



Lykke Vanuatu Ltd

Margin Trading Product Description

20th November 2017

Trading conditions

Account

- Nominal currency is Bitcoins
- Cash in and Cash out through Lykke UK Wallet with zero commission.
 - Cash outs may be delayed up to 24 hours for security reasons.
- Maximum deposit 1 BTC (limit will be gradually increased over time).
- Margin Call: 100% Equity to Maintenance Margin Requirement ratio.
- Stop Out: 50% Equity to Maintenance Margin Requirement ratio.
- Trading terminal: Lykke Wallet Mobile App, iOS and Android.
 - Web terminal is coming soon.

Crypto trading

- BTCUSD
- Maintenance Leverage: 3 to 1
- Initial Leverage: 3 to 1
- Maximum order size: 3 BTC
- Maximum position size: 3 BTC
- Swap rate for LONG positions is 91.25% annual rate charged rounded up to seconds level
 - for SHORT positions 91.25% similarly.
- Execution commission is 0%
- Trading schedule: 24/7. There may be scheduled maintenance interruptions on weekends announced in advance.

Fiat Trading

- Pairs with USD, CHF, EUR, GBP, JPY, see the full list for details below.
- Maintenance Leverage: 200 to 1
- Initial Leverage: 200 to 1
- Maximum order size: 200'000 USD/CHF/EUR/GBP, 20'000'000JPY
- Maximum position size: 200'000 USD/CHF/EUR/GBP, 20'000'000JPY
- Swap rate for LONG positions is < 2% annual rate charged rounded up to seconds level
 - for SHORT positions <2% similarly.
- Execution commission is 0%
- Trading schedule: 22:05 GMT Sunday - 20:55 GMT Friday
- Pending Orders are unavailable 55 minutes prior trade closure and 55 minutes after opening (All pending orders cancelled)

Order types

- Market Order
- Stop Loss / Take Profit Market Order
- Pending Market Order (very similar to Limit Orders) - the order is executed when best price matches the target price of the order
- Pending Stop Loss / Take Profit Market Order (very similar to Take Profit/Stop Loss Limit Orders)

List of Instruments

Instrument	Leverage initial	Leverage maintenance	Swap Long, % annual rate	Swap Short, % annual rate
BTCUSD	3	3	-200	-200
CHFJPY	200	200	-2.56	0.15
EURCHF	200	200	0.07	-1.3
EURGBP	200	200	-1.9	0.11
EURJPY	200	200	-1.31	0.11
EURUSD	200	200	-2.19	0.11
GBPCHF	200	200	1.2	-1.3
GBPJPY	200	200	0.11	-2.56
GBPUSD	200	200	-0.55	-1.1
USDCHF	200	200	-1	1
USDJPY	200	200	0.04	-1.02

- One contract is 1 unit of Instrument's base asset. For each instrument XXXYYY, XXX is the base asset and YYY is the quote asset. Long contract is buy 1 unit of base asset and sell corresponding amount of quote asset. Short contract is sell 1 unit of base asset and buy corresponding amount of quote asset.

Order Types

All of the following order types are available for all instruments:

- Market order is an order executed immediately at the best available price
- Pending order is an order executed when a specified price level is hit
- Stop Loss order is an order which is automatically closed at a specified price thus limiting the possible negative P&L
- Take Profit order is an order which is automatically closed at a specified price thus fixing the achieved positive P&L
- Stop Loss and Take Profit orders can be combined with either Market order or Pending Order, thus forming an elementary piece of trading algorithm for you.

Glossary

Placing Orders

- You may place buy and sell orders of various types (see order types above)

- When placing an order you specify:
 - Order Instrument and Direction (Long / Short)
 - Order Amount is usually measured in base asset units of the Order, i.e. 1 BTCUSD is buy 1 BTC and sell corresponding amount of USD.
- When a trader places a buy or sell order, before he/she is allowed to submit the order the system will check that he/she has enough Free Margin available to reserve the Initial Margin.

Margin and Profit & Loss (PnL)

- Before you are able to trade you first must deposit some assets to fund your margin account. The asset needed depends on the margin account nominal currency, which is seen in account name. For instance for “Lykke Vanuatu BTC” account you would use Bitcoins.
- All PnL settlements and margin requirement calculations are done in your account nominal currency
- The following are important rules regarding Margin Requirements:
 - To evaluate the margin requirements we calculate $[\text{Value Of Order}] = [\text{Order Amount}] * [\text{Order Base Asset to Account Nominal Currency exchange rate}]$, i.e. how much the order amount is worth in nominal currency of your account
 - For Buy and Sell orders the Initial Margin = $[\text{Value of Order}] / [\text{Initial Leverage}]$.
 - For all positions the Maintenance Required Margin = $\text{SumForAllPosition}([\text{Value of Order}] / [\text{Maintenance Leverage}])$.
 - Used Margin equals Maintenance Required Margin.
 - To avoid liquidation on your position you should maintain your margin account Total Balance > 100% of Maintenance Required Margin. If a trader violates this condition he is notified by email and in app notification, which is called Margin Call.
 - The position will be liquidated immediately if Total Balance becomes < 50% of Maintenance Required Margin.
 - Total Balance is Balance plus unrealised PnL from all open positions. It is also often called Equity.
 - Balance is your Deposits less your Withdrawals plus realised PnL from positions.
 - Free Margin is Total Balance less Used Margin is the margin available to open new positions
- Lykke Vanuatu reserves the right to change any margin policies. Lykke Vanuatu will notify traders of any change via email announcements.

Position funding

- All open positions on Lykke are subject to funding.
- Funding is calculated based on open position duration measured up to seconds accuracy and based on corresponding annual swap rate (see instruments list above).
- Funding is taken into account in position PnL each second.