



TRADING RULES STOCKS CFDS ONLINE

Effective November 01, 2012

Products

Description	CFD US Stocks
Underlying Contract	Relevant stock price in NYSE & NASDAQ
Contract Size	Minimum unit share
Tick Size	As per NYSE & NASDAQ Exchange
Trading Days	Monday – Friday
Trading Hours Western Indonesian Time	Summer: 20:30 – 03:00 hrs Winter: 21:30 – 04:00 hrs
Daily Settlement Price	Daily settlement price is based by the New York Stock Exchange or NASDAQ on the platform
Currency Used	USD will be used in the calculation of Variation Margin, Settlement Price and Profit and Loss
Margin*	Starts at 5%
Valbury Base Rate	Please refer to Fees and Funding Rates Schedule

Description	CFD Hong Kong Stocks in USD
Underlying Contract	Relevant stock price in Hong Kong Stock Exchange
Contract Size	As per Hong Kong Stock Exchange
Tick Size	As per Hong Kong Stock Exchange
Trading Days	Monday – Friday
Trading Hours Western Indonesian Time	Morning Session : 08:30 – 11:00 hrs Afternoon Session: 12:00 – 15:00 hrs
Daily Settlement Price	Daily settlement price is based on the Hong Kong Stock Exchange on the platform
Currency Used	USD will be used in the calculation of Variation Margin, Settlement Price and Profit and Loss
Margin*	Starts at 5%
Valbury Base Rate	Please refer to Fees and Funding Rates Schedule

*Excluding fees



Base currency

The base currency for CFD accounts is USD and accounts may be opened using any of the offered rates:

Floating Rate (USD Notes)

Fixed @ Rp.10,000

Margin Requirements for Equity CFDs

- You may only trade if you have the required margin and trading limits in your account.
- For latest margin table, please refer to our website www.vaf.co.id

Margin Call and Auto Cut for equity CFDs

For all open positions first warning will occur when margin percentage equals **100%**. Margin call will occur when margin percentage usage equals **125%**. Clients will need to top up to regularize the account. Notice of a margin call will be shown to customers through an automated message pop-up window in the trading platform. No new positions will be allowed if your account is under a margin call till additional funds have been transferred and recognized.

All margin calls must be regularized. Failure to do so may result in the liquidation of your positions without prior notice.

Account Value is calculated by taking the cash position less fees to open the position, less fees to close the position, less any loss or add profit from mark to market position, less interest charged, any other deductions such as dividends due, extra borrowing cost for shorting etc.

When margin percentage usage exceeds **500%**, the system will automatically liquidate all open or outstanding positions using the next available price without prior notice to the customer.

Examples:

- a) If margin requirement was \$10,000 and equity (account value) was \$20,000, then margin percentage would be $\$10,000/\$20,000 \times 100 = 50\%$ so no margin call.
- b) If margin requirement was \$8,900 and equity (account value) was \$8,900, margin percentage would be $\$8,900/\$8,900 \times 100 = 100\% = 1^{\text{st}}$ WARNING
- c) If margin requirement was \$8,750 and equity (account value) drops to \$7,000, margin percentage would be $\$8,750/\$7,000 \times 100 = 125\% = 2^{\text{nd}}$ MARGIN CALL
- d) If margin requirement was \$7,500 and equity (account value) drops to \$1,500, margin percentage would be $\$7,500/\$1,500 \times 100 = 500\% = \text{AUTO-CUT}$



Overnight financing costs

Equity CFDs will incur interest charges if held after market closes. Amount of interest charged will depend on the prevailing financing rates (Valbury Base Rate-VBR) and financing fees. The initial interest is calculated based on the initial contract value i.e. quantity x price.

Examples:

a. Long U.S. equity CFD

For long positions held after market close, VBR and financing fee of 3% would be deducted.

Assume VBR is 0.2% for US, and financing fee is 3%. A position is entered to buy 1,000 stock MCD at USD 100 per share. The notional value = 1,000 x USD 100 = USD 100,000. If the position is held over 2 nights, the interest charge would be: notional value x (VBR + financing fee) / 360 x number of days

i.e. $1,000 \times \text{USD } 100 \times (0.2\% + 3\%) / 360 \times 2 \text{ days} = \text{USD } 17.78$.

In other words client will need to pay a total of USD 17.78 for the 2 days

b. Short U.S. equity CFD

For short positions held after market close, customers would receive interest at VBR which is subject to financing fee of 3%.

Assume VBR is 0.2% for US, and financing fee is 3%. A position is entered to sell 2,000 stock AXP at USD 50 per share. The notional value = 2,000 x USD 50 = USD 100,000. If the position is held over 2 nights, the interest charge would be: notional value x (VBR - financing fee) / 360 x number of days

i.e. $2,000 \times \text{USD } 50 \times (0.2\% - 3\%) / 360 \times 2 \text{ days} = \text{USD } -15.56$

In other words client will need to pay a total of USD 15.56 for the 2 days

c. Long Hong Kong equity CFD

For long positions held after market closes, VBR and financing fee of 3% would be deducted.

