



# Terms of Business

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# 1. Introductory Remarks

1.1. These Terms of Business shall govern all actions regarding the handling and execution of Client Instructions and Requests.

1.2. These Terms of Business define:

- principles of opening/closing positions and placing/modifying/deleting/executing Orders under Normal and Abnormal Market Conditions;
- the Dealer's actions in respect to the Client's Open Positions if the Margin Level on the Trading Account should be insufficient to support such Open Positions; and
- procedures of Dispute resolution and methods of communication between the Client and the Dealer.

1.3. These Terms of Business, the Client Agreement and Risk Disclosure shall govern all the Client's trading Transactions and should be read carefully by the Client.

## 2. General Terms

### Handling of Client Requests and Instructions

2.1. There are two quotation mechanisms which are used to trade: Request Execution and Instant Execution. Details on the quotation mechanism for each Instrument are specified in the Contract Specification.

2.2. The procedure for handling Client Requests and Instructions given through the Client Terminal is as follows:

- a) the Client gives an Instruction or Request which is checked for validity within the Client Terminal;
- b) the Client Terminal sends the Instruction or Request to the Server;
- c) if the connection between the Client Terminal and Server has not been disrupted, the Server receives the Instruction or Request and begins the verification process;
- d) a valid Client Instruction or Request is placed in a queue sorted by Instruction or Request arrival time (first in – first out) and the status "Order is accepted" appears in the "Order" window of the Client Terminal;
- e) an Instruction or Request placed in the queue before other Instructions or Requests is transmitted to an available Dealer<sup>1</sup> for processing. The status "Order is in process" appears in the "Order" window of the Client Terminal;
- f) the Dealer sends the Server the execution result of the Client's Instruction or Request;
- g) the Server sends the result of the Client Instruction or Request to the Client Terminal; and
- h) if the connection between the Client Terminal and Server has not been disrupted, the Client Terminal registers the result of the Client Instruction or Request.

2.3. The Client has the right to cancel a given Instruction or Request only if the Instruction or Request is still in the queue and has the "Order is accepted" status. To cancel an Order, the Client must click the "Cancel order" button. The Client cannot cancel an Instruction or Request given by an Expert Advisor.

2.4. The Client may not cancel an Instruction or Request if it already is being processed by the Dealer and the status is "Order is in process".

2.5. All Quotes that the Client receives through the Client Terminal are indicative and are the best available Bid and Ask prices that are received from the Liquidity Provider.

2.6. All matters regarding the current market price are at the sole discretion of the Dealer.

2.7. Each client Request or Instruction placed in the Queue has a set waiting period within which it must be executed (three minutes at the time of the publishing of this document). If a Request or Instruction has not been transmitted to the Dealer within this period of time, the Request or Instruction is deleted from the Queue and is no longer considered

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<sup>1</sup> Depending on the amount of time a dealer needs to process a Request or an Instruction, it is possible that the recorded execution time in the Server Log-File of the first Request or Instruction in the Queue will be later than the execution time of the following Request or Instruction.

relevant. In this case, the Client must send a new Request or Instruction. The Dealer fulfills the Instruction as quickly as possible after having received it.

2.8. In the cases listed below, the Dealer has the right to decline a Client Instruction or Request:

- a) if the Instruction or Request precedes the first Quote in the Trading Platform at Market Opening;
- b) under Abnormal Market Conditions;
- c) individually, for Clients whose ratio of Pending and executed Orders exceeds reasonable limits<sup>2</sup>;
- d) if the Client's Free Margin is insufficient to open a position of the requested volume.
- e) if the limit for the overall volume of a Client position and/or number of Orders on this type of account have/has been exceeded.

In these cases, one of the following messages will appear in the Client Terminal: "Off quotes"; "Cancelled by dealer"; "Not enough money"; "Trade is disabled".

2.9. The Client Terminal is the only means of sending Instructions and Requests to the Dealer. In order to avoid problems arising from the inability to open or close positions, the use of Pending Orders and Stop Loss and Take Profit Orders is recommended. If the Account Type being used permits Orders to be sent by phone, the Client has the right to use this service through the Dealer's operator, but only if it is not possible to send such an Instruction from the Client Terminal. In this case, the Client is obliged to follow the rules of "Phone Etiquette"<sup>3</sup>.

### **Trading Operations**

2.10. The Ask price is used when making a "buy" Transaction. The Bid price is used when making a "sell" Transaction.

- a) Long Positions are opened at the Ask price. Short Positions are opened at the Bid price.
- b) the Bid price is used when closing a Long Position (i.e. sell). The Ask price is used to close a Short Position (i.e. buy).

### **Rollover**

2.11. All positions remaining open from 23:59:45 to 23:59:59 (Server time) will be subject to Rollover.

### **Spread**

2.12. Spreads are indicated on the Company's site in the "Contract Specification" section.

2.13. Spreads may be changed:

- a) during Abnormal Market Conditions;
- b) during an Emergency Situation;
- c) during Force Majeure circumstances.

### **Leverage**

2.14. Leverage is indicated on the Company's site in the "Margin Requirements" section.

2.15. Leverage may be changed:

- during Abnormal Market Conditions;
- during an Emergency Situation;
- during Force Majeure circumstances.

2.16. The Company is entitled to apply clause 2.15 to all new positions and to positions that are already open.

2.17. The Company reserves the right to change the Leverage for specific Clients at its own discretion and at any time having informed the Client either verbally or in writing.

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2 more than 10 Requests per one Transaction.

3 At the time of the release of this document the information is displayed at [http://www.alpari-forex.com/static/files/alpari/docs/documents/en/phone\\_etiquette.pdf](http://www.alpari-forex.com/static/files/alpari/docs/documents/en/phone_etiquette.pdf)

## **Provision of Quotes**

2.18. The Company shall provide the Client Quotes in accordance with these Terms of Business.

2.19. The Company shall not be obliged to, but may, at its sole discretion, execute Client Requests and Instructions on any Instrument outside of its normal trading hours, which are indicated in the Contract Specification.

2.20. Quotes displayed on the Company's website are indicative.

## **Quote Base Synchronization**

2.21. Should there be an unforeseen break in the Server's Quotes Flow caused by software or hardware failure, the Dealer shall have the right to synchronize the Quote Base on the Server with other sources. These sources can include:

- a) the Quote Base on the Demo Server.
- b) any other source of Quotes.

If a disputed situation arises concerning a break in the Quotes Flow, all decisions will be made in accordance with the synchronized Quote Base.

## **Transfer of Inactive Accounts to the Archive**

2.22. Should an inactive account be transferred to the archive:

- a. The Client acknowledges that the Company is entitled to transfer inactive Trading Accounts to the archive. The Client's inactive account shall be transferred from the trading terminal to the archive, resulting in the Client's access and ability to complete any operations being blocked, but all account history being saved.
- b. The Client can restore an archived Trading Account by filing a request in myAlpari.
- c. The Company shall restore the Trading Account within 3 (three) working days of receiving the Request to restore a Trading Account from the archive.
- d. The Company shall give the Client written notification the day the Trading Account has been restored.

## **Deletion of Trading Account History**

2.23. The Company reserves the right to delete from a trading account's history pending orders that had been canceled either by the Client or the dealer one week after cancellation.

## **Commissions, Charges and Other Costs**

2.24. The Client shall be obliged to pay the Company the commissions, charges and other costs set out in the Contract Specification. The Company shall display all current commissions, charges and other costs on the Company website.

2.25 The Company may change commissions, charges and other costs without giving the Client prior written notification. All changes are displayed on the Company website on the "Company News" page, with the exception of changes in "Storage", which are displayed in the "Swap History".

2.26. Subject to compliance with all applicable rules and regulations, the Company shall not be under any obligation to disclose to, or provide the Client with, any report of benefits, profits, commissions or other remunerations made or received by the Company on any Client Transaction, unless otherwise agreed in these Terms of Business or the Client Agreement.

2.27. The Company may periodically act on the Client's behalf in relations with parties with whom the Company or another affiliated party has an agreement permitting the Company to receive goods or services in exchange for completing trading operations. The Company ensures that such arrangements shall operate in the best interest of Clients; for example, arrangements granting access to information or other benefits/services which would not otherwise be available.

## **Margin**

2.28. The Client is obliged to deposit and maintain the initial Margin and/or Hedged Margin in the amount specified by the Company. The size of the initial Margin and/or Hedged Margin is indicated on the Company's

site in the “Contract Specification” section. The Company is not responsible for Stop Outs that occur as a result of funds not being transferred to the Client’s Account in a timely fashion.

2.29. The Client shall pay initial and/or Hedged Margin upon opening a position.

2.30. The size of the initial, Necessary, or Hedged Margin may change:

- a. during Abnormal Market Conditions;
- b. during an Emergency Situation;
- c. during a Force Majeure circumstances.

2.31. The Client shall be responsible for maintaining the Necessary Margin level on the Trading Account.

2.32. The Company shall be entitled to apply clause 2.31 to all new positions and to positions that are already open.

### 3. Opening a Position

3.1. The Client shall specify the following to give an Instruction to open a position:

- a) Instrument;
- b) Transaction Size.

#### **Instruments Quoted by Request Execution**

3.2. To open a position via the Client Terminal without using an Expert Advisor, the Client must press the “Buy” or “Sell” button at the moment the Client is satisfied with the prices in the Dealer’s Quotes Flow.

