



## MARGIN CALL & STOP OUT POLICY

### 1. MARGIN TRADING

Fullerton Markets Limited (hereinafter called the "Company") is an entity incorporated in New Zealand with the following registrations: Company Number 5810357, NZ Business Number 9429041986592, Financial Services Provider Number FSP477046, Financial Services Complaints Ltd Number 6292. The Company complies with all applicable laws and regulations in New Zealand.

The Company has instituted a “Margin Call & Stop Out Policy” to reduce the risk of customers losing more money than they have available in their accounts. In the context of trading activity, margin determines to what extent a client has posted sufficient collateral to maintain their present position/s and/or enter into a new position.

Customers have the responsibility to ensure that they have sufficient margin on their trading account, at all times, in order to maintain an open position. In addition, customers shall continuously monitor any open positions in order to avoid positions being closed due to the unavailability of funds.

### 2. MARGIN CALLS

Margin calls are executed when the customer’s account has less equity available than required to maintain their open positions. In times of volatility, a customer may still end up with a negative balance which the customer will be liable to pay. The Company’s margin calls occur when the customer’s Equity (Liquidation Value) reaches a level that is equivalent to a certain percentage of Used (Open) Margin. The Margin Call Level may be different for customers, depending on the trading groups they are a part of. Please ensure that you, the customer, know the Margin Call Level as it may differ depending on your customer trading group. The Company reserves the right to crawl back any shortfall or negative equity from other accounts held in your name or via legal action.

### **3. STOP OUT**

If no action is taken by the customers to either reduce their open positions, or transfer funds into their trading account in time for it to be cleared, some or all existing positions will start to be automatically closed out without further reference to you, when the Stop Out Level is reached. Similar to the Margin Call Level, your Stop Out Level may differ depending on your customer trading group.

### **4. GAPPING**

Customers need to make themselves aware of the risks associated with gapping in the market. Where “gapping” occurs, it may be difficult and at times impossible for a position to be automatically closed out at the exact level/price when a client breaches its margin obligations, due to the lack of liquidity in the market. There may be significant market movement which is reflected in a significant drop or jump in prices, high volatility, or during market close and market open where the market opens at a considerably lower/higher price to the price at which it closes. Customers must ensure that any deficit balance is brought back to zero immediately, or further action may be taken by the Company to recover the deficit balance through other accounts held in your name or via legal action.

### **5. RELEVANT DEPARTMENT**

#### 5.1 Customer Service Department

Email: [support@fullertonmarkets.com](mailto:support@fullertonmarkets.com)

#### 5.2 Compliance Department

Email: [compliance@fullertonmarkets.com](mailto:compliance@fullertonmarkets.com)