Assume VBR is 0.1% for Hong Kong, and financing fee is 3%. A position is entered to buy 10,000 HSBC at HKD 60 per share. The notional value = 10,000 x HKD 60 = HKD 600,000. If the position is left overnight, the interest charge next day would be: notional value x (VBR + financing fee) / 365 x number of days

i.e. $10,000 \times \text{HKD } 60 \times (0.1\% + 3\%) / 365 \times 1 \text{ day} = \text{HKD } 50.96$ (approx. USD 6.53, assume USD 1 = HKD 7.8).

In other words client will need to pay a total of HKD 50.96 for the 1 day

d. Short Hong Kong equity CFD

For short positions held after market closes, customers would receive interest at VBR which is subject to financing fee of 3%.

Assume VBR is 0.1% for Hong Kong, and financing fee is 3%. A position is entered to sell 20,000 stock MTR at HKD 25 per share. The notional value = 20,000 x HKD 25 = HKD 500,000. If the position is left overnight, the interest charge next day would be: notional value x (base rate – financing fee) / 365 x number of days

i.e. $20,000 \times \text{HKD } 25 \times (0.1\% - 3\%) / 365 \times 1 \text{ day} = \text{HKD } -39.73$ (approx. USD 5.09, assume USD 1 = HKD 7.8).

In other words client will need to pay a total of HKD 39.73 for the 1 day

CFD Short-Selling

CFDs can be short sold as long as it is available in the system. The margin table may be found on our trading platform. Please note that the risk of shorting CFD shares includes the risk of having CFDs terminated due to the recalling of the underlying scripts or other market events such as market suspension. VAF may at its absolute discretion, decide to terminate the relevant CFD or keep the position open and adjust the margin requirements as it deems necessary.

Corporate Actions for equity CFDs

All corporate actions such as rights issues, bonus issues, capital repayments, stock splits, reverse stock splits etc, that are applied to the underlying equity will be reflected in your CFD account. Similarly any stock suspensions, delisting and other market actions that affect the underlying will also be applied to the CFDs and VAF has the right to adjust the margin requirements and request for additional margin. CFD holders do not have any voting rights unlike shareholders.

Any dividends on the underlying equity will be reflected on ex-date in your CFD account i.e. credited if you are long before ex-date and debited if you are short before ex-date.

Dividend will be calculated in the currency of the stock converted into USD using the prevailing exchange rate after the market close, the day before ex-dividend, or as determined by VAF.



Dividend example:

Assume that the ex-dividend date for the AT&T is 5th April, and the dividend is paid quarterly. The annual dividend declared was USD 1.76 per share translating to a quarterly dividend of USD 0.44. If you bought AT&T CFDs before 5th April and held till ex-dividend date, you qualify for the dividend amount of USD 0.44 to be paid to your CFD account.

If you bought 1,000 CFDs of AT&T before ex-dividend and held till ex-dividend, then you would receive USD 440 credited into your account on 5th April.

If you short sold 1,000 CFDs of AT&T before ex-dividend and held till ex-dividend, then your CFD account will be debited USD 440 on 5th April.

Account Statements

Customers may access and print their own statements directly from the trading platform.

Stocks Tradable on CFD platform

For an up to date list of CFD stocks available please go to our Valbury website www.vaf.co.id Please note that the stock list has been chosen by the company and approved by ICDX. As we are using a third party provider you may find that the system allows you to add other instruments to trade in the system. VAF would not be responsible if you trade outside of the approved stock list and clients would trade at their own risk.

Phone Support

All DQ, LO and SO that is done through the phone support facility will have to adhere to the phone trading rules and regulations and incur the relevant fees.

All phone support trades are subject the fees specified in the Fees and Funding Rates Schedule found on our website www.vaf.co.id

Phone support also can assist in cancellation of existing LO/SO.

VAF's helpdesk number is: 021-3103040



NOTICE:

Customer is required to specify his/ her trading account for any fund transfers. To avoid liquidation by the system automatically, **customer shall immediately inform VAF of the fund transfer and allow reasonable time for VAF to verify and process the fund transfer.**

- All disputes or requests from customers will be handled on a case by case basis. VAF reserves the right to accede or refuse the customer's request or dispute.
- VAF reserves the right to make changes to these trading rules without customer's prior acknowledgement or approval.
- PT. Valbury Asia Futures (VAF) is not to be held responsible for customer's LOGIN and PASSWORD due to customer's negligence.

I acknowledge and accept the above,

Customer Name:

Date: