

## INTERACTIVE BROKERS IRELAND LIMITED

### DESCRIPTION OF OUR SERVICES AND FEES

#### GUIDE TO OUR GENERAL BUSINESS TERMS

The General Business Terms together with the Schedules and Appendices form the Customer Agreement (“**Agreement**”) which governs the terms upon which we do business with you. To help you find your way around our General Business Terms, we have briefly summarised their contents below. To be clear, we have done so for convenience only and you should always refer to the Agreement for all of the legal rights and obligations that apply to your brokerage account and your relationship with us more generally.

**Clause 1 (Introduction)** contains basic regulatory information about IBIE, a glossary of key terms and information on where the Agreement applies.

**Clauses 2 to 4** contain information on the specific services that we provide.

- **Clause 2 (Services and Trading)** provides details on the nature of our services and describes how we execute orders and confirm trades. In particular, you should note the following:
  - We do not provide investment, tax or trading advice (**Clause 2A(ii)**).
  - You are responsible for all orders and instructions (**Clause 2B(iv)**).
  - You are responsible for protecting the secrecy of usernames and passwords and you are responsible for trades entered by third parties using your username and password (**Clause 2B(iv)**).
- **Clause 3 (Custody Services)** sets out how we protect your money and your assets.
- **Clause 4 (Margin Requirements, Security Interest, Netting and Set-Off)** governs the application of our margin policies, provides for the creation of a security interest and regulates set-off and netting between you, us and our affiliates.
  - Note in particular that we do not generally make margin calls. However, we maintain the right to immediately close out positions, without notice or liability, in any account that does not have sufficient funds to meet the margin requirement imposed by us or any exchange/regulatory authority. At our sole discretion, given the market or other factors, we may choose to make a margin call and/or may liquidate account positions. If you receive a margin call you are required to immediately deposit funds to cover the deficiency.
  - For further information on the above, please see **Clauses 4A(iv) through (vi)** in particular.

**Clause 5 (Our Remuneration)** provides the legal mechanics that enable us to charge for our services. Please note however that details of our fees and charges are contained in the “Guide to our Costs and Charges” as set out below.

**Clause 6 (Warranties, Indemnities and Default)** sets out some of your contractual obligations to us as well as when you will be in default under the Agreement. We draw your attention to the limitation of liability clause in and the fact that we are not liable for system or network failures (see **Clause 6B**).

**Clause 7 (Use of Electronic Services)** sets out some important information about the use of our electronic services and makes clear that clients must maintain alternative trading arrangements.

**Clauses 8 (Confidentiality) and 9 (Use of Confidential Information)** contain important acknowledgments and authorisations in relation to the way we obtain, store and transfer personal information.

**Clause 10 (Recording)** sets out how we record telephone conversations and electronic communications.

**Clause 11 (Particular Account Types)** sets out terms that apply to particular types of accounts that might be held with us.

**Clauses 12 (Complaints) and 13 (Compensation)** set out information on how you can make a complaint to us and the circumstances in which compensation may be available from official compensation schemes.

**Clause 14 (Miscellaneous)** addresses how we deal with conflicts of interest that may arise from time to time, sets out the circumstances in which either of us may end our business relationship, explains that the agreement is governed by Irish law and that the Irish courts have jurisdiction in the case of any dispute that may arise.

Further to our comment above, please note that the above is for your guidance only and in no way overrides, supersedes or supplements the Agreement. In the event of any inconsistency between this Guide and the Agreement, the Agreement shall prevail.

## **GUIDE TO OUR COSTS AND CHARGES**

The Agreement we have entered with you makes provision about our fees and charges, and refers you to the Pricing section of our website for a detailed explanation of the costs and charges applicable to your account.

This Costs and Charges section provides an explanatory guide to our pricing structure. For each of the Costs and Charges listed below, you are referred to the Pricing section of our website. That section hosts a dedicated page for each of the applicable Costs and Charges, organised by relevant product and market. IBIE will charge you for each Transaction in accordance with our applicable rates for the relevant Service or Transaction on the relevant market, financial instrument or assets. Our charges can be identified as Commissions, Interest and Financing, Subscription to Research, News and Market Data, Required Minimums and Other Fees. An overview of each of these charges is provided below and further details, including applicable examples, are contained in our website.

If you are a client of an advisor or an Introducing Broker, you will have separately agreed with your advisor or Introducing Broker the costs and charges applicable to their services. The Pricing section of the IBIE website contains further information on how IBIE collects from your account the costs and charges applied by your advisor and/or Introducing Broker. Those costs and charges are separate from the commissions, interests, subscription fees and other fees applied by IBIE in relation to the provision of its services.

### **1. Commissions**

We apply commissions on all products, including stocks, ETFs, warrants, options, futures and futures options, single-stock futures, EFPs, forex, fixed income, funds and CFDs around the world.

#### **Fixed Rate Pricing**

Fixed rate plans typically suit occasional traders. Under this plan, IBIE will charge a single flat rate per share or contract that includes all commissions and all exchange, regulatory and other third-party fees. Not all fees are included in the flat rate. Some US regulatory fees as well as stamp tax and financial transaction tax are passed through to all clients.