3.3. To open a position via the Client Terminal using an Expert Advisor, the Advisor generates an Instruction to complete a trading operation at the current Quote.

#### **Instruments Quoted by Request Execution**

3.4. To open a position via the Client Terminal without using an Expert Advisor, the Client shall send a Request. The Client may open a position at the offered Quote by pressing the “Buy” or “Sell” button. The Dealer has the right to cancel the Quote if the Client has not sent an Instruction within 3 (three) seconds of receiving the Quote or if the market shifts and the Quote becomes invalid.

3.5. To open a position via the Client Terminal using an Expert Advisor, the Advisor generates a Request. Should the Dealer offer a Quote that differs from the Expert Advisor’s Quote by no more than the “slippage” value (a parameter of the Expert Advisor which determines the acceptable range between the Expert Advisor’s Quote and the Quote offered by the Dealer), the Expert Advisor shall send an Instruction to the Server to open a position at the Quote offered by the Dealer.

#### **Processing and Execution of Instructions to Open a Position**

3.6. Once the Server receives the Client’s Instruction to open a position, it automatically checks whether the Free Margin is sufficient to open the position:

- a) the new position is provisionally added to the list of Open Positions;
- b) the new Necessary Margin (“New Margin”) for the Client’s aggregate position, including the provisionally added new position, is calculated at the current market prices at the moment of verification<sup>4</sup>;
- c) Floating Profits/Losses on all Open Positions, including the provisionally added new position, are calculated at the current market prices;
- d) the new “Free Margin” is calculated<sup>5</sup>;

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<sup>4</sup> For locked positions, the “Hedged Margin” parameter is used, and for all non-locked positions, “initial margin” is used, which is calculated at the average weighted price (in terms of volume) of all non-locked positions. The equation and an example of margin calculation can be found on Alpari’s website in the “Help” section.

<sup>5</sup> Free Margin = Balance – New Margin + Floating Profit - Floating Loss.

e) If, after completing calculations for the new position mentioned above, the:

- “Free Margin” is more than or equal to zero and the aggregate Client position, including the provisionally added new position, does not exceed the limits set for this type of account, the position will be opened. This opening will be accompanied by a corresponding record in the Server Log-File;
- “Free Margin” is more than or equal to zero and the aggregate Client position, including the provisionally added new position, exceeds the limits set for this type of account, the position will not be opened.
- “Free Margin” is less than zero, the Dealer then has the right to decline the Instruction to open the position.

3.7. The Dealer shall have the right to quote a new price if the current Quote changes while processing a Client’s Request or Instruction. In this case, the "Requote" window will appear<sup>6</sup>. If the Client is satisfied with the new price, the Client should press the “OK” button within 3 seconds while the Quote is valid. The Instruction will be sent to the Server again and the Server will start the process of verification, as set out in clauses 2.2., 3.6., 3.7. If the Client does not press the “OK” button within 3 seconds, the Quote becomes invalid and will be considered as a refusal by the Client to open the position.

3.8. An Instruction to open a position shall be deemed executed and the position shall be deemed Open once the corresponding record appears in the Server Log-File.

3.9. Each Open Position in the Trading Platform is assigned with a Ticker.

3.10. An Instruction to open a position shall be declined by the Dealer if it precedes the first Quote for this Instrument in the Trading Platform at Market Opening. In this case, the “Off quotes” message will appear in the Client Terminal Window.

## 4. Closing a Position

4.1. The Client shall specify the following to give an Instruction to close a position:

- a) Ticker; and
- b) Transaction Size.

### **Instruments Quoted by Instant Execution**

4.2. To close a position via the Client Terminal without using an Expert Advisor, the Client must press the “Close...” button at the moment the Client is satisfied with the prices in the Dealer’s Quotes Flow.

4.3. To close a position via the Client Terminal using an Expert Advisor, the Advisor generates an Instruction to complete a trading operation at the current Quote.

### **Instruments Quoted by Request Execution**

4.4. To close a position via the Client Terminal without using an Expert Advisor, the Client shall send a Request by pressing the “Request” button. Once the Client has received a satisfactory Quote, the Client should press the “Close...” button within 3 seconds while the Quote is still valid. The Dealer has the right to cancel the Quote if the Client has not sent an Instruction within 3 (three) seconds of receiving the Quote or if the market shifts and the Quote becomes invalid.

4.5. To close a position via the Client Terminal using an Expert Advisor, the Advisor generates a Request. Should the Dealer offer a Quote that differs from the Expert Advisor’s Quote no more than the “slippage” value (a parameter of the Advisor which determines the acceptable range between the Advisor’s Quote and the Quote offered by the Dealer), the Expert Advisor shall send an Instruction to the Server to close the position at the Quote offered by the Dealer.

### **Processing and Execution of Instructions to Close a Position**

4.6. The Dealer shall have the right to quote a new price if the current Quote changes while processing a Client’s Request or Instruction. In this case, the "Requote" window will appear<sup>7</sup>. If the Client is satisfied with the new price, the Client

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<sup>6</sup> If the maximum deviation value is set above zero and the difference between the previous and the new Quote offered by the Dealer, is lower or is equal to the value indicated for the maximum deviation, the Server will not provide the Client Terminal with a new Quote and will open the position. Therefore the new opening price, in the predefined range, can be either better or worse than the previous Quote.

<sup>7</sup> If the maximum deviation value is set above zero and the difference between the previous and the new Quote offered by the Dealer is lower or equal to the value indicated for the maximum deviation, the Server will not provide the Client

should press the “OK” button within 3 seconds while the Quote is valid. The Instruction will be sent to the Server again and the Server will start the process of verification as set out in clauses 2.2., 4.6. If the Client does not press the “OK” button within 3 seconds, the Quote becomes invalid and this will be considered as a refusal by the Client to close the position.

4.7. If the list of Open Positions on a Trading Account includes two or more locked positions, then once an Instruction or Request to close one of them has been generated, the additional “Close By” option will appear in the “Type” drop-down list. If the Client chooses this option, a list of opposite Open Position(s) will appear. Once the Client selects a position, the “Close#... by#” button will be enabled. By pressing this button, the Client closes locked positions of the same volume or partially closes two locked positions of different volumes. The smaller position and equivalent part of the larger position will be closed, and a new Open Position will be generated in the same direction as the larger position and assigned with a new Ticker.

4.8. If the list of Open Positions on a Trading Account includes two or more locked positions, then once an Instruction or Request to close one of them has been generated, the additional “Multiple Close By” option will appear in the “Type” drop-down list. If the Client chooses this option, a list of all position(s) on this Instrument will appear and the “Multiple Close#... by#” button will be enabled. By pressing this button, the Client closes all locked positions and a new Open Position will be generated in the same direction as the larger total volume and assigned with a new Ticker.

4.9. An Instruction to close a position shall be deemed executed and the position shall be deemed Closed once the corresponding record appears in the Server Log-File.

4.10. An Instruction to close a position shall be declined by the Dealer if it precedes the first Quote for this Instrument in the Trading Platform at Market Opening. In this case, the “Off quotes” message will appear in the Client Terminal Window.

4.11. An Instruction to close a position shall be declined by the Dealer if it is sent to be processed while a Stop Loss or Take Profit Order for this position is in the Queue to be executed. In this case, an “Off quotes” message will appear in the Client Terminal Window.

## 5. Orders

### Order Types in the Trading Platform

5.1. The following Orders (Pending Orders) may be used to open a position in the Trading Platform:

- a) “Buy Stop” - an Order to open a Long Position at a price higher than the price at the time the Order is placed;
- b) “Sell Stop” - an Order to open a Short Position at a price lower than the price at the time the Order is placed;
- c) “Buy Limit” - an Order to open a Long Position at a price lower than the price at the time the Order is placed;
- d) “Sell Limit” - an Order to open a Short Position at a price higher than the price at the time the Order is placed.

5.2. The following Orders may be used to close a position:

- a) “Stop Loss” - an Order to close a previously opened position at a price less profitable for the Client than the opening price;
- b) “Take Profit” - an Order to close a previously opened position at a price more profitable for the Client than the opening price;
- c) “If-Done Order” – Stop Loss and/or Take Profit Orders which are activated only after their corresponding Pending Order has been executed.

### Order Timing and Duration

5.3. The Client may only place, modify or delete Orders within the trading hours for the relevant Instrument. The trading hours for each Instrument are indicated in the Contract Specification.

5.4. Pending Orders on Instruments which are traded 24 hours a day have “GTC” (“Good Till Cancelled”) status. The Client can set a concrete expiry date and time in the “Expiry” field; otherwise the Order will be executed after an indefinite period.

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Terminal with a new Quote and will close the position. Therefore the new closing Price, in the predefined range, can be either better or worse than the previous Quote.

5.5. Pending Orders on Instruments which are not traded 24 hours a day, have "Day Order" status and will be deleted by the Dealer at the end of a trading session. The status for each Instrument is indicated in the Contract Specification.

5.6. Stop Loss and Take Profit Orders on all Instruments have "GTC" status ("Good Till Cancelled") and are executed after an indefinite period.

#### **Procedure for Placing an Order**

5.7. To give an Instruction to place a Pending Order, the Client shall specify the following required parameters:

- a) Instrument;
- b) Transaction Size;
- c) Order type (Buy Stop, Buy Limit, Sell Stop, or Sell Limit); and
- d) Order Level.

