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## ESMA MEASURES

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The European Securities and Markets Authority (ESMA) has adopted new measures on the provision of contracts for differences (CFDs) to retail investors. As a provider of CFD services, ETFinance is obliged to follow such measures, which officially came into force on the 1<sup>st</sup> of August 2018.

Among other things, the company is required to adapt the Leverage on offer for its trading products as well as its margin closeout percentages.

It is important to note that these guidelines only affect retail clients. For more details on client categorization and the level of protection that characterizes each client category, read the Company's Client Categorization Policy [here](#).

Please be advised that you may be entitled to re-categorization on account of being an elective professional client. In case of re-categorization, ESMA'S guidelines will not apply to your trading account allowing you to keep your leverage level unchanged. On the other hand, carefully note that you will not enjoy certain protective measures, such as Investor Compensation Fund. Further information regarding the Investor Compensation Fund can found [here](#) and [here](#).

## Differences between classified Retail Traders and Professional Traders

<b>CFDS ASSETS CLASSES:</b>	<b>PROFESSIONAL (MAXIMUM LEVERAGE)</b>	<b>RETAIL (MAXIMUM LEVERAGE)</b>
Forex Major & Minor Pairs	1:500	1:30
Forex Exotic Pairs	1:500	1:20
Gold	1:250	1:20
Commodities	1:200	1:10
Energy Commodities	1:200	1:10
Major Indices	1:200	1:20
Minor Indices	1:200	1:10
Stocks & Shares	1:50	1:5
Cryptocurrencies	1:2	1:2

Leverage on offer to retail clients is offered as above.

<b>OTHER FEATURES</b>		
Negative balance Protection <sup>1</sup>	Yes	Yes
Margin close out rule <sup>2</sup>	15%	50%
Access to contests and other benefits	Yes	No
Dedicated Account Manager	Yes	Yes
Multilingual Customer Support	24/5	24/5
Access to VIP Platinum Education	Yes	No
Eligible for ICF compensation	No	Yes

## 1. Negative Balance Protection

The aim of Negative Balance Protection is to prevent clients from losing more than their deposited funds. This protective measure will remain functional on a per account basis and it is applied only to Retail clients.

## 2. Margin Closeout Limits

Margin Closeout Limits will be carried out for each individual account according to the percentage that dictates shutting down CFDs positions, set at 50%.

Trading Platform	Stop out before 1st of August	Stop out after 1st of August
MetaTrader 4	15%	50%

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

**\*Please note that in order to qualify to convert to an elective professional client, you must meet at least two of the following three criteria:**

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

### [Apply Now](#)

You should bear in mind that if you are not entitled to become an elective professional client, your retail client's account will remain fully operational with all benefits ETFinance offers its traders.