

**iN2MARKETS**

## **LEVERAGE POLICY**

**November 2025**

## 1. Introduction

In2Markets Ltd. (hereinafter the “Company”, “We” or “Us”) is a Cyprus Investment Firm (hereinafter the “CIF”) incorporated and registered under the laws of the Republic of Cyprus, with registration No. HE 333743. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (hereinafter the “CySEC”) under the license No. 263/14.

The purpose of this Policy is to define how we set leverage and procedures when our clients trade in Contracts of Differences (“CFDs”) or borrow funds to invest in Equity, Indices, Currencies, and Cryptocurrencies. It explains the key aspects of leverage trading with margin and what leverage levels we make available depending on our clients’ knowledge and experience along with regulatory requirements. It also outlines the impact on the margin and clients’ accounts where big market movement occur.

This Policy applies when the Company executes Retail Clients' orders according to the Regulations, as defined below. It does not apply to Professional or Eligible Counterparties as these are defined under the relevant Regulations.

Trading with leverage is highly speculative and carries significant risks, including the possibility that losses may exceed the initial margin. Clients are strongly advised to review this Policy carefully and to ensure they fully understand the risks before engaging in leveraged trading.

## 2. Definitions

For the purpose of this Policy, unless otherwise specified, the following terms shall have the meaning set out below:

Contracts for Difference (CFDs) – derivative financial instruments that allow Clients to speculate on the rising or falling prices of underlying assets without owning them.

Eligible Counterparty – an entity to which the Company is allowed to provide investment services without being subject to the full range of conduct of business rules under MiFID II.

Initial Margin – the minimum amount of funds that must be deposited by the Client to open a leveraged position.

Leverage – a mechanism that allows Clients to control larger positions in financial instruments by using a smaller amount of actual capital (margin). It is expressed as a ratio (e.g., 30:1 means that for every €1 of margin, the Client may trade up to €30 worth of instruments).

Maintenance Margin – the minimum equity level that must be maintained in a Client’s account to keep a position open. If the equity falls below this level, the Company may initiate a margin call or close the position.

Margin – the amount of funds required to open and maintain a leveraged position.

Margin Call – a notification to the Client that additional funds must be deposited to maintain open positions due to insufficient margin.

Professional Client – a client who possesses the experience, knowledge and expertise to make their own investment decisions and properly assess the risks involved, as defined in the relevant legislation.

Regulations – includes the Investment Services and Activities and Regulated Markets Law 87(I)/2017, relevant Directives issued by CySEC, MiFID II (Directive 2014/65/EU), and applicable EU and national legislation.

Retail Client – a client who is not a Professional Client or an Eligible Counterparty as defined under the Investment Services and Activities and Regulated Markets Law 87(I)/2017 and MiFID II.

Stop-Out Level – the threshold at which the Company will begin to automatically close positions in order to prevent further losses, typically expressed as a percentage of the required margin.

### 3. Regulatory Framework

The Company applies leverage and margin requirements in accordance with the regulatory obligations established under both European Union law and Cypriot legislation. Our approach is guided by the overarching principles of investor protection, market integrity, and prudential risk management, as laid out in the applicable financial services framework.

In particular, we comply with the rules governing the provision of investment services as set out in national law, which incorporates the European MiFID II directive and the relevant EU regulations. We also observe product intervention measures introduced by the European Securities and Markets Authority (ESMA), which set out specific obligations concerning leverage restrictions, margin protection mechanisms, and client disclosures for contracts for difference (CFDs).

These regulatory measures have been adopted and further specified by the Cyprus Securities and Exchange Commission (CySEC), whose directives and circulars provide the binding framework for firms operating in the investment sector in Cyprus. To ensure consistency with regulatory expectations, the Company also refers to official guidance documents and frequently asked questions published by ESMA and other competent authorities.

Our internal leverage policies are therefore shaped by this legal and supervisory environment, and we remain committed to adjusting our practices promptly in response to any changes in the applicable rules or interpretations issued by regulatory bodies.

### 4. Leverage Limits per Asset Class

The level of leverage offered to Clients depends on the type of underlying asset, the Client's classification, and the applicable regulatory requirements. In accordance with the product intervention measures introduced by the European Securities and Markets Authority (ESMA) and implemented by the Cyprus Securities and Exchange Commission (CySEC), the Company applies specific

leverage caps and corresponding margin requirements for Retail Clients, based on the risk characteristics of each asset class.