The Client may also set the following optional parameters:

- a) Stop Loss level. "0.0000" means that Stop Loss has not been placed (or has been deleted if it was placed earlier);
- b) Take Profit level. "0.0000" means that Take Profit has not been placed (or has been deleted if it was placed earlier);
- c) Pending Order expiry date and time.

The Instruction will be declined if:

- a) any of the required parameters is not specified or is incorrect;
- b) any of the optional parameters is incorrect.
- c) the Orders are placed via the Client Terminal without using an Expert Advisor. In this case, the "Invalid S/L or T/P" error message will appear.
- d) the Client's Trading Account has limits in respect of the total number of Pending Orders and the Instruction exceeds these limits. The "Trade is disabled" message will appear when the Client tries to place a Pending Order in the Client Terminal without using an Expert Advisor.

5.8. To give an Instruction to place a Stop Loss or Take Profit Order, the Client shall specify the following required parameters:

- a) Ticker of the Open Position;
- b) Stop Loss level. "0.0000" means that Stop Loss has not been placed (or has been deleted if it was placed earlier);
- c) Take Profit level. "0.0000" means that Take Profit has not been placed (or has been deleted if it was placed earlier).

If any of the parameters is incorrect when placing a Pending Order via the Client Terminal without using an Expert Advisor, the Instruction will be declined and the "Modify..." button will remain inactive.

5.9. To give an Instruction to place If-Done Orders on a Pending Order, the Client shall specify the following required parameters:

- a) Ticker of the Pending Order for which the If-Done Orders are intended;
- b) Stop Loss level. "0.0000" means that a Stop Loss has not been placed (or has been deleted if it was placed earlier);
- c) Take Profit level. "0.0000" means that a Take Profit has not been placed (or has been deleted if it was placed earlier).

If any of the parameters is incorrect when placing a Pending Order via the Client Terminal without using an Expert Advisor, the Instruction will be declined and the "Modify..." button will remain inactive.

5.10. When giving an Instruction to place Stop Loss and/or Take Profit Orders on an Open Position or Pending Order, the difference in Pips between the Pending Order level and the current market price must be no less than the "Limit & Stop Levels" parameter indicated for each Instrument in the Contract Specification, and the following conditions must be satisfied:

- a) for a Stop Loss Order on a Short Position: the current market price is considered the Ask price and the Order must be placed no lower than the Ask price plus the "Limit & Stop Levels" value set for this Instrument;

- b) for a Take Profit Order on a Short Position: the current market price is considered the Ask price and the Order must be placed no higher than the Ask price minus the "Limit & Stop Levels" value set for this Instrument;
- c) for a Stop Loss Order on a Long Position: the current market price is considered the Bid price and the Order must be placed no higher than the Bid price minus the "Limit & Stop Levels" value set for this Instrument;
- d) for a Take Profit Order on a Long Position: the current market price is considered the Bid price and the Order must be placed no lower than the Bid price plus the "Limit & Stop Levels" value set for this Instrument;
- e) for a Buy Limit Order: the current market price is considered the Ask price and the Order must be placed no higher than the Ask price minus the "Limit & Stop Levels" value set for this Instrument;
- f) for a Buy Stop Order: the current market price is considered the Ask price and the Order must be placed no lower than the Ask price plus the "Limit & Stop Levels" value set for this Instrument;
- g) for a Sell Limit Order: the current market price is considered the Bid price and the Order must be placed no lower than the Bid price plus the "Limit & Stop Levels" value set for this Instrument;
- h) for a Sell Stop Order: the current market price is considered the Bid price and the Order must be placed no higher than the Bid price minus the "Limit & Stop Levels" value set for this Instrument.

5.11. When giving an Instruction to place an If-Done Order on a Pending Order, the difference in Pips between the If-Done Order Level and the Pending Order Level must be no less than the "Limit & Stop Levels" parameter indicated for each Instrument in the Contract Specification, and the following conditions must be satisfied:

- a) A Stop Loss Order on a Buy Limit or Buy Stop Order must be placed no higher than the level of the Pending Order minus the "Limit & Stop Levels" value set for this Instrument;
- b) A Stop Loss Order on a Sell Limit or Sell Stop Order must be placed no lower than the level of the Pending Order plus the "Limit & Stop Levels" value set for this Instrument;
- c) A Take Profit Order on a Buy Limit or Buy Stop Order must be placed no lower than the level of the Pending Order plus the "Limit & Stop Levels" value set for this Instrument;
- d) A Take Profit Order on a Sell Limit or Sell Stop Order must be placed no higher than the level of the Pending Order minus the "Limit & Stop Levels" value set for this Instrument.

5.12. Limit and Stop levels are indicated on the Company's site in the "Contract Specification" section.

5.13. Limit and Stop levels may be changed:

- during Abnormal Market Conditions;
- during an Emergency Situation;
- during Force Majeure circumstances.

5.14. An Instruction to place an Order shall be deemed executed and the Order shall be deemed placed once the corresponding record appears in the Server Log-File.

5.15. Each Pending Order is assigned with a Ticker.

5.16. An Instruction to place an Order shall be declined by the Dealer if it precedes the first Quote for this Instrument in the Trading Platform at Market Opening. In this case, an "Off quotes" message will appear in the Client Terminal Window.

5.17. The Dealer shall have the right to decline an Instruction to place an Order should, while processing this Instruction, the current Quote reach a level at which at least one of the conditions of either clause 5.10 or 5.11 be breached.

### **Order Modification and Deletion**

5.18. To give an Instruction to modify Pending Order parameters (the level of the Pending Order and/or If-Done Orders), the Client shall specify the following required parameters:

- a) Ticker;
- b) Pending Order Level;
- c) Stop Loss level. "0.0000" means that Stop Loss has not been placed (or has been deleted if it was placed earlier);

d) Take Profit level. "0.0000" means that Take Profit has not been placed (or has been deleted if it was placed earlier).

If any of the parameters is incorrect when placing/modifying/deleting an Order via the Client Terminal without using an Expert Advisor, the Instruction will be declined and the "Modify..." button will remain inactive.

5.19. To give an Instruction to modify Stop Loss and Take Profit Orders on an Open Position, the Client shall specify the following required parameters:

a) Ticker;

b) Stop Loss level. "0.0000" means that Stop Loss has not been placed (or has been deleted if it was placed earlier);

c) Take Profit level. "0.0000" means that Take Profit has not been placed (or has been deleted if it was placed earlier).

If any of the parameters is incorrect when placing/modifying/deleting Orders via the Client Terminal without using an Expert Advisor, the Instruction will be declined and the "Modify..." button will remain inactive.

5.20. To give an Instruction to delete a Pending Order, the Client shall specify its Ticker.

5.21. An Instruction to modify or delete an Order shall be deemed executed and the Order shall be deemed modified or deleted once the corresponding record appears in the Server Log-File.

5.22. An Instruction to modify or delete an Order shall be declined by the Dealer if it precedes the first Quote for this Instrument in the Trading Platform at Market Opening. In this case, an "Off quotes" message will appear in the Client Terminal Window.

5.23. The Dealer shall have the right to decline an Instruction to modify or delete an Order should, while processing, the Order be placed in the Queue to be executed in accordance with clause 5.25.

5.24. Should the processing of an Instruction to modify or delete an Order be completed only after the Order is placed in the Queue to be executed in accordance with clause 5.25., the Dealer shall have the right to cancel the modification or deletion of the Order.

### **Order Execution**

5.25. The Order will be placed in the queue to be executed in the following cases<sup>8</sup>:

a) A Take Profit on an Open Long Position is placed in the Queue to be executed if the Bid price in the Quotes Flow becomes equal to or higher than the Order Level;

b) A Stop Loss on an Open Long Position is placed in the Queue to be executed if the Bid price in the Quotes Flow becomes equal to or lower than the Order Level;

c) A Take Profit on an Open Short Position is placed in the Queue to be executed if the Ask price in the Quotes Flow becomes equal to or lower than the Order Level;

d) A Stop Loss on an Open Short Position is placed in the Queue to be executed if the Ask price in the Quotes Flow becomes equal to or higher than the Order Level;

e) A Buy Limit is placed in the Queue to be executed if the Ask price in the Quotes Flow becomes equal to or lower than the Order Level;

f) A Sell Limit is placed in the Queue to be executed if the Bid price in the Quotes Flow becomes equal to or higher than the Order Level;

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<sup>8</sup> In charts in the Client Terminal, the high point on a Bar or Candle is the maximum Bid price and the low point on a Bar or Candle is the minimum Bid price. The minimum Ask price is the low point on a Bar or Candle plus the Spread. The maximum Ask price is the high point on a Bar or Candle plus the Spread.

g) A Buy Stop is placed in the Queue to be executed if the Ask price in the Quotes Flow becomes equal to or higher than the Order Level;

h) A Sell Stop is placed in the Queue to be executed if the Bid price in the Quotes Flow becomes equal to or lower than the Order Level.

