TBC CAPITAL

TBC CAPITAL TRADER

CFD Guidebook

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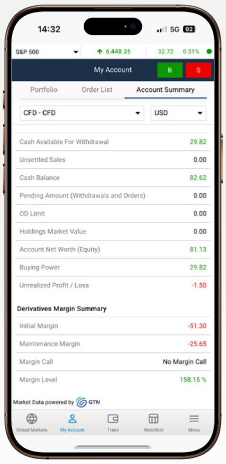
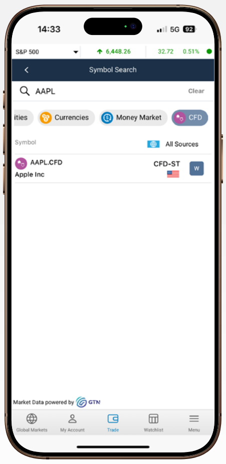
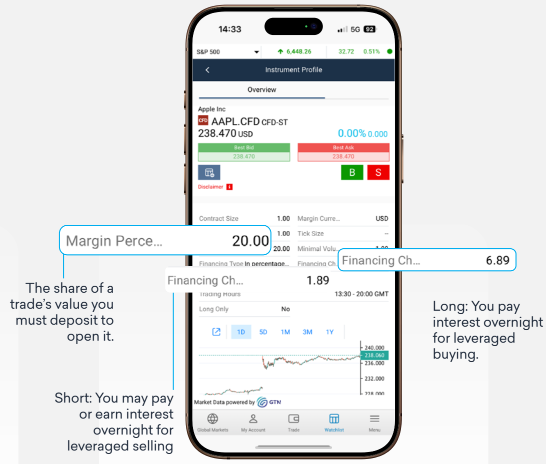


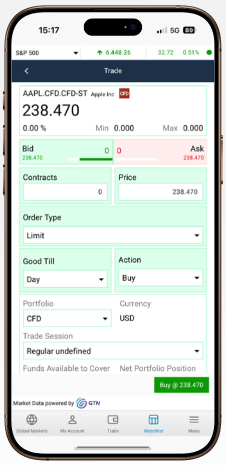
Check your **CFD Cash Account**



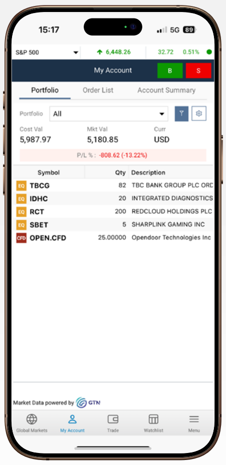
Find your preferred **CFD contract**



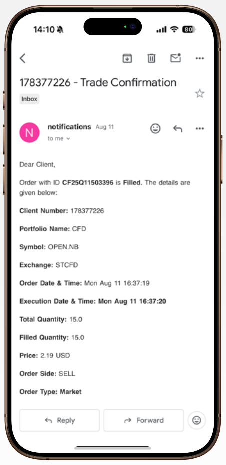
Review the **details** of the selected **CFD**



Click the **"Buy"** button, fill in the order details, and **confirm the transaction**

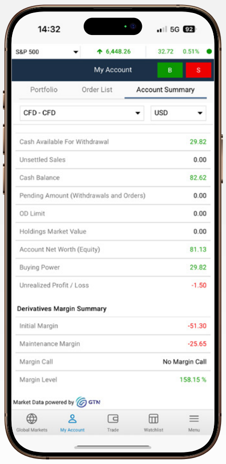


Go to the **My Account** section to view your CFD contract

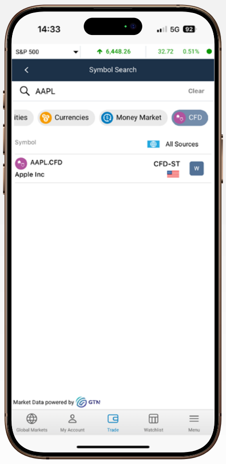


After opening a CFD position, you will **receive asset-related notifications** via email

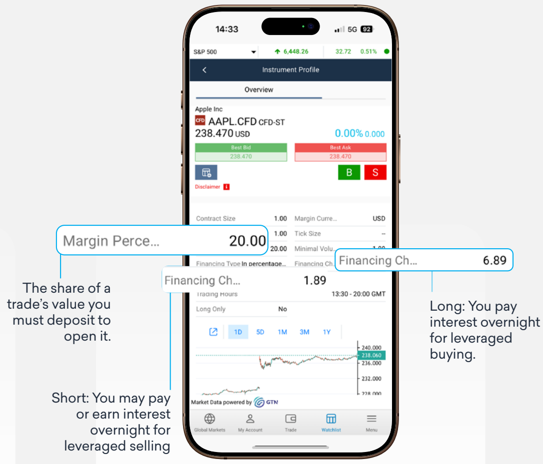
CFD TRADING | SHORT



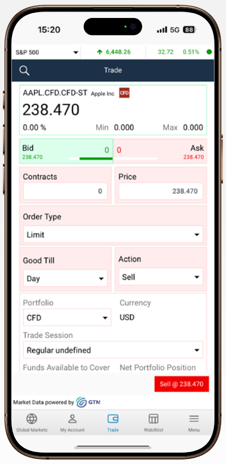
Check your **CFD Cash Account**



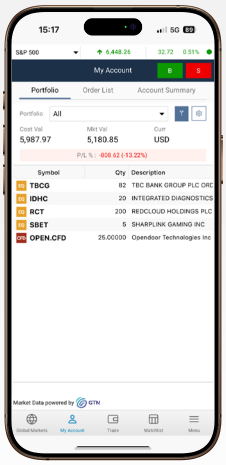
Find your preferred **CFD contract**



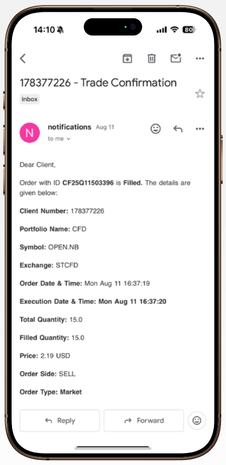
Review the **details** of the selected **CFD**



Click the **"Sell"** button, fill in the order details, and **confirm the transaction**

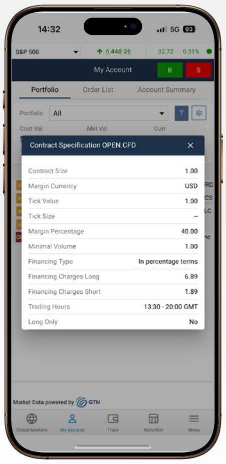


Go to the **My Account** section to view your CFD contract

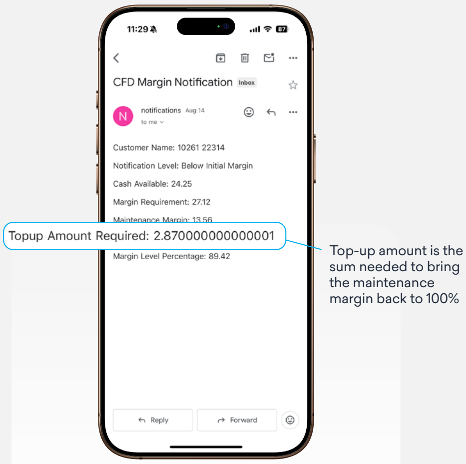


After opening a CFD position, you will **receive asset related notifications** via email

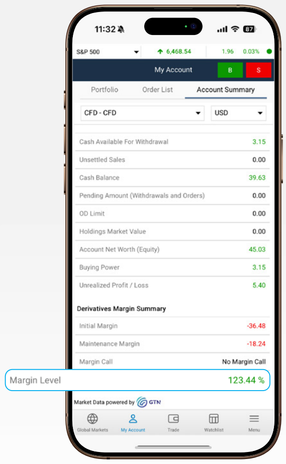
CFD TRADING | IMPORTANT NOTES



Click the **CFD** position, and choose **Contract Specification** to see contract details



