



Gate Securities (Cyprus) Ltd

ex. Sheer Markets (Cyprus) Ltd

LEVERAGE & MARGIN POLICY

September 2026

CONTENTS

1. INTRODUCTION	3
2. SCOPE	3
3. LEGAL AND REGULATORY FRAMEWORK.....	3
4. APPLICABILITY	3
5. COMPANY'S COMMITMENT.....	4
6. FACTORS CONSIDERED.....	4
7. CLIENTS' CATEGORISATION.....	4
8. LEVERAGE RATIOS FOR DIFFERENT ASSET CLASSES AND FINANCIAL INSTRUMENTS.....	5
9. FREQUENTLY ASKED QUESTIONS.....	7
10. MARGIN LEVEL POLICY / MARGIN CLOSE OUT RULE	9
11. NEGATIVE BALANCE PROTECTION.....	9
12. OFFERING CFDs IN CERTAIN JURISDICTIONS	10
13. QUERIES	10



1. INTRODUCTION

- 1.1. Gate Securities (Cyprus) LTD (hereafter “the Company” or “Gate Securities”) is a Cyprus Investment Firm (hereafter ‘CIF’) authorized and regulated by the Cyprus Securities and Exchange Commission (hereafter “CySEC”) with License Number 395/20 and operates in compliance to the Investment Services and Activities and Regulated Markets Law 87(I)/2017 and subsequent amendments.

2. SCOPE

- 2.1. This Leverage and Margin Policy (the “Policy”) sets out how we set leverage and margin levels and procedures when you trade in leveraged financial instruments with us.
- 2.2. The Company’s leveraged financial instruments (the “Leveraged products”) are the following:
- Financial Contracts for Differences (“CFDs”) on Forex, Shares, Indices, Commodities and Cryptocurrencies.
- 2.3. The purpose of this Policy is to explain the key aspects of leverage trading with margin and what leverage levels we make available, depending on your knowledge and experience and regulatory requirements. It also outlines the impact on your margin and account where negative market movements occur.

3. LEGAL AND REGULATORY FRAMEWORK

- 3.1. This Policy is issued pursuant to, and in compliance with, the requirements of European Parliament and Council Directive 2014/65/EU on Markets in Financial Instruments (MiFID II), Law 87(I)/2017 of the Republic of Cyprus (as amended), and applicable regulatory directives issued by the Cyprus Securities and Exchange Commission (“CySEC”).
- 3.2. Furthermore, this Policy strictly complies with CySEC Directive DI87-09 on the restriction of the Marketing, Distribution, or Sale of Contracts for Differences (CFDs) to Retail Clients (the “National Product Intervention Measures on CFDs”), as amended by Regulatory Administrative Act (RAA) 270/2025.
- 3.3. The Board of Directors approves this, Policy. The Compliance function is responsible for reviewing this Policy at least annually, or immediately upon publication of relevant legal, statutory, or regulatory amendments by CySEC, ESMA, or the European Banking Authority (EBA)

4. APPLICABILITY

- 4.1. This Policy applies with respect to the orders executed on behalf of Retail and Professional clients.
- 4.2. If you are an Eligible Counterparty, as defined under the Regulations, this Policy does not apply to you.

5. COMPANY’S COMMITMENT

- 5.1. The Company has a duty to act honestly, fairly, professionally and in the best interests of our clients when dealing with them.
- 5.2. In relation to Leverage and Margin, we are required:

- a) To set leverage levels that reflect your knowledge and experience in trading in complex financial instruments, like CFDs, given that trading with leverage and margin is a key characteristic of trading in such products.
- b) To have regard to our duty to treat you fairly by avoiding aggressive leverage practices towards you.
- c) To have regard to the underlying performance fundamentals of the financial instruments on which our Leveraged products are based, including historic volatility, depth of market liquidity and trading volumes, market capitalization of the issuer and country of issuer of the underlying financial instrument and the general political and economic environment. We adjust and calibrate the above variables in determining the leverage levels we offer for asset classes or financial instruments.
- d) Given that we effectively provide the leverage for which you trade, to have regard to our own risk management appetite and risk bearing capacity and to have in place policies, procedures and practices to manage our (primarily) market risk emanating from such leverage and margin trading by our clients.
- e) To apply regulatory requirements and caps as set by CySEC and/ or ESMA (if applicable).

6. FACTORS CONSIDERED

- 6.1. The Company takes into consideration the following factors when determining the maximum allowed leverage:
- a) Client's Knowledge & Trading experience: With a series of questions in the account opening application, we determine the client's financial strength, financial knowledge, trading experience, and trading style.
 - b) The risk appetite and risk management of the Company.
 - c) The capital base and financial strength of the Company, as calculated and monitored based on the Company's Capital Adequacy.
 - d) The Client's categorization under the Law 87(I)/2017.
 - e) Asset Class: The Company's leverage ratios for different asset classes and financial instruments are presented in Section 8 of this policy.

7. CLIENTS' CATEGORISATION

- 7.1. Retail Clients: Subject to passing the Appropriateness Test as part of the on-boarding application process, all Retail Clients will be offered leverage as set out in Section 8 of this Policy and the National Product Intervention Measures. Those applicants who do not pass the online appropriateness testing, that includes qualitative questions regarding their wealth and experience together with an online questionnaire to demonstrate their knowledge of the risks and workings of the CFD products, will not be allowed to trade with the Company.
- 7.2. Professional Clients: With respect to Professional Clients, as these are defined in the Company's Client Categorization Policy, the maximum allowed leverage limit applicable to each financial instrument/underlying asset class in accordance with section 8 is offered as a default. Professional Clients have the choice to change (i.e., lower or re-increase) the leverage ratios they trade with via the trading platform, subject to the caps that we may apply based on our internal principles of risk appetite and tolerance. We reserve the right to introduce additional leverage levels.

8. LEVERAGE RATIOS FOR DIFFERENT ASSET CLASSES AND FINANCIAL INSTRUMENTS

8.1. Financial Contracts for Differences

- **Retail Clients** The table below specifies the maximum allowed leverage caps and required initial

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margin percentages per underlying asset class in accordance with CySEC Directive DI87-09 (as amended by RAA 270/2025):

CFD Underlying Asset Class	Maximum Leverage	Initial Margin Required
Major Currency Pairs (Pair composed of any two of: EUR, USD, JPY, GBP, CAD, CHF)	1:30	3.33%
Non-Major Currency Pairs, Gold, and Major Indices (Major Indices: FTSE 100, CAC 40, DAX 40, DJIA, S&P 500, NASDAQ, Nikkei 225, ASX 200, EURO STOXX 50)	1:20	5%
Commodities (excluding Gold) & Non-Major Indices (Any equity index or commodity not explicitly specified above)	1:10	10%
Individual Shares & Other Reference Values	1:5	20%
Crypto Assets (CFDs)	1:2	50%

- **Professional Clients:** The table below specifies the maximum allowed leverage caps for professional clients.

CFD Underlying Asset	Leverage
Major Currency Pairs	1:100
Commodities, Metals, Indices (Major and Non-Major)	1:10
Shares	1:10
Cryptocurrencies	1:10

8.2. Please visit our website www.gate-securities.eu regarding all financial instruments/ underlying asset classes which may be offered by us, and the applicable maximum leverage limit based on each category of products. The maximum applicable ratios at any point in time can be found on the Website www.gate-securities.eu.

9. FREQUENTLY ASKED QUESTIONS

What is Leveraged Trading?

9.1. Trading on leveraged capital means that you can trade amounts significantly higher than the funds you invest, which only serves as the margin. High leverage can significantly increase the potential return, but it can also significantly increase potential losses. The risk of CFDs is magnified by the leverage of the CFD. The impact of leverage becomes higher when the value of the underlying asset of the CFD is volatile.

- 9.2. Please see below an explanation on our “Negative Balance Protection” where we guarantee that you cannot lose more funds than the funds in your trading account.
- 9.3. The leverage is specified as a ratio, for example 1:2, 1:5, 1:10, 1:20, 1:30, and we reserve the right to introduce additional leverage levels (subject to any applicable leverage restrictions). Sometimes the Leverage is expressed in percentage terms – and referred to as Margin requirement.

