

## Costs and Charges

Octa Markets Cyprus Ltd, places transparency at the forefront as it constitutes a core principle for the verification of its Best Execution Policy. Therefore, we provide this analysis to our valuable Clients in order to know at any given moment the Costs and Charges incurred when engaged in trading with us.

### **Spread**

The spread is the difference between the Bid and the Ask price. This Cost is realized every time the Client opens and/or closes a trade position (Entry and Exit Spread).

In the case where the Company acts in its capacity as a Market Maker (MM), through the MT5 Platform, the spread includes a profit mark-up (ranging from 0 to 40 points) over and above the raw spread quoted by the Price Feeder. On the contrary, when the Company routes trades to the execution venue of the Liquidity Provider (LP) in the context of STP (Straight-Through Processing), through the MT5 Platform the spread will be the raw spread quoted by the Liquidity Provider (LP) plus an additional Profit Mark-up, imposed by the Company (ranging from 0 to 40 points).

#### *Market Maker model:*

- $\text{SPREAD CHARGE}_{\text{MT5}} = \text{Price Feeder raw spread} + \text{Profit Mark-Up}$

#### *STP model:*

- $\text{SPREAD CHARGE}_{\text{MT5}} = \text{LP raw spread} + \text{Profit Mark-Up}$

Note: Price Feeder raw spread = LP raw spread

The Spread for the MT5 Platform includes in the Profit Mark-Up and is chargeable as half upon opening of a trade position and the other half upon closure of the trade position.

As spreads are *variable* the size of the spread can be different when opening and closing a trade. The Company's website provides the Minimum Spread, Typical Spread and the Current Spread for the MT5 Platform and for all the Financial Instruments offered by the Company. These Spreads are accessible at:

MT5 Platform: <https://www.octafx.eu/trading-specifications/>

### **3-days Fee**

This Cost is equivalent under either of the two Models (i.e. MM or STP) and the value of such fee is denoted on the Company's website at:

MT5 Platform: <https://www.octafx.eu/trading-specifications/>

The 3-days fee is charged every third rollover, that is, every third (3<sup>rd</sup>) night at 00:00 (EET/EEST) and is calculated per 0,01 lot in USD.

The total amount of 3-days Fee, includes the Currency Conversion fee and represents the exchange rate difference from USD to the trading account Base Currency, i.e EUR. Further analysis on the Currency Conversion fee is shown below.

## Currency Conversion

A Currency Conversion fee will be charged each time for converting any realized profits, losses and/or other fees that are denominated in a different currency to the currency in which your account is denominated (Trading Account Base Currency). The Currency Conversion relates to the 3-days-fee and is inclusive therein. 3-days-fee is being charged every third (3<sup>rd</sup>) rollover at midnight.

**Table: 1 Analysis of Costs and Charges**

Platform	Model	Analysis of Costs borne by the end-Client			
MetaTrader 5	Market-Maker (Dealing on Own Account)	Spread (raw spread provided by Price Feeder)	Profit Mark-up	3-Days Fee	Currency conversion *
	STP (transmit to the LP)	Spread (raw spread provided by Liquidity Provider)	Profit Mark-up	3-Days Fee	Currency conversion *

\*Currency conversion fee is inclusive in the 3-Days fee.

- **MT5 Platform:**

Total Cost to Client  $_{MT5 / MM}$  = Price Feeder raw spread + Profit Mark-Up  $_{MT5 / MM}$  + 3-Days Fee

Total Cost to Client  $_{MT5 / STP}$  = LP raw spread + Profit Mark-Up  $_{MT5 / STP}$  + 3-Days Fee

**Where,**

Profit Mark-Up  $_{MT5 / MM}$  = Profit Mark-Up  $_{MT5 / STP}$

Note: Price Feeder raw spread = LP raw spread

**Hence,**

Total Cost to Client  $_{MT5 / MM}$  = Total Cost to Client  $_{MT5 / STP}$

**Examples:**

S/N	Order Details	Calculation of Costs and Charges
1.	<b>MT5 Platform (Market Maker Model)</b> Account Base Currency: EUR Symbol: EURUSD Contract Size: 100,000 Volume in lots: 0.01 lot Direction: Sell Bid Price: 1.13244 Ask Price: 1.13234 Point Size: 0.00001 Spread: 1.0 Pip = 10 Points Conversion Rate: EURUSD 1,13000  The order was opened and closed in the same day trading session.  The order was executed by Octa Markets Cyprus Ltd, in its capacity as a Market Maker.	<i>Spread:</i>  Point Profit: $\text{Point Size} \times \text{Contract Size} \times \text{Volume in Lots} = 0,00001 \times 100,000 \times 0.01 = 0.01 \text{ USD}$  Conversion Rate: $0.01 \text{ USD} = 0.01 \times (1/1.13000) = 0.01$ (0.008849 EUR rounded to two (2) decimal places)  Spread Cost: $10 \text{ Points} \times 0.01 = 0.10 \text{ EUR}$  <i>3-days fee:</i> Not, applicable as the trade order was opened and closed on the same day.  <i>Currency Conversion:</i> Not applicable, as the currency conversion relates to the 3-days fee.  <i>Total Cost: 0.10 EUR (Spread)</i>
<b>*All Costs and Charges are rounded to two (2) decimal places.</b>		
2.	<b>MT5 Platform (STP Model)</b> Account Base Currency: EUR Symbol: GBPJPY Contract Size: 100,000 Volume in lots: 1 lot Direction: Buy Bid Price: 145.630 Ask Price: 145.661 Point Size: 0.001 Spread: 3.1 Pips = 31 Points Conversion Rate: EURJPY 126.50  The order was opened on Monday and closed on Thursday.  The order was routed to the execution venue of the LP in the context of STP.	<i>Spread:</i>  Point Profit: $\text{Point Size} \times \text{Contract Size} \times \text{Volume in Lots} = 0,001 \times 100,000 \times 1 = 100 \text{ JPY}$  Conversion Rate: $100 \text{ JPY} = 100 \times (1/126.50) = 0.79 \text{ EUR}$ (0.7905138 EUR rounded to two (2) decimal places)  Spread Cost: $31 \text{ Points} \times 0.79 \text{ EUR} = 24.49 \text{ EUR}$  <i>3-days fee:</i> The rollover fee was charged on Wednesday at 12:00 a.m. and it amounts to 0.20 USD per 0,01 lot (equivalent to 20 USD per 1 lot).  <i>Currency Conversion:</i> 20 USD for 3-days Fee USD converted in EUR at the exchange rate 1.13000 = 17.70 EUR (17.699115 EUR rounded to two (2) decimal places)  <i>Total Cost: 24.49 EUR (Spread) + 17.70 EUR (3-days fee which includes Currency Conversion) = 42.19 EUR</i>
<b>*All Costs and Charges are rounded to two (2) decimal places.</b>		

**Important Note:** The total Costs and Charges of your trading account(s) are displayed to the trading account statements, as exported and received from MT5 Platform.

In order to obtain the full breakdown of the Costs and Charges of your trading account(s) please login to your Personal Area, click to the menu list, then click on Trading Account, Accounts List and select the account number for which you require the statement, then click from the list on Trades history & Cost/fees breakdown and select the period you wish to obtain the report and

the type of document you require to obtain.

Alternatively, send an email to [clientsupport@octafx.eu](mailto:clientsupport@octafx.eu) and submit a request for receiving an email with the full breakdown of Costs and Charges of your trading account(s).