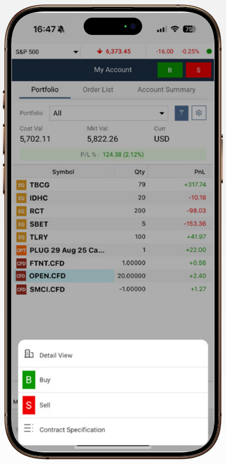
Keep an eye on TBC Capital emails about your **CFD** position



If margin level drops to 50%, losing positions are auto-liquidated to restore 100% margin.

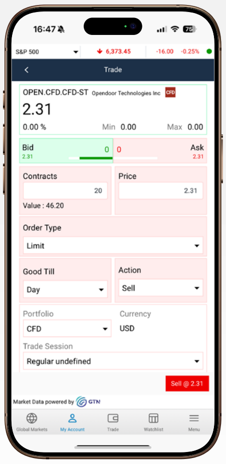
Charges on leverage from CFD positions are shown in the Cash Statement

CFD TRADING | SELL

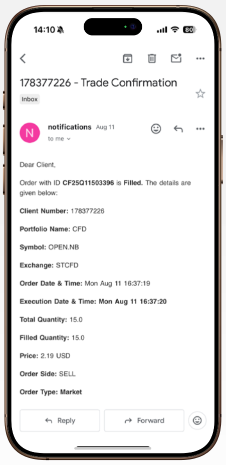


Select the position in your portfolio and click the **“Sell”** button

Enter the order details

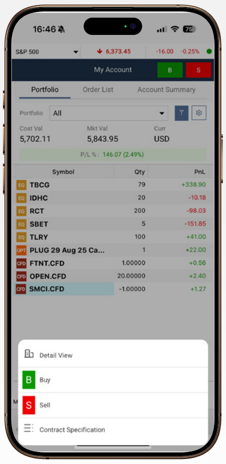


Review the details and confirm the transaction

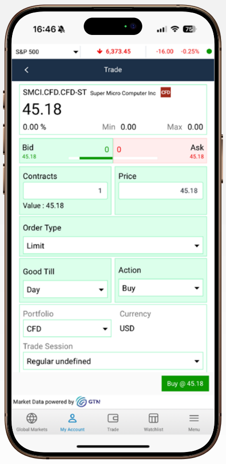


Mail Confirmation

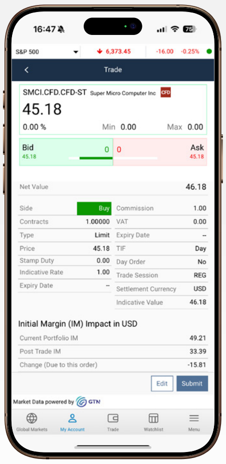
CFD TRADING | BUY



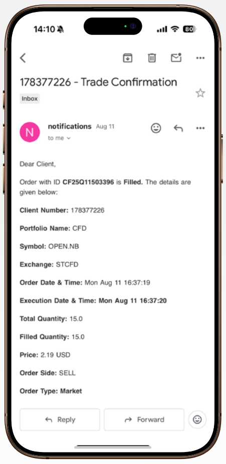
Select the position in your portfolio and click the “Buy” button