5.26. Once the Pending Order is placed in the Queue in the order to be executed, the Server automatically checks whether the Free Margin is sufficient to open the position:

- a) The new position is provisionally added to the list of Open Positions;
- b) The new Necessary Margin (“New Margin”) for the Client’s aggregate position, including the provisionally added new position, is calculated at the current market prices at the moment of verification<sup>9</sup>;
- c) Floating Profits/Losses on all Open Positions, including the provisionally added new Position, are calculated at the current market prices;
- d) The new “Free Margin”<sup>10</sup> is calculated;
- e) If, after completing calculations for the new position mentioned above, the:
  - “Free Margin” is more than or equal to zero and the aggregate Client position, including the provisionally added new position, does not exceed the limits set for this type of account, the Order will be executed and the position will be opened. This opening will be accompanied by a corresponding record in the Server Log-File and the position opened will hold the same Ticker as the Pending Order that opened the position;
  - “Free Margin” is more than or equal to zero and the aggregate Client position, including the provisionally added new position, exceeds the limits set for this type of account, the Order will be canceled. This cancellation will be accompanied by a corresponding record in the Server Log-File;
  - “Free Margin” is less than zero, the Dealer then has the right to decline the Instruction to open the position and delete the Pending Order.

5.27. An Order is deemed executed once the corresponding record appears in the Server Log-File.

5.28. All pending orders and “If-Done” orders are executed by the Dealer at the stated price or at the price available at the moment of execution. The price at which the order is executed may differ from the Order Level.

5.29. If the order level of a pending order or “If-Done” order falls within a Price Gap at market opening or in the Quotes Flow, the order will be filled by the Dealer at the stated price or the price available at the moment of execution. The price at which the order is filled may differ from the stated price.

## 6. Stop Out

6.1. Stop Out levels are indicated on the Company’s site in the “Contract Specification” section.

6.2. The Dealer reserves the right to close the Client’s Open Positions without the consent of the Client or any prior notification if the Client’s Equity falls below the Stop Out level.

6.3. The Margin Level is monitored by the Server. In the event that the conditions of clause 6.2. are fulfilled, the Server will generate an Instruction to forcefully close a position (Stop Out). A Stop Out is executed by the market Quote in the order of priority in the Queue of Client Instructions.

The Client agrees that the price at which the Order is executed may be different from the Quote at which the Stop Out Instruction was generated. A forced close of a position is accompanied by a corresponding note in the “Log-File” marked as “Stop-Out.”

6.4. Should the Client have several Open Positions, the first position to be placed in the Queue for involuntary closure is the position with the highest Floating Loss.

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<sup>9</sup> For locked positions, the “hedged margin” parameter is used, and for all non-locked positions, “initial margin” is used, which is calculated at the average weighted price (in terms of volume) of all non-locked positions. The equation and an example of margin calculation can be found on Alpari’s website in the “Help” section.

<sup>10</sup> Free Margin = Balance – New Margin + Floating Profit - Floating Loss

6.5. The Dealer shall guarantee that the execution of Stop Out for the last position, in accordance with clauses 6.2-6.3, will not result in negative Equity<sup>11</sup> on the Client's Trading Account.

6.6. Should the execution of Stop Out result in negative Equity on the Client's Trading Account, there shall be compensation made to bring the Equity to \$0.

6.7. Should the execution of Stop Out result in a negative Balance on the Client's Trading Account and there are credit funds on this Trading Account, the Dealer shall have the right to bring the negative Balance to 0 at the expense of the credit.

6.8. The Dealer shall have the right to forcefully close any Open Positions of the Client without prior notification should it be required when handling a Dispute in accordance with clause 9 of these Terms of Business.

## 7. Communications

7.1. In order to communicate with the Client, the Dealer may use:

- a) Trading Platform internal mail;
- b) email;
- c) facsimile transmission;
- d) telephone;
- e) post;
- f) Alpari's website.

The Dealer will use Client contact details as specified when opening an account, or updated in accordance with clause 7.3 of these Terms of Business. The Client shall agree to accept any correspondence from the Dealer at any time.

7.2. Any communications sent to the Client (documents, notices, confirmations, statements etc.) are deemed received:

- a) if sent by email, within one hour after emailing it;
- b) if sent by Trading Platform internal mail, immediately after sending it;
- c) if sent by fax, at the completion of transmission;
- d) if by telephone, then once the telephone conversation has been finished;
- e) if sent by post, seven calendar days after posting it;
- f) if posted on the Company News Webpage, within one hour after it has been posted.

7.3. The Client shall notify the Dealer immediately of any change in the Client's contact details.

7.4. Transactions shall be confirmed by email on the next Business Day after their execution. If the Client has reason to believe that there is a mistake in the confirmation or simply did not receive any confirmation (though the Transaction was executed), the Client shall be obliged to lodge a complaint with the Compliance Department in accordance with clause 8.

7.5. On the first day of each month, the Client shall receive a statement by email on all Transactions completed during the previous month.

7.6. The Client acknowledges that any telephone conversation between the Client and the Dealer may be recorded magnetically or electronically. Such recordings shall be and will remain the sole property of Dealer and constitute evidence of the Client's Instructions.

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<sup>11</sup> Equity < 0

## 8. Procedure for Dispute Resolution

### Complaint Procedure

8.1. Should any Dispute arise where the Client reasonably believes that the Dealer, as a result of any action or failure to act, breaches one or more terms of these Terms of Business, the Client shall have the right to lodge a complaint with the Dealer. Complaints should be received by the Company within 2 (two) Business Days of the grievance arising.

8.2. To file any complaint, the Client should complete the standard form in myAlpari. A new complaint is assigned with a unique number (TID) and the Client will be advised of the complaint status via email, sent from [disputes@alpari.ru](mailto:disputes@alpari.ru). All complaints filed through any other method (forum, email, telephone, fax, etc.) will not be taken under consideration<sup>12</sup>.

a) When the Client receives an email from [disputes@alpari.ru](mailto:disputes@alpari.ru) concerning the complaint, the unique identification number (TID) and subject of the email should be saved and used for any future correspondence.

8.3. A complaint must include:

- a) the Client's name and surname (or company name if the Client is a legal entity);
- b) the Client's login to the Trading Platform;
- c) the date and time of the complaint's origin (Trading Platform time);
- d) Tickers of all disputed positions and/or Pending Orders;
- e) a description of the Dispute, supported by reference to these Terms of Business.

8.4 The complaint must not include:

- a) emotional description/appraisal of the Dispute;
- b) offensive language;
- c) obscenities or expletives.

8.5. The Dealer shall have the right to reject a complaint if any of clauses 8.1, 8.2, 8.3 and 8.4 has been breached.

### Server Log-File

8.6. The Server Log-File shall be the main source of information in the case of any Dispute. Information from the Server Log-File has absolute priority over all other arguments in consideration of the Dispute, including the Client Terminal Log-File<sup>13</sup>.

8.7. Should there be no relevant record in the Server Log-File supporting the Client's grounds for the complaint, an argument referencing the existence of such a record shall be considered invalid.

### Indemnification

8.8. The Dealer may resolve all Disputes by:

- a) crediting/debiting compensation to/from the Client's Trading Account, accompanied by a corresponding note with an "Indemnification" remark;
- b) reopening erroneously Closed Positions;
- c) deleting erroneously Opened Positions or placed Orders.

Dispute resolution shall be at the sole discretion of the Dealer, who in each case shall have the right to choose one of the methods described in clause 9 of these Terms of Business.

Disputes not covered under these Terms of Business shall be resolved in accordance with common market practice and the Dealer's judgment on a fair resolution of the Dispute.

Should the Quotes Flow be interrupted due to software and/or hardware failure, all decisions in respect of the Dispute shall be made based on synchronized Quotes in accordance with clause 2.22 of these Terms of Business.

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<sup>12</sup> Disputes on demo- and contest accounts will be resolved in conjunction with the Technical Support Department (correspondence can be sent to [support@alpari.ru](mailto:support@alpari.ru), [contest@alpari.ru](mailto:contest@alpari.ru), or by any other means mentioned on Alpari's website on the "Contacts" page).

<sup>13</sup> The Client Terminal Log-File does not register every stage in the execution of Client Instructions or Requests.

8.9. The Dealer shall not be liable to the Client if, for any reason, the Client has received less profit than the Client had hoped for or has incurred a loss as a result of an uncompleted action which the Client had intended to complete.

8.10. The Dealer shall not indemnify the Client for any circumstantial, indirect or non-pecuniary damage (emotional distress etc.).

8.11. The Compliance Department shall consider Client's complaint as soon as reasonably practicable, but in any case, within three Business Days after the grievance has arisen. The Client will receive a confirmation email generated by the automatic mail tracking system. In some situations, the complaint consideration process may be extended.

8.12. The Dealer shall take all necessary steps to settle the Dispute in accordance with clauses 8.8, 8.9, 8.10 immediately, but in any case, no later than one business day after the decision regarding the Dispute is made.

### **Complaint Rejection**

8.13. If the Client has been notified of routine maintenance on the Server in advance by Trading Platform internal mail or any other method, complaints filed concerning any unexecuted Instructions given during such maintenance shall not be accepted. The fact that the Client did not receive a notification shall not constitute grounds for a complaint.

8.14. Complaints concerning Order execution time shall not be accepted, regardless of how long the Dealer took to execute the Order and how long it took before the record of Order execution appeared in the Server Log-File, provided that clause 5.25 has not been breached.

