



## COSTS AND ASSOCIATED CHARGES

Version 1, April 2023

### **1. Introduction**

1.1. 4XHUB EU Ltd (the “Company”, “we”), is a Cyprus Investment Firm (“CIF”) incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 419115. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under license number 437/23.

1.2. This Costs and Associated Charges Policy (“the Policy”) is provided to you (our Client or prospective Client) in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time (“the Law”).

Pursuant to the Law, the Company is required to ensure that the information on costs and associated charges, which may have incurred when trading with the Company, are disclosed to Clients on both ex-ante and ex-post basis.

### **2. Definitions**

‘**Commission fee**’ is charged when a Client enters into a CFD transaction based on the account type of the respective Client and the notional value of the trade.

‘**Currency Conversion**’ is charged for converting any realised profits/losses and/or other fees that are denominated in a currency different to your account currency. The conversion fee that applies only when (a) the transferring of funds between accounts with different base currency is taking place and (b) the account’s base currency is different from the quoted currency of the traded underlying asset therefore a currency conversion is necessary.

‘**Spread**’ is the difference between the buy price and the sell price of a particular trading instrument.

‘**Swap/Rollover**’ is the process of extending the settlement date of an open position (i.e. date by which an executed trade must be settled). That is, the Company will simply add or deduct from a Client’s trading account an interest rate for rolling over (i.e. holding/transferring) open position relating to finance transactions generated through an account to the next day.

‘**Dormant fee**’ is a [monthly] fee imposed on trading accounts which have become archived due to inactivity (trading/withdrawals/deposits) for a period of ninety (90) calendar days, and which have available balance in the account.



### **3. Costs and Charges:**

#### **3.1. Types of Costs and Charges Incurred**

##### **3.1.1. Spreads**

The Company offers variable spreads (i.e., not fixed spreads), which means that the spread value constantly changes based on the current liquidity market conditions and the volatility. As such, spreads tend to be narrower under normal market conditions. However, spreads may widen as a result of important news announcements, during political uncertainty, because of unexpected events that can lead to volatile market conditions, or at the close of the business day, or at the weekends when the liquidity is lower.

##### **Example:**

You trade 1 standard lot in UDS/EUR. The current bid and ask prices are 1.30582 and 1.30598, respectively. Therefore, you buy at the ask price 1.30598 (i.e., open price) and you close the order at the bid price 1.30582 (i.e., close price). The difference between buy and sell prices is the spread. As such, the spread is 0.00016 (i.e., 1.6 pips) which equals to USD 16 (or currency equivalent). This is calculated based on the volume you trade (i.e., lots), the point size and the spread:  $100,000 * 0.0001 * 1.6 = \text{USD } 16$ .

At this point, we would like to draw your attention to the fact that Buy orders always open at ask prices and close at bid prices.

##### **3.1.2. Swap/Rollover Fees**

The Company controls rollover interest (i.e., swap fees) at competitive rollover rates for all positions held open overnight (i.e., 22:00 GMT). Positions opened at 22:01 are not subject to rollover until the next day, but if you open a position at 21:59, a rollover will take place at 22:00 GMT. In this respect, the Company debits or credits Clients' accounts with competent rollover rates, within an hour, when a trade is kept open overnight (i.e., 22:00 GMT). Although there is no rollover on Saturdays and Sundays when the markets are closed, banks still calculate interest on any positions held over the weekend. To level this time gap, the Company applies a 3-day rollover strategy on Wednesdays or in some cases Fridays, as applicable.

##### **Example:**

A position of 2 lots BUY EURUSD is kept open overnight on Monday. EURUSD swaps, in this example, are Buy: -0.35 pips, sell: 0.095 pips Swap for a Buy EURUSD position is -3.3 points (-0.35 pips) and for a Sell EURUSD position it is 0.95 point (0.095 pips). The open position is thus DEBITED an amount equal to  $2 \text{ lots} * 100,000 * 0.0001 * -0.35 = -7 \text{ USD}$  (quote currency). If the position was a 2 lot Sell order instead and kept overnight the position would be CREDITED  $2 * 100,000 * 0.0001 * 0.095 = 1.9 \text{ USD}$ , i.e., 1.9 USD. Note: This will be included



in the unrealized Net PnL of the position (and thus the total Net PnL of the account) and will be realized once the position is closed.

### **3.1.3. Commission Fee**

The Company charges Classic and Professional accounts, a commission fee every time a holder of an Classic and Professional accounts opens or closes a position. The commission fee is automatically calculated according to the volume traded. Commissions are EUR2 for USD 100,000 transaction for classic account and EUR 1for USD 100,000 transaction for Professional account. You can read more about the commission fee under the table USD 100,000 transaction for on our website, at the following link [www.4xhub.eu](http://www.4xhub.eu).

#### **Example:**

Client opens a position and then closes of 1 lots Buy EURUSD.

The position is charged 2 EUR for opening and 2 EUR for closing the position for a total of 4 EUR commission fee

Note: The total commission fees of 4 EUR will be shown as an unrealized fee and will be wholly realized upon closing the position.

