

ESMA Product Intervention Measures on CFDs

The European Securities and Markets Authority (ESMA) has adopted the well-known guidelines for the provision of contracts for differences (CFD's) to Retail Clients. Product Intervention Measures became effective on 1st of August 2018 and apply to any person marketing, distributing, or selling CFDs, including investment firms. Being a Retail Client of the General Capital Brokers Ltd (the "Company"), that is operating under its registered trade name "T1Markets", the above-mentioned guidelines will apply to you and to your trading activity and account without exception.

The guidelines consist of the following:

- Leverage limits on the opening of a position;
- A margin close out rule on a per account basis;
- Negative balance protection on a per account basis;
- A restriction on the incentives offered to trade CFDs; and
- A standardized risk warning, including the percentage of losses on a CFDs provider's retail investors account.

In line with these guidelines, the Company is under the obligation to adjust the Leverage its offering for its trading products as well as the margin closeout percentages.

It is important to note that these guidelines only affect retail clients. Further details concerning the Client Categorization can be found on the Company's Client Categorization Policy [here](#).

Differences between classified Retail Traders and Professional Traders

CFDS ASSETS CLASSES:	PROFESSIONAL	RETAIL
	(MAXIMUM LEVERAGE)	(MAXIMUM LEVERAGE)
Forex Major Currency Pairs	500:1	30:1
Forex Non-Major Currency Pairs	500:1	20:1
Gold	125:1	20:1
Commodities	125:1	10:1
Major Indices	125:1	20:1
Minor Indices	125:1	10:1
Shares	10:1	5:1
Cryptocurrencies	2:1	2:1

Risk Warning: the higher the leverage, the higher possible profits but also losses.

OTHER FEATURES	PROFESSIONAL	RETAIL
Negative balance Protection*	No	Yes
Margin Close Out Rule**	15%	50%
Access to contests and other benefits	Yes	No
Dedicated Account Manager	Yes	Yes
Multilingual Customer Support	24/5	24/5
Access to VIP Platinum Education	Yes	No
Eligible for ICF compensation	No	Yes

*Negative Balance Protection

Negative Balance Protection limits the maximum losses that a Retail Client can suffer. In this respect, the Company's Clients can never lose more than the total sum invested for trading in CFDs.

For your information, you may opt for re-categorization as an elective professional client. If you choose to do so, the new ESMA guidelines will not affect your trading account and you will be able to preserve the current leverage level in your account. However, you will not benefit from certain protective procedures like Investor Compensation Fund.

Please note that, in order to be considered an elective professional client, as a minimum, two of the following criteria should be satisfied:

1. You must have carried out transactions in significant size, on the relevant market, at an average frequency of 10 per quarter over the previous four quarters;
2. The size of your financial instrument portfolio, defined as including cash deposits and financial instruments, should exceed the amount of €500,000;
3. You should work or have worked in the financial sector for at least one year in a professional position, which requires knowledge in the financial instruments offered by the company.

****Margin Close Out Rule**

Margin Close Out Protection offered on a per account basis and means the closure of one or more of a Retail Client's open CFD positions when the sum of funds in the CFD trading account and the unrealized net profits of all open CFDs connected to that account falls to less than 50% of the total initial margin for all those open CFDs.

For Professional clients, the margin close-out rule is set to 15%.