8.15. Complaints concerning the financial results of Transactions made using temporary excess Free Margin on a Trading Account, gained as a result of a profitable position (later cancelled by the Dealer) opened at an Error Quote (Spike) or at a Quote received as a result of a Manifest Error by the Dealer, shall not be accepted.

8.16. Any references made by the Client to Quotes of other companies or informational systems during the process of reviewing the Dispute are irrelevant and shall not be taken into account.

### **Appeal**

8.17. The Client shall have the right to appeal to the KROUFR Dispute Committee in the case that the Client disagrees with the Dealer's decision regarding the complaint.

## **9. Typical Disputes and Handling Procedures**

9.1. The Dealer shall have the right to independently initiate a review and resolution of a Dispute in accordance with these Terms of Business. The maximum period for considering a Dispute and taking steps towards resolution is three days. However, in certain situations, this period may be extended.

### **Placement and Modification of Pending and If-Done Orders**

9.2. Pending Orders and/or If-Done Orders are considered to be erroneously placed or modified in the following cases:

- a) the Instruction precedes the first Quote for this Instrument in the Trading Platform at Market Opening;
- b) the Client's Instruction to place a Pending Order is sent when an Error Quote (Spike) appears in the Trading Platform and is thus in breach of clause 5.10, as the Server did not check the validity of the Instruction based on the Quote prior to the Spike, but on the Spike itself;
- c) the Order is placed or modified in breach of clause 5.10 or 5.11 due to a Manifest Error on the part of the Dealer;
- d) the Order is placed or modified in breach of clause 5.10 or 5.11 due to a failure in the software of the Trading Platform.

In these cases, the Dealer, pursuant to clause 9.1 of these Terms of Business or after a reasonable Client-logged complaint, shall:

- e) delete the Pending Order if it has not been triggered yet;
- f) delete the position opened as a result of the Pending Order's execution.

9.3. If the Pending Order is placed in the Queue to be executed, but the Dealer erroneously confirms its modification, then the Dealer shall have the right to trigger this Pending Order at the level set before the last modification.

9.4. No complaints shall be accepted should the Client be unable to place a Pending Order or modify the levels of Pending Orders and/or If-Done Orders:

- a) because of a poor Internet connection on the side of the Client or the Server and in the absence of records in the Server Log-File to prove the Client's attempt(s) to give such an Instruction;
- b) if the Client's Instruction to place a Pending Order is sent when an Error Quote (Spike) appears in the Trading Platform and is thus in breach of clause 5.10, as the Server did not check the validity of the Instruction based on the Quote prior to the Spike, but on the Spike itself;
- c) if the Instruction precedes the first Quote for this Instrument in the Trading Platform at Market Opening;
- d) as a result of a Manifest Error on the part of the Dealer or if the Dealer has not processed the Client's Instruction, and there are no records in the Server Log-File to prove the Client's attempt(s) to give such an Instruction;
- e) due to the failure of the Trading Platform software and/or hardware and the absence of records in the Server Log-File to prove the Client's attempt(s) to give such an Instruction.

9.5. No complaints shall be accepted should the Client be unable to place a Pending Order or modify the levels of Pending and/or If-Done Orders if the Pending Order has been already placed in the Queue to be executed.

9.6. Should the Dealer not execute an Instruction to place a Pending Order or modify the levels of the Pending Order and/or If-Done Orders:

- a) because of a poor Internet connection on the side of the Client or the Server;
- b) as a result of a Manifest Error on the part of the Dealer;
- c) due to the failure of the Trading Platform software and/or hardware,  
and
- d) the Server Log-File has record(s) to prove the Client's attempt(s) to give such an Instruction, and
- e) it is the latest attempt to place a Pending Order or modify the level of the Pending Order and/or If-Done Orders,

then the Dealer shall execute this Instruction to place a Pending Order or modify the levels of Pending Order and/or If-Done Orders once the Client's complaint has been judged reasonable.

During the process of Dispute resolution, the Dealer shall have the right to trigger the Pending and If-Done Orders in the chronological order they would have been triggered, had the Client's Instruction been executed at the time it was received by the Server.

The Client acknowledges that the Client will not be able to manage the Pending Order or position while the Dispute regarding this Pending Order or position is under consideration and that no complaints concerning this matter shall be accepted.

The Client acknowledges that the Dealer shall not be obligated to notify the Client that the Dispute has been resolved and that the Instruction has been executed. The Client shall accept full responsibility for all risks in this respect.

### **Deletion of Pending Orders**

9.7. If a Pending Order is placed in the Queue to be executed, but the Dealer has executed the Instruction to delete the Pending Order, then the Dealer shall have the right to delete the Order.

9.8. If the Server Log-File has recorded the Client's attempt(s) to delete a Pending Order, but the Order has not been cancelled:

- a) because the Dealer has not executed the Client's Instruction to delete the Pending Order;
- b) as a result of a Manifest Error on the part of the Dealer;
- c) because the Pending Order has been placed in the Queue to be executed at an Error Quote (Spike);
- d) due to the failure, malfunction or misuse of the Trading Platform software and/or hardware;
- e) because of a poor Internet connection on the side of the Client or the Server,  
and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1 or after a reasonable Client-lodged complaint, the Dealer shall:
- f) Delete the Pending Order if it has not been triggered yet;
- g) Delete the position opened as a result of the Pending Order's execution.

9.9. No complaints shall be accepted should the Client be unable to delete a Pending Order:

- a) before the first Quote for this Instrument appears in the Trading Platform at Market Opening;
- b) after the Pending Order has been placed in the Queue to be executed;
- c) in the absence of records in the Server Log-File to prove the Client's attempt(s) to give such an Instruction.

9.10. Should a Pending Order be deleted by mistake:

- a) due to the failure, malfunction or misuse of the Trading Platform software and/or hardware;
- b) because of insufficient Free Margin to open the position as a result of an Error Quote (Spike) in the Quotes Flow at which Floating Profits/Losses for Open Positions have been calculated;
- c) because of insufficient Free Margin to open a position as a result of a Dispute concerning another Order or position (only if the complaint concerning another Order or position was judged reasonable by the Dealer), the Pending Order shall not be restored and no complaints concerning this matter shall be accepted.

### **Execution of Pending Orders**

9.11. If a Pending Order has been erroneously executed:

- a) at an Error Quote (Spike); or
- b) as a result of a Manifest Error on the part of the Dealer;
- c) due to the failure, malfunction or misuse of the Trading Platform software and/or hardware;

The Dealer shall have the right, in accordance with clause 9.1 of these Terms of Business or after a reasonable Client-lodged complaint, to delete the position opened as a result of the erroneous execution of a Pending Order and

- d) to restore the erroneously executed Order if, during the decision process, the level of the Pending Order is positioned correctly relative to the current market price (clause 5.10);
- e) to cancel the erroneously executed Order if, during the decision process, the level of the Pending Order is positioned incorrectly relative to the current market price (clause 5.10). In this case, no Client complaints concerning this matter shall be accepted.

9.12. Should the Dealer erroneously execute a Pending Order at a price different from the price at which the Dealer should have executed it in accordance with clauses 5.27-5.29, and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1 or after a reasonable Client-lodged complaint, the Dealer shall credit/debit the Client's Trading Account with the difference between the financial results of opening a position at the actual opening price and opening a position at the price at which the Order should have been executed in accordance with clauses 5.27-5.29.

9.13. If the Dealer, in accordance with clauses 5.28, 5.29, had the right to trigger a Buy Stop or Sell Stop Order at the first Quote after the Gap, but the Dealer executed it at the Pending Order Level; and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1, the Dealer shall have the right to withdraw from the Client's Trading Account the difference between the financial results of opening a position at the Pending Order Level and opening a position at the first Quote after the Price Gap.

9.14. If the Dealer, in accordance with clauses 5.28, 5.29, should have triggered a Buy Limit or a Sell Limit Order at the first Quote after the price Gap, but executed it at the Pending Order Level; and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1 or after a reasonable Client-lodged complaint, the Dealer shall indemnify the difference between the financial results of opening a position at the Pending Order Level and opening a position at the first Quote after the Price Gap.

9.15. Should the Client believe that the Pending Order was erroneously executed, the Client shall, before filing a complaint:

- a) delete the Pending Order;
- b) open a position at the current Quote of the same Transaction Size, on the same Instrument and in the same direction as the Pending Order which is the subject of the Dispute;
- c) lodge a complaint, specifying the Tickers of the Pending Order in question and of the position opened in accordance with clause 9.15 (b).

The Dealer shall have the right to reject the Client's complaint should the Client fail to perform these actions.

Should the Client's complaint be judged reasonable, the Dealer shall credit/debit the difference between the financial results of opening a position in accordance with clause 9.15 (b) and opening a position at the price at which the order should have been triggered in accordance with clause 5.25.

9.16. The Dealer needs a reasonable amount of time<sup>14</sup> to execute Client Orders. Before lodging a complaint in accordance with clause 9.15, the Client should be certain that there has been sufficient time to execute the Order.

9.17. No complaints shall be accepted if the Pending Order has not been executed:

- a) at Error Quote (Spike);
- b) because of insufficient Free Margin to open a position as a result of a Dispute concerning another Order or position (only if the complaint concerning another Order or position was judged reasonable by the Dealer). In this case, the Pending Order shall be cancelled automatically and will not be reopened.
- c) in the case that the aggregate Client position would have exceeded preset limits specified for this type of account after the Order had been executed.