Enter the order details

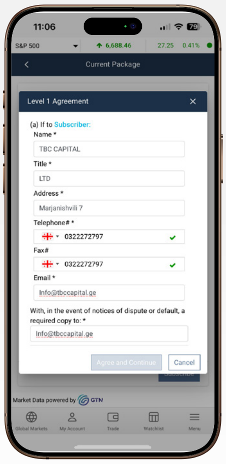


Review the details and confirm the transaction

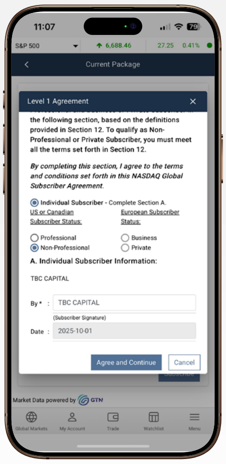


Mail Confirmation

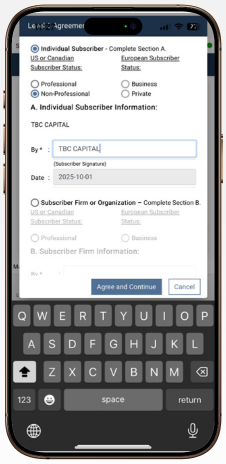
CFD TRADING | LIVE PRICING



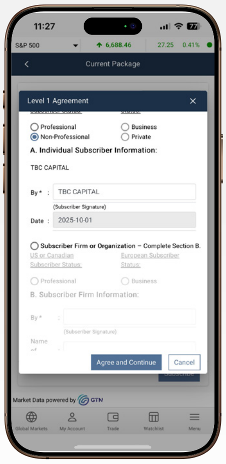
Fill in all fields marked with * at the top



Click on **“Individual Subscriber”** and select the **“Non-Professional”** option.



Fill in the **“By”** field with your name.



Click “Agree and Continue” after filling all fields.

CFD TRADING | FAQ

CFD Trading

What is CFD and how does it work?

A CFD (Contract for Difference) is a financial product that lets traders speculate on the price movement of an asset, such as a stock, without actually owning it.

The CFD price follows the price of the underlying asset. Trading CFDs has some characteristics, such as using margin (trading with leverage) and faster execution compared to regular stock trading.

CFDs are settled when you close the position. Keep in mind that there are trading costs (commissions or other fees), and you must always have enough funds to meet the margin requirements to open and maintain your position.

CFD prices are based on the value of the underlying assets, such as stocks, indices (e.g., S&P 500, DAX), commodities (like gold or oil), and currencies.

So how do CFDs work?

When you buy a single-stock CFD, you don't own the actual shares. Instead, you make a contract with the broker to trade on the stock's price movement. If the stock price goes up and you went "long," your CFD gains value and you make a profit. If the stock price falls, the CFD loses value and you take a loss. Keep in mind, there are commissions when opening and closing CFD trades, and additional costs if you hold short positions overnight.

CFDs have several main differences over traditional stocks:

Leverage – With CFDs, you only need to deposit a fraction of the trade's full value (known as the margin) to gain full exposure. The initial margin requirement varies by asset, so please check the details page for specific information.

Flexibility – you can profit from both rising prices ("going long") and falling prices ("going short").

Hedging – CFDs can be used to protect existing stock positions by shorting the same asset, helping offset short-term losses.

For example, if you short a stock CFD and the share price drops, you can buy it back at a lower price and keep the difference (minus transaction costs).

CFD TRADING | FAQ

What financial instruments can I trade as CFDs?

Through a CFD account at TBC Capital Trader, you can trade a wide range of financial instruments, including:

- Stocks – CFDs on shares of major global companies
- Indices – such as the S&P 500, Nasdaq 100, DAX, and others
- Commodities – like gold, silver, oil, and natural gas
- ETFs – selected exchange-traded funds

Are there risks with trading CFDs?

CFDs are complex financial products and carry a high level of risk. Before trading, you should carefully consider whether CFDs are suitable for you. Key risks include:

- **High risk of loss:** CFDs are leveraged products, meaning you only deposit a fraction of the full trade value (margin). Even small price changes can result in large losses, which may exceed your initial investment.
- **Market volatility:** CFD prices are highly volatile. Sudden market movements or "gaps" can cause losses and may prevent you from closing a position at your preferred price.
- **Margin calls & liquidation:** If your maintenance margin level falls below the required threshold (**50%**), your positions may be automatically closed by the counterparty if you fail to add funds in time.
- **No ownership rights:** When trading CFDs, you do not own the underlying asset (e.g., no shareholder or voting rights). You are only speculating on price movements.
- **Financing costs:** Holding positions overnight incurs daily financing fees, which can reduce profits or increase losses over time.
- **Technical risks:** Platform outages, delays, or internet connection issues may affect your ability to place, modify, or close trades.
- **Counterparty risk:** Your ability to recover funds depends on the financial stability of the counterparty providing the CFDs.
- **Currency & taxation risks:** If trading CFDs in foreign currency, exchange rate movements may affect your returns. Tax obligations also vary by jurisdiction.
- **Delayed or live prices:** Unless you subscribe to live prices, CFD quotes may be delayed by around 15 minutes, which can affect trading decisions. Please note that live CFD price subscription is free of charge on TBC Capital Trader.

CFD TRADING | FAQ

Important: According to ESMA statistics, between **74%–89% of retail clients lose money** when trading CFDs. You should only trade CFDs if you fully understand the risks and are prepared to take significant losses.

For full details, please review the **Master Agreement** or contact us at **Support@tbccapital.ge**

What is leverage in CFD trading?

CFDs enable you to increase your purchasing power because you can trade them on leverage. This means you only need to put up a fraction of the full value of your trade–the "margin"–to gain full exposure.

On most stocks, brokers offer leverage up to 5x (and up to 20x on stock indices). This means that with only USD 2,000 in capital, you could gain exposure to USD 10,000 worth of stocks. That's 5 times what would be possible with a conventional stock trade.

Just remember that while this additional exposure can increase your potential profits, it can also increase your potential losses.

How does margin work and what is a margin call?

In CFD trading, margin is the amount of money you need to deposit to open and maintain a leveraged position. Instead of paying the full value of the asset, you only need to provide a portion — known as the initial margin — which allows you to control a larger position with less capital.

For example, with 20% margin, you can open a $10,000 position with just $2,000 in your account.

A margin call happens when your account net equity value falls below the required maintenance margin (**50%**) due to losses on open positions. When this occurs, you will be required to either:

Deposit additional funds to meet the margin requirement, or Close some of your positions to reduce exposure

If no action is taken, the system may automatically close your positions to bring the portfolio margin about to Initial Margin level 100%.

CFD TRADING | FAQ

How does the liquidation process work if my account falls below margin requirements?

When your account equity falls below the required Initial Margin, the system automatically manages your positions to reduce risk. The process works as follows:

- The system first liquidates the position with the largest monetary loss (not based on percentage loss).
- If Net Equity remains below the Initial Margin requirement, additional positions are closed sequentially: next largest losing position, then lowest profit positions, and so on, until the Initial Margin requirement is restored.
- Initial Margin levels are monitored every 10 seconds during the liquidation process.
- Liquidation continues or stops automatically based on whether the Initial Margin requirement has been met.

Is it possible to open both long and short positions?

When you buy stocks, you can only make a profit when markets rise. However, when you trade a CFD, you can speculate on price movements in either direction. This is known as going “long” (if you think prices will rise) or “short” (if you think markets will fall).

So, if you think the share price of a certain company is going to fall, you could short it by “selling” a stock CFD. You can do this because CFDs are derivatives, and you don't need to actually own any company shares to sell CFDs based on its stock.

If you sell the company's CFD, and then the company's shares fall in price, you can profit by buying the CFD back at a lower level and pocketing the difference between your entry and exit prices.

You may experience cases where a CFD is not available for short-selling. This might be because the broker isn't able to borrow the stock. It may also be due to a short-selling ban put in place by the local financial authorities in order to protect the integrity and quality of the securities market.

It's also good to know that when short-selling a CFD, you will be subject to the rules for the stock market in that particular market. For example, when short-selling CFDs, you may experience forced closure of a position if the borrowed underlying shares get recalled. This may happen if the underlying stock becomes hard to borrow due to corporate events such as takeovers, dividends, rights offerings (and other merger and acquisition activities) or increased hedge fund selling of the stock.