Example: Margin Requirement

Leverage of 1:10 is a margin requirement of 10%.

Leverage of 1:20 is a margin requirement of 5%

Example: Use of Leverage

If the leverage is 1:20 and if you, as our client, have \$1,000 in your account, it means that you can now open trades worth \$20,000.

What is a Spread?

- 9.4. The spread is the difference between the Bid price (selling price) and the Ask price (buying price) of the CFD.

Example: Spread

If the quote for the EUR/USD pair is 1.1615 against 1.1618, then the spread is 3 pips.

What is Initial/ Required Margin?

- 9.5. Also known as the Initial Margin Requirement, the Initial Margin is the amount the Client will have to pay as collateral in order to open and maintain a position.
- 9.6. The leverage limit implies the percentage of the initial total exposure that the Client is required to post as an initial margin in order to open a position.

Example: Initial Margin

A leverage limit of 1:5 on the opening of a CFD requires the client to post an initial margin of at least 20% of the initial total exposure of the CFD.

What is Equity?

- 9.7. In short, Equity can be defined as the value of your portfolio with us. Effectively it is the value of your funds with the Company (which at any point in time include realized profits and losses) plus the unrealized profit and loss on your CFDs based on their latest quoted valuation.

Introduction to Margin Level

- 9.8. The Margin Level indicates how close your account is to a margin call. It is calculated as Equity/Initial Margin and is typically shown in “%”. When the margin level decreases, your account bears an increased risk of liquidation. We call this the Close Out (stop out) Level and explain it further below. You are advised that you should always monitor this margin level. Whilst we may from time to time send you notifications of your Margin Level reaching certain thresholds, you are reminded that under the Term and Conditions/Client Agreement between you and us, it is your responsibility to always monitor the margin level and take relevant actions.
- 9.9. Relevant actions that you can take to restore your Margin Level include:

- Closing or hedging some of your open positions.
- Depositing more funds can help in averaging down your position.

9.10. Please note that we do not provide advice regarding the trading decisions and actions you take, including with respect to the actions you may take to address the Margin Level requirements such as the ones we refer to above.

What is Free Margin?

9.11. Free Margin is the sum of funds you have available to use as an initial margin for new positions. This is calculated by subtracting the margin used for your current open positions from your Equity.

What is Maintenance Margin?

9.12. Maintenance Margin refers to the minimum equity you need to have in order to keep your positions open. This is also commonly referred to as “maintenance requirement” or “minimum maintenance” and is the same as the Close Out we refer to above. If your Maintenance Margin reaches 50%, one or more of the open positions are closed automatically by the Company, starting from the position with the highest losses.

Example: Maintenance Margin

You have an open position in EUR/USD with a used margin of \$500. Your Balance is \$10,000 and your Equity \$900. This means that your maintenance margin is at 180% (Equity of \$900 divided by Margin used of \$500). If your floating loss reaches \$9,750 this means that your equity will become \$250. Therefore, your maintenance margin will be $250/500 = 50\%$ and a Margin Close Out will take place.

What is Used Margin?

9.13. Used Margin (or Required Margin) represents the total aggregated collateral currently locked by the trading system to maintain all open positions in the account. It is calculated by summing the required initial margins across each active trade.

Example: Used margin

Trade A: 1 Lot EUR/USD (100,000 EUR) at 1.1000 = Notional Exposure \$110,000.

- Leverage: 1:30 (3.33% margin).
- Required Margin = $110,000/30 = \$3,666.67$.

Trade B: 100 Shares CFD of Apple at \$180.00 = Notional Exposure \$18,000.

- Leverage: 1:5 (20% margin).
- Required Margin = $18,000/5 = \$3,600.00$.

Total Account Used Margin = $\$3,666.67 + \$3,600.00 = \$7,266.67$.

What is the Margin Level?

9.14. A margin level is calculated by dividing the current Equity and the Used Margin.

Margin level % = $(\text{Equity} / \text{Used Margin}) * 100$

The margin requirement is specific for each asset class/instrument.