9.18 Should one or several Pending Orders from the same Trading Account be placed in the Queue to be executed, the Dealer shall have the right to refuse to execute one or several Orders should the Free Margin be insufficient<sup>15</sup> or the limits on the aggregate Client position for this type of account are exceeded. Orders may be executed by the Dealer in a different order than that in the Queue (please see clause 5.31).

#### **Procedure for Placing, Modifying and Deleting Stop Loss and Take Profit**

9.19. If a Stop Loss or Take Profit Order was placed in the Queue to be executed, but the Dealer erroneously confirmed its modification (deletion), the Dealer shall have the right to execute this Order at the level set prior to this erroneous modification (deletion).

9.20. No complaints shall be accepted should the Client be unable to place, modify or delete a Stop Loss or a Take Profit Order:

- a) because of a poor Internet connection on the side of the Client or the Server and in the absence of records in the Server Log-File to prove the Client's attempt(s) to give such an Instruction;
- b) if the Client's Instruction to place or modify the Order is sent when an Error Quote (Spike) appears in the Trading Platform and is thus in breach of clause 5.10, as the Server did not check the validity of the Instruction based on the Quote prior to the Spike, but on the Spike itself;
- c) if the Instruction precedes the first Quote for this Instrument in the Trading Platform at Market Opening;
- d) in breach of clause 5.10 as a result of a Manifest Error on the part of the Dealer or if the Dealer has not processed the Client's Instruction, and there are no records in the Server Log-File to prove the Client's attempt(s) to give such an Instruction;
- e) due to the failure, malfunction or misuse of the Trading Platform software and/or hardware and the absence of records in the Server Log-File to prove the Client's attempt(s) to give such an Instruction.

9.21. No complaints shall be accepted should the Client be unable to modify or delete a Stop Loss or Take Profit Order if it has been placed in the Queue to be executed.

9.22. If the Dealer has not executed the Instruction to place, modify or delete a Stop Loss or a Take Profit:

- a) because of a poor Internet connection on the side of the Client or the Server
- b) as a result of a Manifest Error on the part of the Dealer;
- c) due to the failure, malfunction or misuse of the Trading Platform software and/or hardware  
and
- d) the Server Log-File has record(s) to prove the Client's attempt(s) to give such an Instruction, and
- e) it is the latest attempt to place, modify or delete the Stop Loss or the Take Profit Order,

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<sup>14</sup> usually less than a minute under Normal Market Conditions.

<sup>15</sup> The Necessary Margin for Open Positions is calculated at current Quotes (in accordance with clause 5.26 "c").

and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1 or after a reasonable Client-lodged complaint, the Dealer shall execute the Instruction to place, modify or delete the Stop Loss or the Take Profit Order.

The Client acknowledges that the Client will not be able to manage the position while the Dispute regarding this position is under consideration and that no complaints concerning this matter shall be accepted.

The Client acknowledges that the Dealer shall not be obligated to notify the Client that the Dispute has been resolved and the Instruction has been executed. The Client shall accept full responsibility for all risks in this respect.

During the process of Dispute resolution, the Dealer shall have the right to trigger Stop Loss or Take Profit Orders in the chronological order they would have been triggered, had the Client's Instruction been executed at the time it was received by the Server.

9.23. Stop Loss and Take Profit Orders are considered to be erroneously placed or modified in the following cases:

- a) The Instruction precedes the first Quote for this Instrument in the Trading Platform at Market Opening;
- b) if the Client's Instruction to place or modify the Order is sent when an Error Quote (Spike) appears in the Trading Platform and is thus in breach of clause 5.10, as the Server did not check the validity of the Instruction based on the Quote prior to the Spike, but on the Spike itself;
- c) The Order is placed or modified in breach of clause 5.10 due to a Manifest Error on the part of the Dealer;
- d) As a result of the failure, malfunction or misuse of the Trading Platform software and/or hardware.

If Stop Loss or Take Profit Orders are considered to be erroneously placed or modified, the Dealer shall have the right to delete the Order or cancel its last modification.

#### **Execution of Stop Loss and Take Profit**

9.24. If a dealer erroneously executes a Stop Loss or a Take Profit:

- a) at an Error Quote (Spike); or
- b) because the Dealer makes a Manifest Error and clause 5.25 is breached; or
- c) because of failure, malfunction or misuse of the Trading Platform software/hardware, clause 5.25 being breached,

while carrying out a review in accordance with clause 9.1, or if the Client lodges a complaint which is recognized as reasonable, the Company has the right to reopen the erroneously Closed Position within 24 hours from the moment the Dispute arises.

The Client acknowledges that the Client will not be able to manage the position while the Dispute in respect of this position is being considered and no complaints in respect of this matter are accepted.

The Client acknowledges that the Dealer shall not be obligated to notify the Client that the Dispute has been resolved and the Instruction has been executed. The Client accepts full responsibility for all the risks in this respect.

9.25. If a Stop Loss or a Take Profit is not executed but should have been in accordance with clause 5.25, and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1 or after a reasonable Client-lodged complaint, the Dealer shall have the right to:

- a) Close the position at the current Quote if it was not closed earlier; and
- b) Credit/Debit the difference between the financial results of closing the position at the actual closing price and closing the position at the price at which the Order should have been triggered in accordance with clause 5.25.

The Dealer shall have the right to reject the complaint should the Client modify or delete the Order in question after the Dispute arises and before a decision on the complaint is made.

9.26. No complaints shall be accepted should a Stop Loss or a Take Profit Order not be executed at an Error Quote (Spike).

9.27 Should the Dealer execute a Stop Loss Order at a price which differs from the price at which the Order should have been executed in accordance with clause 5.25, and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1, the Dealer shall have the right to withdraw from the Client's Trading Account the difference between the financial results of closing the position at the actual closing price and closing the position at the price at which the Order should have been triggered in accordance with clause 5.25.

9.28 Should the Dealer execute a Take Profit Order at a price which differs from the price at which the Order should have been executed in accordance with clause 5.25, and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1 or after a reasonable Client-lodged complaint, the Dealer shall pay the Client the difference between the financial results of closing the position at the actual closing price and closing the position at the price at which the Order should have been triggered in accordance with clause 5.25.

9.29 Should the Dealer execute a Stop Loss or Take Profit Order at a price which differs from the price at which the Order should have been executed in accordance with clauses 5.28, 5.29 and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1 or after a reasonable Client-lodged complaint, the Dealer shall credit/debit the Client's Trading Account with the difference between the financial results of closing the position at the actual closing price and closing the position at the price at which the Order should have been triggered in accordance with clauses 5.28, 5.29.

### **Execution of Stop Out**

9.30. If the Dealer erroneously executes a Stop Out:

- a) at an Error Quote (Spike);
- b) in breach of clause 6.2 due to a Manifest Error on the part of the Dealer;
- c) in breach of clause 6.2 due to the failure, malfunction or misuse of the Trading Platform software and/or hardware;
- d) because of insufficient Free Margin to open the position as a result of an Error Quote (Spike) in the Quotes Flow at which Floating Profits/Losses for Open Positions have been calculated;
- e) because of insufficient Free Margin to open a position as a result of a Dispute concerning another Order or position (only if the complaint concerning another Order or position was judged reasonable by the Dealer),

while carrying out a review in accordance with clause 9.1, or after a reasonable Client-lodged complaint, the Dealer shall have the right to reopen the erroneously Closed Position.

If the Dealer has not reopened the erroneously Closed Position within 24 hours of the Dispute arising, the position will not be reopened and no complaints shall be accepted concerning its reopening.

The Client acknowledges that the Client will not be able to manage the position while the Dispute regarding this position is under consideration and that no complaints concerning this matter shall be accepted.

The Client acknowledges that the Dealer shall not be obligated to notify the Client that the Dispute has been resolved and the Instruction has been executed. The Client shall accept full responsibility for all risks in this respect.

During the process of Dispute resolution, the Dealer shall have the right to trigger Stop Loss or Take Profit Orders in the chronological order they would have been triggered, had Stop Out not been erroneously executed.

9.31. The Dealer needs a reasonable amount of time<sup>16</sup> to execute a Stop Out Instruction. No complaints concerning Instruction execution time shall be accepted, regardless of how long the Dealer took to execute the Instruction and how long it took before the record appeared in the Server Log-File, provided that clause 6.1 has not been breached..

### **Opening/Closing a Position**

9.32. No complaints shall be accepted should the Client be unable to open/close a position:

- a) because of a poor Internet connection on the side of the Client or the Server; and in the absence of records in the Server Log-File to prove the Client's attempt(s) to give such an Instruction;
- b) at an Error Quote (Spike);
- c) if the Instruction precedes the first Quote for this Instrument in the Trading Platform at Market Opening;
- d) as a result of a Manifest Error on the part of the Dealer or if the Dealer has not processed the Client's Instruction to open/close a position, and there are no records in the Server Log-File to prove the Client's attempt(s) to give such an Instruction;
- e) due to the failure, malfunction or misuse of the Trading Platform software and/or hardware and absence of records in the Server Log-File to prove the Client's attempt(s) to give such Instruction.

9.33 If the Dealer has not executed the Instruction to open a position:

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<sup>16</sup> usually no more than 1 minute under Normal Market Conditions.

