MARGIN LENDING POLICY

1. Introduction

50KCY Ltd, previously 50CoinsCY Ltd., (the "Company", "we" or "us") is a Cypriot Investment Firm licensed and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under license number 282/15.

2. Scope

The purpose of this Policy is to outline the terms, conditions, and procedures under which margin lending services are offered to clients for the purchase of stocks and Exchange-Traded Funds (ETFs). The policy aims to ensure compliance with European financial regulations, provide a transparent framework for margin trading, and protect both the firm and clients from excessive risk.

Margin lending allows clients to borrow funds from the Company to purchase stocks and ETFs, thereby enabling greater exposure to market movements. However, margin trading increases both the potential for gains and the risk of losses.

3. Margin Lending

Trading by using Margin Lending (borrowed funds) means that clients can trade amounts significantly higher than the funds invested, which only serves as the margin. Clients should note that high amount of borrowed funds increase their buying power specifically for these securities. This margin account allows clients to expand their investment capacity.

The maximum amount of borrowed funds varies according to the margin requirements of each financial instrument. The initial margin required to open a position is calculated as the position's value divided by the margin ratio offered for that specific instrument.

The account's value (equity) includes the total value of open positions in stocks and ETFs, the uninvested cash balance, and excludes any borrowed funds. To maintain open positions, the account equity must exceed the required maintenance margin level. If the equity falls below this level, positions may be automatically closed or partially liquidated to restore compliance with margin requirements.

4. Negative Balance Protection

The Company takes into account the National Product Intervention Measures introduced by each Member States from time to time.

As required by the Product Intervention Measures introduced the Company offers Negative Balance Protection to its retail clients, meaning that Clients cannot lose more money than the amounts available in their trading account.

5. Interest Rate

Clients borrowing funds through margin lending will be charged interest on the borrowed amount. The interest rates that will apply on these cases will be calculated on an Annual basis. Which means that the client will bear the fractional interest rate on a daily basis. You may find the most updated information on the Company's Trading App, on "Daily Interest Rates" "On borrowed funds" under each instruments "Specs".

5.1. The interest rate will be charged on the value of all open positions. The interest rate will become realized upon closing a position. In case you hold a position for part of the day, you'll be charged also for the relative portion.

5.2. In deciding whether to open a Transaction for a specific Instrument, you acknowledge that you are aware of the interest rate charge.

5.3. You hereby authorize us to add or subtract the interest rate charge to or from your Account for any open Transactions, in accordance with the applicable interest rate specified on the commissions page on our Trading App or on "Daily Interest Rates, "On borrowed funds" under each instruments "Specs".

6. Our Obligations and Commitment

Treating customers fairly is the main priority to our corporate culture and ethos. The Company, as a regulated investment firm, has a duty to act honestly, fairly, professionally and in the best interest of our clients when dealing with them.

In relation to Margin Lending, we are required:

a. To set Margin Lending levels that reflect retail clients' knowledge and experience in investing on Stocks and ETFs;
b. To avoid any aggressive level of Margin Lending practices towards our retail clients;
c. Given that, we effectively provide a level of Margin Lending, to have regard to our own risk management appetite and risk bearing capacity and to have in place policies, procedures and practices to manage our (primarily) market risk emanating from such usage of Margin Lending by our clients. Following the aforementioned, the Company has a neutral risk appetite. We take into consideration both the Margin Lending provided to our clients and the Margin Lending provided by our execution venues with which we hedge clients' positions along with our available own funds.
d. To apply regulatory requirements and caps as set out by our supervisory authority, CySEC, or any other supervisory authority in any jurisdiction we offer our services to.

7. Margin Ratios for Different Asset Classes and Financial Instruments and Different Clients

We allow our clients to trade via our App ,50K, that is available to download from either the Apple or Google Play stores. For retail clients, the Maximum Level of Margin Ratio is displayed on the Company's App on the instrument's info.

We reserve the right to change the levels of offered margin per financial instrument, based on instrument and market volatility, and per specific client characteristics, with or without notice to the clients. This may also apply in cases of actual or anticipated corporate actions in order to address likely market and financial instrument volatility. However, such changes shall not affect the open positions of the client. Furthermore, we also reserve the right to apply a specific level of Margin Lending per single instrument in the event that client orders are exceeding a predetermined position size limit.

The applicable Level of Margin Lending can be found on our App, 50K, once clicking on the Instrument you intend to invest next to the "Margin" under each instrument "Specs".

7.1. Dynamic Margin Ratio:

The Company has decided to launch a new tool that aims to work in the client favour.

For example, when a client selects an instrument, the Company will assess (automatically) all applicable costs (including any fees). If the system identifies that the costs are equal to 10% or more of the initial margin, it will reduce the instrument's Margin Ratio (for this particular order). This is to ensure that no more than 10% costs are incurred by the client at the moment of opening an order.

If the cost of the new trade is high (i.e., 30% or more of the initial margin), then the order might be rejected by the system.

Important note: this adjustment applies only to new orders and should not affect any existing order or pending orders.

8. Maintenance Margin/ Close-out Rule

The Cyprus National Product Intervention Measures introduced a margin close-out level when the clients' funds fall under a specific limit of the maintenance margin needed to maintain their open positions on their trading account.

In order to keep positions open, equity must exceed the accumulated maintenance margin level. If this margin level is not maintained, positions shall be automatically closed or partially closed.

Notwithstanding that the margin close-out level is not a regulatory requirement for investments in shares, the Company shall nevertheless apply this standard to your share investments as well.

Furthermore, the Margin close out limit may vary per instrument (i.e., from 25% to 50%) depending on the management risk assessment. This limit may change from time to time based on the Company's decision without any prior notice.

To find the most accurate information regarding the Close-out level or Maintenance Margin for each instrument please visit the trading App and check the "Maintenance Margin" under each instruments' "Specs".

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