



PUBLIC OFFER

**Regulations of the Social Trading Platform
LiteForex Investments Limited**

Revision of 10th May, 2016

Regulations of the Social Trading Platform

LiteForex Investments Limited, hereinafter referred to as the "**Company**", provides a service package hereinafter referred to as the **Social Trading Platform** in the manner and on terms set out in these **Regulations**.

The Social Trading Platform is intended for the clients of LiteForex Investment Limited and located at <https://social.liteforex.com>. In order to log in to the Social Trading Platform, a client shall use his/her Client Profile or trading account login information.

The **Client** accepts fully and unconditionally the terms of these **Regulations** once he/she has registered a client profile and opened accounts specifically designed for the **Social Trading Platform**.

1. Terms and definitions

The terms used for the purpose of these **Regulations** shall have the following meaning:

Trader – the LiteForex company's client who has registered his/her current trading account in the **Social Trading** Platform or opened a new account through the platform for other clients to be able to copy the trades conducted in the Trader's account onto their Investor's accounts.

Investor – the LiteForex company's client who has registered his/her current trading account in the **Social Trading** Platform or opened a new account through the platform in order to **Copy** transactions from the **Trader's account**.

Trader's commission (Profit sharing) – a part (%) of the **Trader's** profit made in the **Investor's account** over a completed trading period whose amount is determined by the **Trader** upon his/her registration in the **Social Trading** Platform and which shall be paid into the **Trader's account** from the **Investor's account** as a **Commission** for **Copy trading**.

Commission – a **profit share** expressed in monetary terms and transferred from the **Investor's account** to the **Trader's account** during **Rollover**.

Traders' Rating – a special table which displays the latest aggregate information on **Traders'** registered accounts.

Account liquidation – termination of use of a trading account as the **Trader's account**.

Rollover – a procedure of settlements between the **Trader** and the **Investor** which immediately takes place at the end of a Trading period.

Copying/Copy/Copy trading – an opening/closing of a trade in the **Investor's account** right after an opening/closing of a trade in the **Trader's account** which has the same direction as the **Trader's** trade and whose parameters are dependent on **Copy settings**.

Trader's account – a trading account registered in the **Social Trading** Platform with the view of providing a **Copy trading** option to other traders and thereby receiving a **Profit share**.

Investor's account – a trading account registered in the **Social Trading** Platform with the view of **Copying** trades from the **Trader's account** thereon.

Debt – a partially or fully outstanding commitment of the **Investor** to pay a **profit share** to the **Trader**

Copy settings – parameters of the **Investor's account** which are set when creating the account and which define the rules of **Copy trading**.

Full size copying 1 for 1 – a **Copy Type** that implies that the volume of a trade copied onto the Investor's Account is equal to the volume of the respective trade in the Trader's Account.

Copying a fixed size of each trade – a **Copy Type** that implies that the volume of a trade copied onto the **Investor's Account** is always identical to the Volume pre-set in lots in Copy Settings.

Copying a predefined percent of each trade – a **Copy Type** that implies that the volume of a trade copied onto the **Investor's Account** is identical to a pre-set percent of the volume of the respective trade on the Trader's account.

Copying in proportion to Investor's equity – a **Copy Type** that implies that the volume of a trade copied onto the Investor's Account is defined by the Copy equity/Trader's equity ratio. The volume of the Investor's equity used for copying trades is defined in Copy settings.

Percent of the volume – a parameter of **Copy settings** for the “**Copying a predefined percent of each trade**” **Copy Type**. It represents a ratio (in %) of the volume of the trade copied onto the **Investor's account** to the volume of the respective trade in the **Trader's account**. It may vary from 1% to 100% in 1% increments.

Volume – a parameter of **Copy settings** for the “**Copying a fixed size of each trade**” **Copy Type** which defines the volume of the trades to be copied onto the **Investor's account**. It's measured in lots.

Equity Stop Copying Level – a parameter of **Copy settings** which defines the amount of the **Investor's account** equity deemed to be critical. Once this level achieved, **Copying** of new trades onto the account will be suspended.