- a) because of a poor Internet connection on the side of the Client or the Server;
- b) as a result of a Manifest Error on the part of the Dealer;
- c) due to the failure, malfunction or misuse of the Trading Platform software and/or hardware,  
and
- d) the Server Log-File has record(s) to prove the Client's attempt(s) to give such an Instruction, and
- e) it is the latest attempt to open a position on this Instrument,  
and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1 or after a reasonable Client-lodged complaint, the Dealer shall execute this Instruction to open a position.

The Client acknowledges that the Client will not be able to manage the position while the Dispute regarding this position is under consideration and that no complaints concerning this matter shall be accepted.

The Client acknowledges that the Dealer shall not be obligated to notify the Client that the Dispute has been resolved and the Instruction has been executed. The Client shall accept full responsibility for all risks in this respect.

During the process of Dispute resolution, the Dealer shall have the right to trigger Stop Loss or Take Profit Orders in the chronological order they would have been triggered, had the Client's Instruction been executed at the time it was received by the Server.

9.34 If the Dealer has not executed an Instruction to close a position as a result of:

- a) a poor Internet connection on the side of the Client or the Server;
- b) a Manifest Error on the part of the Dealer;
- c) the failure, malfunction or misuse of the Trading Platform software and/or hardware,  
and
- d) the Server Log-File has record(s) to prove the Client's attempt(s) to give such an Instruction, and
- e) it is the latest attempt to open a position on this Instrument,  
and the Dealer initiates the process of Dispute resolution in accordance with clause 9.1 or after a reasonable Client-lodged complaint, the Dealer shall execute this Instruction to close a position.

The Client acknowledges that the Dealer shall not be obligated to notify the Client that the Dispute has been resolved and the Instruction has been executed. The Client shall accept full responsibility for all risks in this respect.

9.35. No complaints shall be accepted should the Client be unable to open a position

- a) because of insufficient Free Margin to open the position as a result of an Error Quote (Spike) in the Quotes Flow at which Floating Profits/Losses for Open Positions have been calculated;
- b) because of insufficient Free Margin to open a position as a result of a Dispute concerning another Order or position.
- c) due to the limits on the aggregate Client position and/or the total number of Orders placed for this type of account being exceeded.

9.36. The Dealer shall have the right to delete a position if:

- a) the Instruction to open the position precedes the first Quote in the Trading Platform at Market Opening and the Dealer erroneously executes it at the closing price of the previous trading session;
- b) the Dealer erroneously executes the Instruction to open the position at an Error Quote (Spike);
- c) there is a Manifest Error on the part of the Dealer while processing the Client's Instruction to open the position.

9.37. The Dealer shall have the right to delete a position if:

- a) the Instruction to close a position precedes the first Quote in the Trading Platform on the Market Opening and a dealer erroneously executes it at the close price of the previous trading session; or
- b) a dealer erroneously executes the Instruction to close a position at an Error Quote (Spike); or
- c) the dealer makes a Manifest Error while processing the Instruction to close a position; or

d) a position is closed by mistake due to the failure, malfunction or misuse of the Trading Platform software / hardware,

and the Dealer initiates a Dispute resolution in accordance with clause 9.1 or the Client lodges a complaint which is recognized by the Dealer as reasonable, the Dealer has the right to reopen the erroneously Closed Position.

If within 24 hours the erroneously Closed Position has not been reopened by the Dealer, the position will not be reopened and no complaints are accepted in respect of its reopening.

The Client acknowledges that the Client will not be able to manage the position while the Dispute in respect of this position is being considered and no complaints in respect of this matter are accepted.

The Client acknowledges that the Dealer shall not be obligated to notify the Client that the Dispute has been resolved and the Instruction has been executed and the Client takes full responsibility for all the risks in this respect.

9.38. When the trading approach of the Client does not allow for the processing of Orders in the prescribed fashion on the account being used, the company reserves the right to request that the client change Account Types.

The company also reserves the right to sever ties with a client in the event of the latter's refusal to abide by the terms offered by the company.

The Company may inform the Client of the request to change Account Types by any of the following means.

- phone
- letter sent to the registered email address

If the Company does not receive a response from the Client within three days of the Client receiving the notification, the Company reserves the right to block trading on the account(s) in question until agreement is reached concerning all future activity on the account(s), and all necessary operations on the account(s) have been brought to a close.

9.39. The Company has the right to correct or cancel any trading operation if the corresponding hedging trade was corrected or canceled by the Liquidity Provider.

## 10. Terms and Interpretation

10.1. Terms of Business for the Meta Trader 4 and Systematic platforms:

**“Abnormal Market Conditions”** - a “Thin” or “Fast” market.

**“Account History”** - all completed Transactions and deposit/withdrawal operations on the Trading Account.

**“Account Type”** - the terms of the Trading Account. The types of accounts offered by the Dealer are listed on the Company site. The Client cannot change the type of account once it has been created.

**“Alpari’s website”** - Alpari’s website at <http://www.alpari-forex.com>.

**“Ask”** - the higher price in a Quote, the price at which the Client may buy.

**“Balance”** - the total financial result of all completed Transactions and deposit/withdrawal operations on a Trading Account.

**“Bar/Candle”** - a feature of a price chart that shows the opening and closing prices, as well as the lowest and highest prices for a defined period of time (for example, 1 minute, 5 minutes, a day, a week).

**“Base Currency”** - the first currency in a currency pair which the Client may buy or sell for the Quote Currency.

**“Bid”** - the lower price in the Quote- the price at which the Client may sell.

**“Buy Limit”** shall have the meaning given in clause 5.1.

**“Buy Stop”** shall have the meaning given in clause 5.1.

**“Client”** – a legal entity or individual who works with the Dealer through arrangements that involve margin transactions.

**“Client Agreement”** - the agreement between the Dealer and the Client, along with the Terms of Business and the Risk Acknowledgement and Disclosure are defined as the “Operative Agreements” and govern the terms by which the Dealer works with the Client.

**“Client Terminal”** – a program used by the Client to obtain real-time financial information (the content of which is defined by the Dealer), conduct technical analysis, execute Transactions, place/modify/delete Orders, and receive

notices from the Dealer. The program can be downloaded free of charge on Alpari's web page. (<http://www.alpari-forex.com/en/metatrader/>)

**“Chart”** - visual representation of the change in prices over a period of time. Bars/Candles represent:

- a) Bar/Candle high is the highest Bid,
- b) Bar/Candle low is the lowest Bid,
- c) Bar/Candle close price is the last Bid,
- d) Bar/Candle open price is the first Bid.

**“Contract Specification”** - the principal trading terms (Spread, Lot size, initial margin requirements, margin for the Matched Positions etc.) for each instrument. At the time of the release of this document this information can be found at <http://www.alpari-forex.com/en/cspec/>.

**“Client Terminal Log-File”** - the file created by the Client Terminal which records all Client Requests and Instructions to the Dealer with accuracy to the second.

**“Closed Position”** - the second part of a fully completed Transaction.

**“Currency Pair”** – the quotation of the relative value of one currency unit against the unit of another currency.

**“Day Order”** - a Pending Order valid for one day only, which expires and is automatically deleted at the end of the trading session.

**“Dealer, a”** - an employee of the Company authorized to process Client Instructions, orders and Stop Outs.

**"Dealer, the"** - the Company.

**“Developer”** - the “MetaQuotes Software Corp.” company, developer of the Trading Platform.

**“Dispute”** - 1) a conflict arising when the Client believes that the Dealer, as a result of any action or failure to act has breached one or more of the Terms of Business; 2) the Dealer believes that the Client as a result of any action or failure to act has breached one or more of the Terms of Business; 3) when the Client makes a trade on an error Quote (Spike), or before the first Quote comes to the Trading Platform at Market Opening, or on a Quote received by the Client due to Manifest Error on the part of the Dealer or software failure on the Trading Platform.

**“Equity”** - Balance + credit + Floating Profit - Floating Loss.

**“Emergency Situation”** - an unforeseen situation whereby a discrepancy arises between the terms or conditions of the contracting agent in regard to dealings with the Company, which may be a result of hardware or other technical failure or a change in market conditions.

**“Expert Advisor”** - an algorithm in the form of a program based on MetaQuotes Language 4 used to manage a Trading Account and give instructions and requests to the server via the Client Terminal.

**“Fast Market”** - a market characterized by rapid price fluctuations over a short period of time often causing Price Gaps. A Fast Market may occur immediately before or after important events such as:

- a) release of influential macroeconomic indicators for the global economy;
- b) decisions by central banks on interest rates;
- c) press conferences and statements by central banks officials, heads of state, financial ministers or other significant announcements;
- d) government intervention in the currency market;
- e) terrorist attacks of great impact;
- f) natural disasters leading to the declaration of a state of emergency (or comparable measures) in the affected regions;
- g) war or other significant military actions;
- h) political force majeure: dismissal or appointment (including election results) of top government officials;
- i) other events which cause significant price movements.

**“Floating profit/loss”** - unrecorded profit/loss on Open Positions based on current prices.

**“Force Majeure”** - unforeseen and unpreventable events such as:

- a) nature disaster;
- b) war;
- c) terrorist attack;
- d) actions taken by the legislative or executive branches of government.
- e) computer hacker attacks and other illegal actions directed towards the Dealer.

