trades closed after the completion of the previous Rollover shall be considered when calculating aggregate profits.

8.3. After Rollover, Commission is transferred from the Investor's account to the PROFIT type of account of trader.

8.4. The amount of Commission is computed by means of the following formula:

Commission = Aggregate profits from copied trades over Trading Interval * Profit Share / 100

8.5. All settlements between the Trader and the Investor are realized only by use of the special software developed by the Company. If Rollover has not taken place due to a technical failure, it shall be executed as soon as the failure has been eliminated and the operation of the service has been resumed in full.

8.6. If Rollover has been initiated by the Trader, mutual settlements will be made in all Investor's Accounts attached to this Trader's Account.

8.7. A request for Rollover is made automatically in each particular Investor's Account in the following cases: Detachment of the account; withdrawal of funds from the Investor's Account; change in Copy Settings.

8.8. In case there is not enough free equity to pay out Commission after Rollover, a partial payment equal to the amount of available equity will take place and a Debt will be formed.

## 9. Detachment from the Trader's Account and Liquidation of the Trader's Account

9.1. Detachment of the Investor's Account shall include the following steps:

- Request to perform Rollover;
- Disconnection of the account from the Social Trading service.

9.2. The Investor has the right to detach his Investor's Account at any time. At the same time, the Investor realizes and agrees that all open copied trades will be closed at current prices.

9.3. Liquidation of the Trader's Account shall include the following steps:

- Request to perform Rollover and settlements in all Investor's accounts attached to this Trader's Account.
- Detachment of all Investor's Accounts attached to this Trader's Account.

9.4. The Trader has the right to liquidate his Trader's Account at any time. At the same time, the Trader realizes and agrees that all open trades will be closed at current prices.

9.5. The Company has the right to liquidate the Trader's Account of the Client with no reason given

and with subsequent notice. The following cases shall also result in Liquidation:

- Drop of the Trader's account overall profitability to/below -95% (minus ninety-five percent).
- No activity in the account in a 30-day period;
- Detecting fraud or violation of the provisions of the Terms of Business and/or Client Agreement, or a suspicion that the Trader has performed actions aimed at making illegal profits from the Social Trading service.

## 10.   Withdrawal of funds from the Investor's Account and Commission Payment Liabilities

10.1. The Investor's Account equity available for withdrawals is decreased by the current Commission amount.

10.2. The formation of Debt in one of the Investor's Accounts results in the suspension of the Social Trading service operation in all accounts of the Client till Debt Settlement. The suspension of the Social Trading service does not concern open copied trades in the Investor's Accounts.

10.3. Withdrawal of funds from the Client's all accounts is blocked till Debt Settlement, regardless of whether or not the accounts are attached to the Social Trading service.

10.4. The Client has the right to settle Debt fully or partially by making a deposit in these accounts, including internal transfer. Partial Debt Settlement shall not cancel full Debt Settlement liabilities.

10.5. All Debts are displayed chronologically in the Debt Table within the Client Profile. All Debts shall be settled chronologically, i.e. the debt indicated as the second on the list cannot be paid off prior to the debt indicated as the first one on the list.

## 11. Risks and Responsibilities

11.1. The Investor accepts all risks that may arise under the Social Trading service and that may be connected to Copying trades from the Trader's Accounts.

11.2. The Investor assumes responsibility for providing enough funds for executing orders and maintaining positions in his/her account regardless of whether they have been copied, opened manually or by use of Experts/Advisers, and for paying Commission.

11.3. The Investor understands and agrees that aggregate margin requirements in the Investor's and Trader's Accounts may be different.

11.4. The Investor understands and accepts all possible risks related to losses or missed profits incurred as a result of rounding values when using Copy Settings.

11.5. The Investor accepts the fact that the suspension of copying upon reaching Equity Stop Copying Level can take place at a later time and result in less equity.

11.6. The Trader and the Investor accept the risks connected with a possible difference between the order execution prices in the Investor's and Trader's Accounts, according to item 6.2. The Company shall not be held liable for compensation of a possible difference in profits/losses and a possible difference in Commission amounts incurred in such trades.

11.7. The Trader assumes the risk of not receiving Commission for the reasons stated in item 6.1. The Company shall not be held liable for compensation of Commission in such trades.

11.8. The Trader assumes that the Investor may close or modify trades copied from the Trader's account in his/her ow account. The Company shall not be held liable for compensation of missed Commission from such trades.

11.9. The Trader assumes the risk of not receiving Commission or a part of Commission due to the absence of necessary funds in the Investor's Account at the moment of Rollover. The Company shall not be held liable for compensation of missed Commission if the amount cannot be debited from the Investor's Account in full.

11.10. Under no circumstances shall the Company assess the competence and business/ ethical qualities of Traders and be liable for incurred losses or missed profits.

11.11. The Company shall not be held liable for the risk of deliberate or inadvertent failure of the holder of the Trader' account to safeguard interests of the holder of the Investor's accounts. In such cases, all risks shall be the responsibility of the Investor.

## 12. Miscellaneous

12.1. If one or more of the provisions set out in these Regulations shall be invalid or unenforceable, the validity and legality of the remaining provisions contained herein shall not in any way be affected.

12.2. If there is no definition of one of the terms in these Regulations, the interpretation of this term should be first and foremost based on the definition provided in the Terms of Business and in the Company's other regulatory documents.

12.3. The Company has the right to amend the provisions of these Regulations at any time with written electronic notice to the Clients 5 (five) days before the amendments come into force.