

## **COSTS AND ASSOCIATED CHARGES**

**Version 1, May 2024**

### **1. Introduction**

1.1. Doo Financial Cyprus Ltd (hereinafter the “**Company**”, “**We**”), is a Cyprus Investment Firm (hereinafter the “**CIF**”) incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 436509. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (hereinafter the “**CySEC**”) under license number xxx/xx.

1.2. This Costs and Associated Charges Policy (hereinafter the “**Policy**”) is provided to you (our Client or prospective Client) in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time (hereinafter the “**Law**”).

Pursuant to the Law, the Company is required to ensure that the information on costs and associated charges, which may have incurred when trading with the Company, are disclosed to clients on both ex-ante and ex-post basis.

### **2. Definitions**

‘**Commission fee**’ is charged when a client enters into a CFD transaction based on the account type of the respective client and the notional value of the trade.

‘**Currency Conversion**’ is charged for converting any realised profits/losses and/or other fees that are denominated in a currency different to your account currency. The conversion fee that applies only when (a) the transferring of funds between accounts with different base currency is taking place and (b) the account’s base currency is different from the quoted currency of the traded underlying asset therefore a currency conversion is necessary.

‘**Spread**’ is the difference between the buy price and the sell price of a particular trading instrument.

‘**Swap/Rollover**’ is the process of extending the settlement date of an open position (i.e., date by which an executed trade must be settled). That is, the Company will simply add or deduct from a client’s trading account an interest rate for rolling over (i.e., holding/transferring) open position relating to finance transactions generated through an account to the next day.

‘**Dormant fee**’ is a [monthly] fee imposed on trading accounts which have become archived due to inactivity (trading/withdrawals/deposits) for a period of ninety (90) calendar days, and which have available balance in the account.

### **3. Costs and Charges:**

#### **3.1. Types of Costs and Charges Incurred**

##### **3.1.1. Spreads**

The Company offers variable spreads (i.e., not fixed spreads), which means that the spread value constantly changes based on the current liquidity market conditions and the volatility. As such, spreads tend to be narrower under normal market conditions. However, spreads may widen as a result of important news announcements, during political uncertainty, because of unexpected events that can lead to volatile market conditions, or at the close of the business day, or at the weekends when the liquidity is lower.

##### **Example:**

You trade 1 standard lot in UDS/EUR. The current bid and ask prices are 1.30582 and 1.30598, respectively. Therefore, you buy at the ask price 1.30598 (i.e., open price) and you close the order at the bid price 1.30582 (i.e., close price). The difference between buy and sell prices is the spread. As such, the spread is 0.00016 (i.e., 1.6 pips) which equals to USD 16 (or currency equivalent). This is calculated based on the volume you trade (i.e., lots), the point size and the spread:  $100,000 * 0.0001 * 1.6 = \text{USD } 16$ .

At this point, we would like to draw your attention to the fact that Buy orders always open at ask prices and close at bid prices.

##### **3.1.2. Swap/Rollover Fees**

The Company controls rollover interest (i.e., swap fees) at competitive rollover rates for all positions held open overnight (i.e., 22:00 GMT). Positions opened at 22:01 are not subject to rollover until the next day, but if you open a position at 21:59, a rollover will take place at 22:00 GMT. In this respect, the Company debits, or credits clients' accounts with competent rollover rates, within an hour, when a trade is kept open overnight (i.e., 22:00 GMT). Although there is no rollover on Saturdays and Sundays when the markets are closed, banks still calculate interest on any position held over the weekend. To level this time gap, the Company applies a 2-day rollover strategy on Tuesdays.

##### **Example:**

Every currency trade is based on borrowing one currency in order to buy another. Interest is paid on the borrowed currency and earned on the purchased currency. For instance, if we assume that the interest rates in Australia and the US are 0.25% p.a. and 2.5% p.a. respectively, and you have a buy position of 1 lot in USD/AUD at 118.50, you will earn 2.5% per year on your USD and pay 0.25% per year on your borrowed AUD.

This means that with an open position you gain USD 6.16 per day [ $100,000 * (2.5\% - 0.25\%) / 365$ ]. This amount is credited into your account and equivalent to 0.73 pips per day [ $118.50 * (2.5\% - 0.25\%) / 365$ ]. Similarly, if you have a short position in USD/AUD, you lose USD 6.16 per day. Thus, rollover interest can provide an added stream of profit or loss for you.

### **3.1.3. Commission Fee**

The company charges a commission fee every time the client opens or closes a position based on the account type and asset type. The commission fee is automatically calculated according based on a round lot basis for certain asset types and while on others it is based on the notional value of the position. You can read more about the commission fee under the table 'Commissions' on our website, at the following link <https://www.doofinancial.eu/products/comparison/>. Detailed commissions per symbol can be viewed on the account types specification on our website, at the <https://www.doofinancial.eu/trading/contract-specifications/>.

#### **Example:**

For a "Buy 2 lots EUR/USD" position the transaction size is 200,000 EUR which corresponds to 220,000 USD, given a EUR/USD exchange rate of 1.10000. Considering that for a USD 100,000 transaction size, commission is charged for both opening and closing the position at USD 3.5 each. Therefore, for this transaction the commission will be:  $2 \times (3.5 \times 220,000 / 100,000) = 15.4$  USD. The commission fee is deducted from the account during the opening of the transaction for both the operations at once (opening and closing).

### **3.1.4. Dormant Fee**

As per the Company's Client Agreement, in the event that there is no trading activity (i.e., trading/withdrawals/deposits) in your account for a set period of at least ninety (90) calendar days, your account will be regarded to be 'dormant'.

Dormant accounts are charged with a monthly dormant fee of five Euro (5) or the full amount of the free balance in the account (but no more than ten Euro (10)), in the case that the free balance is less than five Euro (5). There will be no charge in case the free balance in your account is zero (0). As such, accounts with zero (0) balance, will be archived after a period of ninety (90) calendar days.

## **3.2. Examples based on Performance scenarios**

### **3.2.1. CFDs on Forex:**

Example: BUY 1 LOT EUR/USD

Account Base Currency: EUR

Trade Size (Lot x Contract Size): 100,000 units (1 Lot)

BID/ASK Price: 1.15685 / 1.15701 (Spread 1.6 pips)

Commission: EUR 3 per side per lot

Leverage: 1:30 (3.33% margin percentage)

Margin Requirement (Trade Size x Margin x ASK Price): EUR 3,330

Swap for LONG/BUY Positions: -7.34 Points

End of Day Exchange Rate of EUR/USD: 1.15718

Open the Trade on Monday and Close at:	Spread (EUR)	Commission (EUR)	Swap (EUR)	Cost on Investment
Same Day	-13.83	-6	0.00	-0.60%
1 Day	-13.83	-6	-6.34	-0.79%
2 Days	-13.83	-6	-12.69	-0.98%
3 Days (Inc. Wednesday - Swaps x 3)	-13.83	-6	-31.72	-1.55%

Note:

- i. The spread and commission are one-off cost and charged upon opening of the transaction at once for both operations (open and close).
- ii. For the purpose of this example, we assume that the end of day exchange rate is the same for all days.

Spread:  $(1.15685 - 1.15701) \times 100,000 = -\text{USD } 16 \Rightarrow$  - **EUR 13.83** (-USD 16/1.15718)

Commission:  $2 \times -\text{EUR } 3 \times 1 \text{ Lot} =$  - **EUR 6**

Swap (1 Day):  $-7.34 \times 1 \times 100,000 \times 0.00001 \times 1 = -\text{USD } 7.34 \Rightarrow$  -**EUR 6.34** (-USD 7.34/1.15718)

Swap (2 Days):  $-7.34 \times 1 \times 100,000 \times 0.00001 \times 2 = -\text{USD } 14.68 \Rightarrow$  -**EUR 12.69** (-USD 14.68/1.15718)

Swap (3 Days):  $-7.34 \times 1 \times 100,000 \times 0.00001 \times 5 = -\text{USD } 36.70 \Rightarrow$  -**EUR 31.72** (-USD 36.70/1.15718)

Cost on Investment =  $(\text{Spread} + \text{Commission} + \text{Swap}) / \text{Margin Requirement}$

### 3.2.2. CFDs on Commodities:

Example: SELL 1 LOT GOLD (XAU/USD)

Account Base Currency: USD

Trade Size (Lot x Contract Size): 100 ounces (1 Lot)

BID/ASK Price: 1459.72 / 1459.86 (Spread 1.4 pips)

Commission: USD 1 per side per lot

Leverage: 1:20 (5% margin percentage)

Margin Requirement (Trade Size x Margin x BID Price): USD 7,298.6

Swap for SHORT/SELL Positions: 3.25 points

<b>Open the Trade on Monday and Close at:</b>	<b>Spread (USD)</b>	<b>Commission (USD)</b>	<b>Swap (USD)</b>	<b>Cost on Investment</b>
Same Day	-14	-2	0	-0.22%
1 Day	-14	-2	3.82	-0.17%
2 Days	-14	-2	7.64	-0.11%
3 Days (Inc. Wednesday - Swaps x 3)	-14	-2	19.1	0.04

**Note:**

- i. The spread and commission is one-off cost and charged upon opening of the transaction at once for both operations (open and close).
- ii. Since the Account Base Currency is the same as the traded symbol's quoted currency, there is no need to convert the amounts.

Spread:  $(1459.72 - 1459.89) \times 100 = -\text{USD } 14$

Commission:  $2 \times -\text{EUR } 3 \times 1 \text{ Lot} = -\text{USD } 2$

Swap (1 Day):  $3.82 \times 1 \times 100 \times 0.01 \times 1 = \text{USD } 3.82$

Swap (2 Days):  $3.82 \times 1 \times 100 \times 0.01 \times 2 = \text{USD } 7.64$

Swap (3 Days):  $3.82 \times 1 \times 100 \times 0.01 \times 5 = \text{USD } 19.1$

Cost on Investment =  $(\text{Spread} + \text{Commission} + \text{Swap}) / \text{Margin Requirement}$

### **3.3. Annual Report on the Costs and Associated Charges**

An overview of the aggregated costs and charges (i.e., including the swap charges, spreads, commissions, and dormant fee, if applicable) derived from clients; transactions in regard to each of their trading account(s) will be provided, via email, to each client, on an annual basis. This information will be sent to the Company's clients both as cash amount and as a percentage of the costs and associated charges imposed on the invested funds, on each account's base currency. This will help client to understand the costs and associated charges imposed on their trading account(s) according to their trading activity throughout the year.