Copy equity – a parameter of **Copy settings** for the “**Copying in proportion to Investor's equity**” **Copy Type** which defines in monetary terms the maximum amount of funds that may be used for opening trades in the **Investor's account**.

Attachment – registration of a trading account as **the Investor's account**.

Detachment – disconnection of a trading account from the **Trader's account**.

Trader's pause – suspension of **Copy trading** initiated by **the Trader**.

Investor's pause – suspension of **Copy trading** initiated by the **Investor**.

Trading interval – a period of time which starts as soon as the Investor's account is attached to the Trader's account or right after a Rollover and which ends right before the next Rollover.

Debts owed to Traders - a list of the **Client's** debts owed to the **Trader** and registered in his/her **Investor's accounts**.

Investors' debts – a list of the **Investors' accounts** with registered **Debts owed to the Trader**.

Debt Settlement – transfer of the money from the **Investor's account** (or a trading account that used to be the **Investor's account** at the moment of debt creation) to the **Trader's account** with the view of paying off **profit share** liabilities to the **Trader**.

If the above list does not provide a definition of one of the terms used in these Regulations, the interpretation of this term should be based on the definition provided in the [Agreement on quoting system and transactions procedure](#) and the [Public Offer](#) in the manner set out in items 12.1 and 12.2 of these Regulations.

2. General provisions

2.1. These Regulations set out the rules and manner of providing the clients with the **Social Trading Platform** that represents a system for copying trades. **The Company** is responsible for providing the Platform in the manner set out in these **Regulations**. **The Company** does not manage **Trader's accounts** and shall not be liable for **Traders'** trading results.

2.2. These **Regulations** come into force as soon as the client registers his/her trading account as **the Investor's account** or **Trader's account** and shall be valid as long as the client has at least one trading account registered as **the Investor's account** or the **Trader's account** and/or a **Debt**.

2.3. Under the terms of the **Social Trading Platform**, the **Company's** liability shall be limited to providing the Clients with due technical operation of the **Social Trading Platform** and shall not concern **Traders'** trading results.

2.4. If, for some reason, the **Client** does not have a technical opportunity to use the **Social Trading Platform** for managing the **Trader's** or **Investor's** accounts, the Client has a right to use any of the specified communication means to contact the **Company** in order to give instructions for some particular actions (including, without limitation, **Detachment, Account Liquidation, Rollover**, and the like). If the Client fails to undertake any of these actions, the **Company** shall not be liable for any damage or missed profits.

3. Description of the Social Trading Platform

3.1. The **Social Trading Platform** is a software solution which implements and automates all processes of copy trading in the trading accounts within the **Company**.

3.2. The **Social Trading Platform** automates the following processes:

- registration of trading accounts as **Trader's accounts**;
- attachment of trading accounts as **Investor's accounts**;
- **copying** of trades from the **Trader's accounts** onto the **Investor's accounts** in accordance with relevant **Copy settings**;
- execution of **Rollovers** and paying off **Commission** to the **Trader**;
- update of information on the **Trader's accounts** in the **Monitoring table**;
- update of information on **Debt**.

3.3. **The Trader** conducts trading operations in his/her own **Trader's accounts**. The document that shall govern the conduction of trades in the **Trader's accounts** is [the Agreement on quoting system and transactions procedure](#).

3.4. The trades conducted in the **Trader's accounts** are copied onto the **Investor's accounts**.

3.5. **Copying** a trade from the **Trader's account** shall mean a simultaneous opening/closure of a trade on the same trading instrument, of the same type (Buy or Sell) in accordance with **Copy settings** in the **Investor's account**.

3.6. The Client's acceptance of the terms of these **Regulations** does not form contractual relationships between the **Investor** and **Trader** and therefore does not result in concluding an agreement between them.

3.7. **The Trader** has a right to use any trading strategy complying with [the Agreement on quoting system and transactions procedure](#); conducts trades by use of his/her own funds, does not provide asset investment Platforms or advice to **Investors**.