CFD TRADING | FAQ

Please also take note that short-sell orders with "good till cancelled" (GTC) or "good till date" (GTD) duration may be cancelled if borrowing availability ceases. You may want to closely monitor short sell orders entered outside market hours or running across multiple days.

Lastly, always remember you may experience limitations on the number of CFDs you can short trade in a single day due to limited borrowing availability in the underlying market.

What is the minimum trade size for CFDs?

There is no minimum trade size for CFDs

- ### What types of orders can I place (e.g. stop-loss, take-profit)?

When trading CFDs, you can place the following types of orders:

- Market Order – Executes immediately at the current available market price.
- Limit Order – Executes only at a specified price or better. Useful for setting target entry or exit points.
- Stop Order – Triggers a market order once a specified price is reached. Commonly used to limit losses or enter trades when a breakout level is hit.

These order types help you manage your entry, exit, and risk more effectively based on your trading strategy.

Fees

What fees are associated with CFD trading?

The transactional commission will be charged to the Client at the time of the transaction and is as follows:

CFD Pricing		
Type of Financial Instruments	**Commission**	**Minimum amount of Commission**
Equity CFD	0.02 USD per share	Min. 10 USD
Non-Equity CFD	0.10%	Min. 5 USD
FX CFD	0.006%	Min. 5 USD
Long Position (Equity & Non-Equity)	ARR + 4.25%	
Short Position (Equity & Non-Equity)	ARR – 3.75%	
Long Position (FX)	ARR + 3.25%	
Short Position (FX)	ARR – 3.25%	

If an instrument has a minimum commission, that amount will always be charged, no matter the trade size. If the normal transaction commission is higher than the minimum, you will only pay the higher amount.

The daily commission will be charged to the Client on a daily basis and, for each financial instrument, is as follows

Long Position (Equity & Non-Equity)	**ARR + 4.25%**
Short Position (Equity & Non-Equity)	**ARR – 3.75%**
Long Position (FX)	**ARR + 3.25%**
Short Position (FX)	**ARR – 3.25%**

How it's calculated:

The commission is calculated daily on the **full nominal value** of your open CFD position using this formula:

Daily Financing Cost = Nominal Value of the CFD Position × (ARR ± Applicable Spread) ÷ Day Count Convention

- **ARR (Annual Reference Rate):** a market benchmark interest rate (e.g., SOFR, €STR, NBG refinancing rate, depending on the currency).
- **Applicable spread:** a fixed percentage added or subtracted from the ARR, as defined in your agreement.
- **Day Count Convention:** the standard number of days used for interest calculation in each currency (e.g., 360 or 365 days).

For more details, please refer to the CFD Agreement or contact us at Support@tbccapital.ge

RISK DISCLOSURE STATEMENT

The Client confirms and acknowledges that CFD trading is conducted through the technological trading platform of an independent third party – the Provider of Trading Platform – the operation and technical functionality of which are beyond the control of TBC Capital. Accordingly, the Client confirms and acknowledges that the use of the Trading Platform for CFD trading purposes is accompanied by associated risks, including:

- Delays or incorrect execution of trading orders;
- Technical glitches or connection interruptions;
- Unavailability of the platform due to planned or unplanned technical maintenance;
- Delays in the execution and reflection of orders.

The Client declares and confirms that investments made in a foreign currency expose the Client to significant risk, and changes in the currency exchange rate may significantly reduce the return expressed in GEL.

The Client confirms and acknowledges that CFD is a high-risk product, and according to international statistical data published by ESMA, 74-89% of retail client accounts lose the full amount invested. The Client also confirms receipt of the risk disclosure document.