### **3.1.4. Dormant Fee**

As per the Company's Client Agreement, in the event that there is no trading activity (i.e., trading/withdrawals/deposits) in your account for a set period of at least ninety (90) calendar days, your account will be regarded to be 'dormant'.

Dormant accounts are charged with a monthly dormant fee of USD 5 or the full amount of the free balance in the account, in the case that the free balance is less than USD 5. There will be no charge in case the free balance in your account is zero (0). As such, accounts with zero (0) balance, will be archived after a period of ninety (90) calendar days.

## **3.2. Examples based on Performance scenarios.**

### **3.2.1. CFDs on Forex:**

Example: BUY 1 LOT EUR/USD

Account Base Currency: EUR

Trade Size (Lot x Contract Size): 100,000 units (1 Lot)

BID/ASK Price: 1.15685 / 1.15701 (Spread 1.6 pips)

Commission: EUR 3 per side per lot



Leverage: 1:30 (3.33% margin percentage)

Margin Requirement (Trade Size x Margin x ASK Price): EUR 3,330

Swap for LONG/BUY Positions: -6.34 Points

End of Day Exchange Rate of EUR/USD: 1.15718

Open the Trade on Monday and Close at:	Spread (EUR)	Commission (EUR)	Swap (EUR)	Cost on Investment
Same Day	-13.83	-6	0.00	-0.60%
1 Day	-13.83	-6	-6.34	-0.79%
2 Days	-13.83	-6	-12.69	-0.98%
3 Days (Inc. Wednesday - Swaps x 3)	-13.83	-6	-31.72	-1.55%

Note:

- i. The spread and commission is one-off cost and charged upon opening of the transaction at once for both operations (open and close).
- ii. For the purpose of this example, we assume that the end of day exchange rate is the same for all days.

Spread:  $(1.15685 - 1.15701) \times 100,000 = -\text{USD } 16 \Rightarrow -\text{EUR } 13.83$  (-USD 16/1.15718)

Commission:  $2 \times -\text{EUR } 3 \times 1 \text{ Lot} = -\text{EUR } 6$

Swap (1 Day):  $-7.34 \times 1 \times 100,000 \times 0.00001 \times 1 = -\text{USD } 7.34 \Rightarrow -\text{EUR } 6.34$  (-USD 7.34/1.15718)

Swap (2 Days):  $-7.34 \times 1 \times 100,000 \times 0.00001 \times 2 = -\text{USD } 14.68 \Rightarrow -\text{EUR } 12.69$  (-USD 14.68/1.15718)

Swap (3 Days):  $-7.34 \times 1 \times 100,000 \times 0.00001 \times 5 = -\text{USD } 36.70 \Rightarrow -\text{EUR } 31.72$  (-USD 36.70/1.15718)

Cost on Investment =  $(\text{Spread} + \text{Commission} + \text{Swap}) / \text{Margin Requirement}$

### **3.2.2. CFDs on Commodities:**

Example: SELL 1 LOT GOLD (XAU/USD)

Account Base Currency: USD

Trade Size (Lot x Contract Size): 100 ounces (1 Lot)

BID/ASK Price: 1459.72 / 1459.86 (Spread 1.4 pips)

Commission: USD 1 per side per lot

Leverage: 1:20 (5% margin percentage)

Margin Requirement (Trade Size x Margin x BID Price): USD 7,298.6



Swap for SHORT/SELL Positions: 3.82 points

<b>Open the Trade on Monday and Close at:</b>	<b>Spread (USD)</b>	<b>Commission (USD)</b>	<b>Swap (USD)</b>	<b>Cost on Investment</b>
Same Day	-14	-2	0	-0.22%
1 Day	-14	-2	3.82	-0.17%
2 Days	-14	-2	7.64	-0.11%
3 Days (Inc. Wednesday - Swaps x 3)	-14	-2	19.1	0.04

Note:

- i. The spread and commission are one-off cost and charged upon opening of the transaction at once for both operations (open and close).
- ii. Since the Account Base Currency is the same as the traded symbol's quoted currency, there is no need to convert the amounts.

Spread:  $(1459.72 - 1459.89) \times 100 = -\text{USD } 14$

Commission:  $2 \times -\text{EUR } 3 \times 1 \text{ Lot} = -\text{USD } 2$

Swap (1 Day):  $3.82 \times 1 \times 100 \times 0.01 \times 1 = \text{USD } 3.82$

Swap (2 Days):  $3.82 \times 1 \times 100 \times 0.01 \times 2 = \text{USD } 7.64$

Swap (3 Days):  $3.82 \times 1 \times 100 \times 0.01 \times 5 = \text{USD } 19.1$

Cost on Investment =  $(\text{Spread} + \text{Commission} + \text{Swap}) / \text{Margin Requirement}$

### **3.3. Annual Report on the Costs and Associated Charges**

An overview of the aggregated costs and charges (i.e., including the swap charges, spreads, commissions and dormant fee, if applicable) derived from Clients; transactions in regard to each of their trading account(s) will be provided, via email, to each Client, on an annual basis. This information will be sent to the Company's Clients both as cash amount and as a percentage of the costs and associated charges imposed on the invested funds, on each account's base currency. This will help Client to understand the costs and associated charges imposed on their trading account(s) according to their trading activity throughout the year.