Example: Margin Level

Your Equity is: \$1,000 and you wish to open a 1 lot Buy position of USD/CHF. Margin requirement: If for the USD/CHF pair, the margin requirement is 3.33% which equals. \$3,330. Margin Level %: $(\$1,000 / \$3,330) * 100 = 30 \%$

10. MARGIN LEVEL POLICY / MARGIN CLOSE OUT RULE

- 10.1. In accordance with Article 4 of CySEC Directive DI87-09, the Company applies a standardized Margin Close-Out Protection rule on a per-account basis.
- 10.2. When the overall Account Margin Level drops to 50% or lower of the total Initial Margin required to maintain open positions, the trading system will automatically liquidate one or more open CFD positions.
- 10.3. Liquidations will occur in sequential order, starting from the position resulting in the largest floating loss, until the Account Margin Level returns above the mandatory 50% threshold.

11. NEGATIVE BALANCE PROTECTION

- 11.1. We offer Negative Balance Protection to our Retail Clients. "Negative Balance Protection" means the limit of a client's aggregate liability for all CFDs connected to a CFD trading account with us to the funds in that CFD trading account. This means that our clients will never lose more than the funds in the client account with the Company.

12. OFFERING CFDs IN CERTAIN JURISDICTIONS

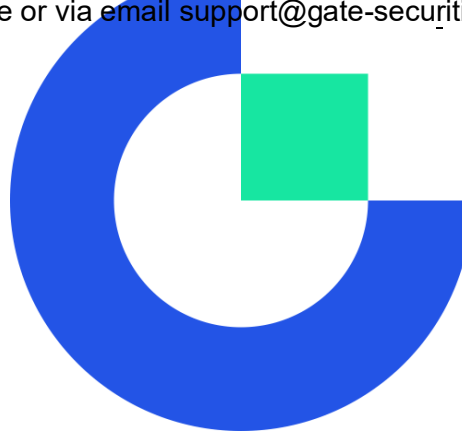
- 12.1. Cross-Border Authorization: Some financial instruments are not eligible for sale or distribution in certain jurisdictions or countries. As a Cyprus Investment Firm (CIF) authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) under license number 395/20, the Company is authorized to provide investment services and activities in relation to CFDs across the European Union (EU) and European Economic Area (EEA) under the cross-border freedom to provide services ("passporting") pursuant to Directive 2014/65/EU (MiFID II) and Law 87(I)/2017 of the Republic of Cyprus.
- 12.2. Authorized EU / EEA Jurisdictions: Under its CySEC passporting notification, the Company is permitted to offer its investment services to retail and professional clients residing within the following member states of the European Union:
 - EU Member States: Austria, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.
 - EEA Member States: Iceland, Liechtenstein, and Norway.
- 12.3. Banned & Excluded Jurisdictions: This Policy and the Company's services are not directed at, intended for, or offered to residents or citizens of jurisdictions where the distribution or provision of such financial instruments would be contrary to local laws or regulatory rules ("Banned Jurisdictions").

- The Company does not solicit, accept, or open trading accounts for residents of:
- The United States of America (USA) and US Persons (due to CFTC/SEC regulations).
- The United Kingdom (post-Brexit third-country rules, unless specific regulatory permissions or reverse solicitation apply under FCA guidelines).
- Third countries designated as high-risk jurisdictions or subject to international sanctions by CySEC, the EU, or FATF (e.g., North Korea, Iran, Myanmar, Syria).
- Any other jurisdiction explicitly specified within the Company's Terms and Conditions or internal Risk Management Framework as a non-serviced territory.

12.4. No Offer or Solicitation: This Policy does not constitute an offer, invitation, recommendation, or solicitation to buy, sell, or subscribe to any financial instrument in any jurisdiction where such an offer or solicitation is illegal or unauthorized. Access to the Company's trading platform from any restricted territory is strictly prohibited.

13. QUERIES

13.1. For any further queries regarding this Policy, please contact our Customer Support Team through the Chat at our web site or via email support@gate-securities.eu.



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