3.8. The **Investor** has a right to set the parameters of **Copy settings** independently, including the possibility to change the Percent of the **Volume**, which allows him/her to equate trading risks in the **Investor's account** with the risks in the **Trader's account**, or cut them down to an acceptable level.

3.9. The **Investor** has the right to close or modify independently the trades copied from the **Trader's account**.

4. **Trader's Rights and Responsibilities**

4.1. The Client has the right to resister any of his/her ECN accounts as the **Trader's account**.

4.2. The Trader has the right to set his/her **Profit Share** in a 0% - 100% range.

4.3. The **Profit Share** set in the parameters of the **Trader's account** at the moment of the **Investor's account** attachment shall remain valid for this particular **Investor's account**.

4.4. The **Trader** has the right to change the amount of the **Profit Share** at any time. At the same time, the new amount will not apply to the **Investors' accounts** that have been already attached.

4.5. By registering the **Trader's Account**, the Client confirms his/her consent to copying trades from the **Trader's account** onto all attached **Investor's accounts**.

4.6. The **Trader** has a right to initiate **Rollover** at any time.

5. **Investor's Rights and Responsibilities**

5.1. The Client has the right to register any of his/her ECN trading accounts as the **Investor's account**.

5.2. When registering the **Investor's account**, the Client shall

- specify the **Trader's account** from which the trades will be copied;
- select the **Copy type**;
- determine **Copy settings** relevant to the selected **Copy type**.

5.3. The **Investor's account** is considered as attached to the **Trader's Account** specified as a copy trading source at the moment of registration, until the moment of **Detachment**.

5.4. The **Investor** has a right to change **Copy settings** at any time under the relevant **Copy Type** in his/her **Investor's account**. **Copy type** can be changed provided that no copied trades are opened in the account.

5.5. Attaching one's own **Investor's Accounts** to one's own **Trader's account** is forbidden.

6. Copy trading

6.1 Any trading operation executed in the **Trader's Account** will be copied onto attached **Investor's accounts**, except the following cases:

6.1.1. The volume of a trade to be copied onto the **Investor's account** is less than the minimum trade volume set by the **Company** on the trading server for the particular trading instrument.

6.1.2. The **Investor's account** does not have enough funds to open a new position.

6.1.3. The **Investor's Pause** has been set in the **Investor's account**.

6.1.4. The **Trader's Pause** has been set in the relevant **Trader's account**.

6.1.5. The **Social Trading Platform** has been disabled for the profile of the **Investor's account** or **Trader's Account** holder due to **Debt** or for any other reason.

6.1.6. **The Investor's account** equity is less than or equal to the **Equity Stop Copying level**.

6.2 The trades copied onto the **Investor's account** are executed at current market prices and can therefore be different from the prices at which the respective trades have been executed in the **Trader's Account**.

6.3 If the volume of the trade to be copied onto the **Investor's account** is more than the maximum trade volume set by the **Company** on the trading server for the particular trading instrument, the trade shall be copied with the maximum trade volume applicable to this trading instrument.

6.4 When calculating the volume of the trade to be copied onto the **Investor's Account**, the volume shall be rounded to a value equal to 1 trade volume increment set for the trading instrument.

7. Copy settings and types

7.1 All settings applicable to the **Investor's Account**, including **Copy Settings**, shall be set by the **Investor** independently. The **Trader** cannot influence the choice of **Copy Type** or the copying process in general.

7.2 The **Company** provides four types of copy trading and each of them has different parameters of **Copy Settings**:

- 7.2.1 **Full size copying 1 for 1.** This **Copy Type** implies that the volume of a trade copied onto the **Investor's Account** is equal to the volume of the respective trade in the **Trader's Account**.
- 7.2.2 **Copying a fixed size of each trade.** This **Copy Type** implies that the volume of a trade copied onto the **Investor's Account** is always identical to the Volume pre-set in **Copy Settings**.
- 7.2.3 **Copying a predefined percent of each trade.** This **Copy Type** implies that the volume of a trade copied onto the **Investor's Account** is equal to the volume of the respective trade in the **Trader's Account** multiplied by the **Percent of the Volume**. The following formula applies to **this Copy Type**: Trade volume in the Investor's Account =
- 7.2.4 **Copying in proportion to Investor's equity.** This **Copy Type** implies that the volume of a trade copied onto the **Investor's Account** shall be computed by use of the following formula:

Trade volume in the Investor's Account = Trade volume in the Trader's Account *
Copy Equity/Trader's Equity *where*

- **Copy Equity** is defined by Copy Parameters;
- Trader's Equity is the amount of funds in the **Trader's Account** at the moment of trade copying.

Copy Settings shall specify in which way the amount of **Copy Equity** will be computed:

- Part of Equity - this value implies that the amount of **Copy Equity** is specified by the **Investor**; if the current equity amount in the Investor's account is less than the specified value, the current equity amount will be used as this value;
- All Equity - the value implying that **Copy equity** shall be equal to the current amount of funds in the **Investor's Account** at the moment of copying the trade.

7.3. In order to limit potential losses in the **Investor's Account**, the Client may set the parameter "**Equity Stop Copying Level**" in his/her **Investor's Account**. If the **Investor's Account** Equity becomes less than or equal to the **Equity Stop Copying level**, **Copy trading** will be suspended in this account.

7.4. The equity amount in the **Investor's account** is compared with the **Equity Stop Copying level** every 2 (two) minutes.

8. Rollovers and trading intervals

8.1 Each **Trading Interval** in the **Investor's Account** ends with **Rollover** in this account.

8.2 **Rollover** occurs in the presence of a positive aggregate profit from copied trades in the **Investor's Account**. Only the trades copied from the **Trader's account** and closed after the

completion of the previous **Rollover** shall be considered when calculating aggregate profits.

8.3 After **Rollover**, **Commission** is transferred from the **Investor's Account** to the **Trader's Account**.

8.4 The amount of **Commission** is computed by means of the following formula:

Commission = *Aggregate profits from copied trades over Trading Interval * Profit Share / 100*

8.5 All settlements between the **Trader** and the **Investor** are realized only by use of the special software developed by the **Company**. If **Rollover** has not taken place due to a technical failure, it shall be executed as soon as the failure has been eliminated and the operation of the Platform has been resumed in full.

8.6 If **Rollover** has been initiated by the **Trader**, mutual settlements will be made in all **Investor's Accounts** attached to this **Trader's Account**.

8.7 A request for **Rollover** is made automatically in each particular **Investor's Account** in the following cases: **Detachment** of the account; withdrawal of funds from the **Investor's Account**; change in **Copy Settings**.

8.8 In case there is not enough free equity to pay out **Commission** after **Rollover**, a partial payment equal to the amount of available equity will take place and a **Debt** will be formed.

9. Detachment from the Trader's Account and Liquidation of the Trader's Account

9.1 **Detachment** of the **Investor's Account** shall include the following steps:

- Request to perform **Rollover**;
- Disconnection of the account from the **Social Trading** Platform.

9.2 The **Investor** has the right to detach his **Investor's Account** at any time. At the same time, the **Investor** realizes and agrees that all current copied trades will be closed at current prices.

9.3 **Liquidation** of the **Trader's Account** shall include the following steps:

- Request to perform **Rollover** and settlements in all **Investor's accounts** attached to this **Trader's Account**.
- Detachment of all **Investor's Accounts** attached to this **Trader's Account**.

9.4 The **Trader** has the right to liquidate his **Trader's Account** at any time. At the same time, the **Trader** realizes and agrees that all current trades in his/her account will be closed at current prices.

9.5 The **Company** has the right to liquidate the **Trader's Account** of the Client with no reason given and with subsequent notice. The following cases shall also result in **Liquidation**:

- Drop of the **Trader's account** overall profitability to/below -95% (minus ninety-five percent).
- No activity in the account in a 30-day period;

- Detecting fraud or violation of the provisions of the [Agreement on quoting system and transactions procedure](#) and/or [Public Offer](#), or a suspicion that **the Trader** has performed actions aimed at making illegal profits from the **Social Trading Platform**.