**“Free Margin”** – available funds on the Trading Account which may be used to open a position. It is calculated as Equity minus Necessary Margin.

**“GTC” (“Good-‘Til-Canceled”)** - an Order which remains in effect until canceled by the Client.

**“Hedged margin”** - margin for the opening and maintenance of two opposite (locked) items on the same instrument. Requirements for each instrument are covered in the Contract Specification.

**“If-Done Order”** shall have the meaning given in clause 5.2.

**“Initial margin”** - the percentage of the purchase price the Client must pay to Open Positions. The requirements for each Instrument are covered in the Contract Specifications.

**“Instant Execution”** - the mechanism of providing Quotes to the Client without prior Request. Because the client sees Quotes in real time, he may make a Transaction at any moment.

**“Instruction”** - an Order of the Client to the Dealer to open/close a position or to place/modify/delete an Order.

**“Instrument”** - a Currency Pair.

**“KROUFR”** - The Financial Regulation Agency (KROUFR) in Russia.

**“Leverage”** - the ratio of the Margin and value of a position: 1:33, 1:100, 1:200, 1:300, 1:400, 1:500. e.g. the ratio 1:100 means that the required collateral is a hundred times less than the value of the position.

**“Limit & Stop levels”** - the minimum distance in Pips/Points between the Order Level and the current price (Pending Order Level).

**“Liquidity Provider”** - a bank or ECN which provides the streaming Quotes to the Company. May also be used to hedge trades of the Company.

**“Locked Positions”** - Long and Short Positions of the same size opened on the Trading Account for the same Instrument<sup>17</sup>.

**“Long position”** – a position held with the expectation that the asset will rise in value. In currency trading it means buying the Base Currency and selling the Quote Currency.

**“Lot”** - a standard amount of a commodity or number of units of a currency pair.

**“Lot size”** – the number of units of a commodity or a base currency in one Lot as defined in the Contract Specifications.

**“Manifest Error”** - an error by the Dealer characterized by the opening or closing of a position or the execution of an Order at a price which significantly differs from the price for the given Instrument in the stream of Quotes at the moment of Transaction, or any other Dealer action with respect to prices that significantly differ from the market prices.

**“Margin Level”** - the ratio of Equity to used margin. It is calculated as  $(\text{Equity}/\text{used margin}) * 100\%$ .

**“Margin Trading”** - the use of Leverage when trading in order to make trades.

**“Market Opening”** - the time when the market opens after weekends, holidays or trading session time gaps.

**“Maximum Deviation”** - parameter expressed in Pips/Points in the "Open/Close position" window of the Client Terminal.

**“myAlpari”** - the Client’s personal page on Alpari’s website containing the Client’s contact details, the history of Non-trading Operations (deposits/withdrawals) as well as other reference information.

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<sup>17</sup> For example, if the Client opens two buy Lots, and three sell Lots for the same Instrument, then two buy Lots and two sell Lots are identified as Matched Positions, and one buy Lot is identified as non-locked position.

**“Necessary margin”** - the margin required by the Dealer to maintain Open Positions. The details for each Instrument are specified in the Contract Specifications.

**“New Margin”** shall have the meaning given in clauses 3.6.b), 5.25.b).

**“Normal Market Conditions”** shall mean:

- a) no considerable breaks in the streaming quotes;
- b) low volatility;
- c) no large price gaps.

**“Normal Market”** - **“Normal Market Conditions”**

**“Non-Trading Operations”** - deposits or withdrawals to or from the Trading Account, loans or loan repayments.

**“Order”** - a Client instruction to the Dealer to open or close a position when the price reaches the level of the Order.

**“Order Level”** - the price indicated in the Order.

**“Open Position”** - the result of the first part of the completed Transaction. In this case the Client shall be obliged to:

- a) close the position with a Transaction of the same volume;
- b) maintain Equity not lower than 20% of the Necessary Margin.

**“Pending Order”** – a request from the Client to the Dealer to open a position once the price has reached the level of the Order.

**“Point”** / **“pip”** - the numerical value of the last, or right-most, number of a Quote.

**“Price Gap”** – shall mean the following:

- a) current Bid Quote is higher than the Ask of the previous Quote; or
- b) current Ask Quote is lower than the Bid of the previous Quote.

**“Price Gap at Market Opening”** shall mean the following:

- a) the first Bid of the trading session is higher than the last Ask price of the previous session;
- b) the first Ask of the current trading session is lower than the last Bid of the previous session.

**“Price Prior to Spike”** - the closing price of the minute bar prior to the minute bar with the Spike.

**“Quote Currency”** - the second currency in a currency pair which can be bought or sold for the Base currency.

**“Quotes Base”** - information about the Streaming Quotes.

**“Quoting”** - the process of providing the Client with Quotes.

**“Quote”** - the price of one currency quoted in terms of another. (Bid/Ask)

**“Rate”** shall mean, the value of the base currency in the terms of the Quote Currency for a Currency Pair.

**“Request”** (Request for Quotation) - a request from the Client to the Dealer to provide a Quote. Such a request does not constitute an obligation on the part of the Client to make a Transaction.

**“Request Execution”** - the mechanism for providing Quotes in response to Client requests.

**“Sell Limit”** shall have the meaning given in clause 5.1.

**“Sell Stop”** shall have the meaning given in clause 5.1.

**“Server Log-File”** - the file created by the server which records accurately to the second all Requests and Instructions and their corresponding results sent by the Client to the Dealer.

**“Server”** - the MetaTrader Server program of version 4.xx. The program is used to execute the Client's Instructions and Requests, provide trading information in real-time mode (the content is defined by Dealer), keep a record of mutual obligations between the Client and the Dealer, subject to the conditions in the Terms of Business.

**“Stop Loss”** shall have the meaning given in clause 5.2.

**“Stop Out”**- an Instruction to close one or more Open Positions without the consent of the Client or any prior notice due to insufficient funds required for maintaining Open Positions.

**“Storage”** - the charge to rollover a position overnight. Storage can be either credited or debited. At the moment of release of this document, the storage details are specified at <http://www.alpari-forex.com/en/cspect/>.

**“Short position”** - a position held with the expectation that the asset will fall in value. In currency trading it means buying the Quote Currency and selling the Base Currency.

**“Spike”** - an error Quote with the following characteristics:

- a) a significant Price Gap;
- b) a price rebound in a short time period within a Price Gap
- c) no prior rapid price fluctuation before the Spike;
- d) no released macroeconomic indicators and/or corporate reports that could influence the price.

The Dealer reserves the right to delete Spikes from the Quote Base of the Server.

**“Spread”** - the difference between Ask and Bid prices.

**“Streaming Quotes”** - the flow of Quotes in the Trading Platform for each instrument.

**“Thin market”** - a market with fewer Transactions and consequently fewer Quotes than during Normal Market Conditions. Such conditions occur most often during the Christmas holidays and other major national holidays of G7 countries, and from 20:00 to 00:00 GMT etc.

**“Ticker”** - the unique identity number assigned to each Open Position or Pending Order in the Trading Platform.

**“Trading Platform MetaTrader: Alpari”** or **“Trading Platform”** - the program used by the Client in order to obtain information about financial markets (the content of which is defined by the dealer) in real-time, conduct technical analysis of the markets, execute Transactions, place/modify/delete Orders, as well as receive notices from the Dealer. The program can be downloaded free of charge on Alpari's web page. (<http://www.alpari-forex.com/en/metatrader>)

**“Trading Platform Time Zone”** - the time zone in which the Server Log-File records any event. At the time of release of this document the Trading Platform Time Zone is Moscow time less 2 hours (GMT/BST + 1).

**“Transaction”** – the opening and closing of a position.

**“Transaction Size”** - Lot size multiplied by the number of Lots.

**“Take Profit”** shall have the meaning given in clause 5.2.

**“Trading Account”** - the personal record of all completed Transactions, Open Positions, Orders, deposits and withdrawals.

**“Trailing Stop”** shall mean: 1) a Trailing Stop value set by the Client; 2) the following algorithm for managing “Stop Loss” Orders:

- a) if an Open Position's profit is less than the Trailing Stop value, no action shall be taken;
- b) in the case of a profitable Open Position exceeding the value of the Trailing Stop, the Trailing Stop will be adjusted to a new, higher level at the same relative distance to the new price as before;
- c) once a new Quote has been received that exceeds the value of the distance between the Trailing Stop and the Stop Loss Order Level, the Client Terminal sends an Instruction to the Server to adjust the Stop Loss Order to the level that is at the same range from the current price as the “Trailing Stop” value.

A Trailing Stop is only executed when the Client Terminal is on-line and successfully authorized.

10.2. In these Terms of Business the singular noun form shall mean and include the plural and the plural noun form shall mean and include the singular, excluding where the context implies otherwise. All pronouns, masculine, feminine or neutral, shall mean and include the individual, entity, or company to which they relate as the context may require.

10.3. Unless otherwise stated, a reference to a clause, party or index is, accordingly, a reference to a clause in, a party to or index in these Terms of Business.

10.4. The clause headings are inserted strictly for ease of reference and do not affect the interpretation of these Terms of Business.

10.5. If there is no clear interpretation of a term in these Terms of Business, first priority will be given to the interpretation of the term in question given in the Client Agreement and second priority to the interpretation given in other Regulatory documents.

**ALPARI NZ LIMITED**