Delayed Price Display

- The Client agrees that the prices presented on the Trading Platform are displayed with an approximate 15 (fifteen) minute delay compared to the live market prices. The Client understands that they have the option to additionally purchase a live price feed function, which may involve an additional fee determined by the Provider of Trading Platform and/or TBC Capital.
- In the event the Client does not use the live feed service, they assume full responsibility for all trading decisions made based on delayed prices and agree that TBC Capital is not responsible for any misinterpretation of prices or for any damages incurred by the Client as a result of using delayed data.
- The Client confirms and acknowledges that the prices and other market data published on the Trading Platform are provided directly by the provider of Trading Platform, which ensures the technical publication and updating of said data. The Client understands that TBC Capital does not determine or disseminate prices and, accordingly, is not responsible for the accuracy, completeness, timely updating, or technical correctness of the prices displayed on the Trading Platform. Any discrepancy, delay, or error in prices not be considered a breach of obligation by TBC Capital.

RISK DISCLOSURE STATEMENT

Leverage Risk:

- The Client acknowledges and confirms that CFD trading is highly speculative and involves significant risks. CFD trading is generally intended for individuals who are able and willing to experience significant losses that may substantially exceed the invested amount.
- CFD trading is conducted on a margin basis, which means that in any case, the Client may enter into transactions with volumes that exceed (often significantly) the amount invested by the Client (the so-called "margin"). In such cases, the effect of leverage is used, which makes the transactions highly speculative, as even a small movement in prices can lead to a significant loss (or profit).
- The use of leverage may cause or increase the probability that the Client will experience a financial loss that significantly exceeds the investment placed with the counterparty. The greater the leverage, the greater the likelihood that a small price difference will cause a large loss for the Client that exceeds the deposited margin. If the Client does not maintain adequate assets in their CFD Account, the Client will be liable to the Counterparty for all claims that are not covered by the assets held in the CFD Account.

Risk of Position Liquidation

- The Counterparty will issue a Margin Call according to the fee schedule if the margin level falls below a specified level. If the Client does not deposit the required funds in a timely manner, the Counterparty/Brokerage Company will have the right to automatically cancel (close) the Client's positions.

Profit is Not Guaranteed (Market Risks and Volatility)

- CFDs are characterized by market risks, and their value is highly volatile. The Client understands the dynamic nature of market conditions, which may affect CFD positions.
- Trading CFDs does not guarantee any profit. Past performance does not determine future results. The Client should not rely solely on historical data when making a trading decision. The value of CFDs may be volatile, and there is no guarantee of future returns.

Absence of Asset Ownership

- The Client understands that a CFD is a derivative. Consequently, when trading CFDs, the Client is speculating on the price movement of an asset without owning the ownership rights, including shareholder rights or voting rights.

RISK DISCLOSURE STATEMENT

Market Disruptions and Gap Risk

- Various market conditions may result in the Client being restricted from closing CFD positions and/or acquiring new ones. This may occur during times of high volatility, lack of liquidity, trading halts, or other price gaps (when the market opens at a significantly higher or lower price than the previous closing price).
- During a gap, Stop Loss orders may be executed at a price unfavorable to the Client, which increases the probability of incurring a loss.

Counterparty Risk

- When the Client trades CFDs through a Counterparty, the Counterparty is the other side of the Client's transaction. Accordingly, the Client's ability to make a profit or recover invested funds depends not only on market conditions but also on the financial stability and operational integrity of the Counterparty.
- In the event of a Counterparty's default, there is a risk that the Client may not receive their funds. The Client declares and confirms their awareness of the independence between the Brokerage Company and the Counterparty.

Interest Rates, Costs, and Fees

- Holding CFD positions incurs an obligation to pay a daily fee. These fees will be charged to the Client in accordance with the rules and conditions defined in this Agreement, and there is a risk that if positions are held for a long period, this may have a significant impact on potential profits or increase the Client's losses.
- The Client declares and confirms their awareness of their responsibility to monitor all costs, spreads, commissions, and daily fees, which may vary depending on each instrument and prevailing market conditions.

Technical and System Risks

- Internet connection interruptions, platform outages or glitches, delays, or execution errors may lead to the failure or delay of trading orders. The Client understands that CFD trading is accompanied by technical and system risks.
- The Counterparty will not be responsible for technical failures, software defects, or cyber-attacks that are beyond their control. In any case, the liability of the Brokerage Company for such specified technical failures is excluded.

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