#### **Volume-Tiered Pricing**

Tiered rate plans typically charge suit more active traders as they itemise the individual components of each trade costs and pass through external fees.

Under this plan, IBIE will charge our low broker commissions, which decrease based on volume, plus exchange, regulatory, and clearing fees. In cases where an exchange provides a rebate, we pass some or all of the savings directly back to you.

Details, including examples, on how the Fixed and Tiered Plans apply to individual asset classes in different geographic markets are illustrated in our website under Pricing, "Commissions", within the individual product tab.

## **2. Interest and Financing**

We charge interest when you borrow money from us, at such rate as it is reasonably determined by us and calculated as further explained below. We apply fair interest rates for cash left with us so for you to retain the flexibility of managing your portfolio without losing an opportunity of accruing interests on your cash.

We use internationally recognised benchmarks on overnight deposits as a basis for determining interest rates. We then apply a spread around the benchmark interest rate ("**BM**") in tiers, where larger cash balances receive increasingly better rates, to determine effective rates on:

- Interest Paid to You on Positive (Credit) Cash Balances
- Interest Charged to You on Negative (Debit) Cash Balances
- Contract Interest on Open CFD Positions
- Interest Paid/Charged on Securities Financing.

Please consult the "Interest Schedule" included in our website under Pricing, "Interest and Financing".

## **3. Research, News and Market Data**

We generally charge a monthly subscription fee for research, news and market data available through the Interactive Brokers Information System ("**IBIS**"), our comprehensive news and fundamentals research platform add-on to the Trader Work Station ("**TWS**"). The monthly fee varies depending on the type of services (research, research and news, market data) subscribed for. The fees applicable to each of the subscriptions are listed on our website. We retain around 5% to 10% of the monthly fee quoted on the website to cover our administrative and other costs related to the provision of these services. The remainder of the fee is paid to the vendor.

The IBIS Research Platform includes subscription to some research services that are available free of charge. The free services are available to clients but also to non-clients who have opened a demo account and do not require the demo account to be converted in a real account or the account to be funded.

Market Data and Research subscription fees are calculated starting from the day of the subscription and applied on the first business day of each subsequent month as long as the services are active. The services are subject to the payment of the monthly fee, where applicable, and the maintenance on minimum equity level on the account. Subscription Minimum and Maintenance Equity Balance Requirements are listed on our website under Pricing, "Market Data Fees".

Please review the "Research and News" listing under the Pricing section of the IBIE website for a detailed explanation of the charging structure applicable to the research and news services available on the IBIS Research Platform.

Please consult the "Market Data" listing under the Pricing section of the IBIE website for a detailed explanation of the charging structure applicable to Market Data.

## **4. Additional Pricing Information**

### **Account Minimums**

We will charge a monthly activity fee if the level of commissions applied to your account doesn't reach a prescribed minimum amount. The monthly activity fee varies mainly depending on your account type and the account average equity balance.

Monthly activity fees per account type are listed on our website under "Account Minimums" in the Pricing section.

### **Other Fees**

In addition to the Commissions, Interests and Activity Fees described above we apply other fees related to:

- The processing of dividends and corporate actions;
- Trading related fees for exercise and assignment of futures, options and other financial instruments;
- If we have to cancel or modify an order at your request, in case we need to bust or adjust a transaction for causes that are not imputable to us; if we accept an order to close a position over the phone;
- If we facilitate cash movements or process account's withdrawals;
- When your exposure in a margin account is considered as high risk.

We also apply other fees to reflect account maintenance and reporting related activities for clients subject to the European Markets and Infrastructure Regulations (EMIR) or Markets in Financial Instruments Regulation (MiFIR), that requested us to apply for a Legal Entity Identifier (LEI).

The fees related to each of the items listed above are explained in detail on our website under "Other Fees" in the Pricing section.

## **5. Collection of Costs and Charges**

Transaction commissions, fees and other charges are charged to the account upon each order's transmission and/or execution. Credit interest is payable and debit interest is charged at such frequency, rates and on such credit or debit balances as set forth above under "Interest and Financing".

Account Activity Fees, where applicable, are charged to the account during the first week of each month. Similarly, subscriptions to research and market data or special connections are collected monthly on the first week of the following month.

Other Fees, where applicable, are charged to the account in the manner described in the "Other Fees" section of the IBIE website. Further details are provided on each of the dedicated pages of the IBIE website.

## **6. Multi-Currency Account**

The IBIE Multi-Currency Account function gives the ability to trade in products and also make deposits and withdrawals in different currencies using a single account that is denominated in a base currency of the client's choosing. Transaction costs, interests charged or accrued by the client are paid in the currency in which they are incurred. More information on "Converting Currency Balances" can be found on the [IBKR Knowledge Base](#). This is not the case for Forex executions where the commission is charged in the base currency of the account, not the denomination of the currency pair traded.

## **7. Costs and charges illustrations**

The [following examples](#) show on a hypothetical and best effort basis what impact the costs you may pay will have on the investment return you might get. The total costs take into account one-time, ongoing and incidental costs. The amounts shown assume cumulative costs related to the products traded and services that might be provided to your account. Actual costs might vary.