10. Withdrawal of funds from the Investor's Account and Commission Payment Liabilities

- 10.2 The **Investor's Account** equity available for withdrawals is decreased by the current **Commission** amount.
- 10.3 The formation of **Debt** in one of the **Investor's Accounts** results in the suspension of the **Social Trading Platform** operation in all accounts of the **Client** till **Debt Settlement**. The suspension of the **Social Trading Platform** does not concern open copied trades in the **Investor's Accounts**.
- 10.4 Withdrawal of funds from the **Client's** all accounts is blocked till **Debt Settlement**, regardless of whether or not the accounts are attached to the **Social Trading Platform**.
- 10.5 The **Client** has the right to settle **Debt** fully or partially by making a deposit in these accounts, including internal transfer. Partial **Debt Settlement** shall not cancel full **Debt Settlement** liabilities.
- 10.6 All **Debts** are displayed chronologically in the **Debt Table** within the **Client Profile**. All **Debts** shall be settled chronologically, i.e. the **debt** indicated as the second on the list cannot be paid off prior to the **debt** indicated as the first one on the list.

11. Risks and Responsibilities

- 11.2 The **Investor** fully accepts all risks that may arise under the **Social Trading Platform** and that may be connected to **Copying** trades from the **Trader's Accounts**.
- 11.3 The **Investor** assumes responsibility for providing enough funds for executing orders and maintaining positions in his/her account regardless of whether they have been copied, opened manually or by use of **Experts/Advisers**, and for paying **Commission**.
- 11.4 The **Investor** understands and agrees that aggregate margin requirements in the **Investor's** and **Trader's Accounts** may be different.
- 11.5 The **Investor** understands and accepts all possible risks related to losses or missed profits incurred as a result of rounding values when using **Copy Settings**.
- 11.6 The **Investor** accepts the fact that the suspension of copying upon reaching **Equity Stop Copying Level** can take place at a later time and result in less equity.
- 11.7 The **Trader** and the **Investor** accept the risks connected with a possible difference between the transaction execution prices in the **Investor's** and **Trader's Accounts**, according to item 6.2. The **Company** shall not be held liable for compensation of a possible difference in profits/losses and a possible difference in **Commission** amounts incurred in such trades.

- 11.8 The **Trader** assumes the risk of not receiving **Commission** for the reasons stated in item 6.1. The **Company** shall not be held liable for compensation of **Commission** in such trades.
- 11.9 The **Trader** assumes that the **Investor** may close or modify trades copied from the **Trader's account** in his/her own account. The **Company** shall not be held liable for the **Investor's** actions and shall not compensate the **Trader** for missed **Commissions**.
- 11.10 The **Trader** assumes the risk of not receiving **Commission** or a part of **Commission** due to the absence of necessary funds in the **Investor's Account** at the moment of **Rollover**. The **Company** shall not be held liable for compensation of missed **Commission** if the amount cannot be debited from the **Investor's Account** in full.
- 11.11 Under no circumstances shall the **Company** assess the competence and business/ethical qualities of **Traders** and be liable for incurred losses or missed profits.
- 11.12 The **Company** shall not be held liable for the risk of deliberate or inadvertent failure of the holder of the **Trader' account** to safeguard interests of the holder of the **Investor's accounts**. In such cases, all risks shall be the responsibility of the **Investor**.

12. Miscellaneous

- 12.2 If one or more of the provisions set out in these **Regulations** shall be invalid or unenforceable, the validity and legality of the remaining provisions contained herein shall not in any way be affected.
- 12.3 If there is no definition of one of the terms in these **Regulations**, the interpretation of this term should be first and foremost based on the definition provided in the [Agreement on quoting system and transactions procedure](#) and in the **Company's** other regulatory documents.
- 12.4 The **Company** has the right to amend the provisions of these **Regulations** at any time with written electronic notice to the Clients 5 (five) days before the amendments come into force.