Accordingly, the Company applies the following indicative leverage limits and initial margin requirements to Retail Clients:

Asset Class	Maximum Leverage	Initial Margin Required
Major currency pairs	30:1	3.33%
Non-major currency pairs and major indices	20:1	5%
Non-major stock indices	10:1	10%
Equity CFDs (individual shares)	5:1	20%
Cryptocurrencies	2:1	50%

These limits are designed to reduce the risk of excessive losses and ensure that Clients maintain adequate margin coverage. The Company may apply lower leverage ratios depending on the Client's trading experience, financial profile, or prevailing market volatility.

Higher leverage levels may be made available to Professional Clients following an internal assessment and explicit risk acceptance by the Client.

### 5. Margin Requirements and Monitoring

The Company applies and enforces margin requirements in accordance with the applicable regulatory framework and its internal risk management policies. Margin requirements are directly tied to the leverage limits outlined in Section 4 of this Policy and are intended to ensure that Clients maintain sufficient equity in their

trading accounts to support open positions and absorb market fluctuations.

#### Initial Margin Requirement

Before opening a leveraged position, the Client must deposit an initial margin, calculated as a percentage of the notional value of the trade. This percentage is determined based on the applicable leverage ratio and the type of underlying asset. For example, a leverage of 30:1 corresponds to an initial margin requirement of 3.33% of the trade value. These margin levels reflect the minimum requirements established by ESMA for Retail Clients.

#### Real-Time Margin Monitoring

The Company operates automated systems that monitor the margin level of each Client on a continuous basis. Clients are able to view their real-time margin level, free margin, and equity through the trading platform. If the equity level in a Client's account falls close to the required margin, the system may trigger a margin call.

#### Margin Call Notifications

If a Client's equity falls below the maintenance threshold but remains above the stop-out level, the Company may issue a margin call, advising the Client to deposit additional funds or close part of their open positions. While the Company may provide such warnings, it is the Client's sole responsibility to monitor their account and maintain the required margin level.

#### Stop-Out Mechanism

To mitigate the risk of excessive losses, the Company enforces a stop-out level of 50% for Retail Clients. This means that if the Client's equity falls below 50% of the required margin for open positions, the Company will automatically start closing positions, beginning with the ones incurring the greatest loss, until the margin level is restored above the threshold.

#### Negative Balance Protection

Retail Clients benefit from negative balance protection, which ensures that losses from trading CFDs cannot exceed the total amount of funds deposited in the Client's trading account. This mechanism protects the

Client from owing additional funds to the Company in the event of extreme market movements.

#### Discretionary Margin Adjustments

The Company reserves the right to adjust margin requirements and/or reduce the offered leverage for specific instruments or client accounts at its sole discretion. Such adjustments may be implemented without prior notice in response to market volatility, liquidity conditions, client trading behavior, or internal risk assessments.

### **6. Risk Classification and Client Profiling**

The level of leverage available to a Client is directly linked to their classification and appropriateness profile, as determined under the Company's internal assessment procedures. These procedures are conducted in full accordance with the Client Categorisation Policy and Appropriateness Assessment Process, which have been designed to comply with Law 87(1)/2017 and Directive 2014/65/EU (MiFID II).

Retail Clients benefit from the highest level of investor protection, including restricted leverage ratios, margin close-out rules, and negative balance protection, as outlined in Sections 4 and 5 of this Policy. Professional Clients, on the other hand, may be offered higher leverage, provided that they meet the eligibility criteria and successfully complete the required fitness and properness assessments, as described in the Client Categorisation Policy.

The outcome of the appropriateness assessment may affect whether a Retail Client is granted access to CFD trading at all, and, if granted, the degree of leverage available to them. This assessment is based on a structured scoring system that evaluates a Client's experience, knowledge, and financial background. Clients who do not meet the minimum standards may either be offered lower leverage or restricted from leveraged trading entirely.

All results of categorisation and profiling are recorded and maintained by the Company in accordance with

regulatory record-keeping obligations and may be subject to periodic review and re-assessment.

For full details on client classification procedures, eligibility criteria, and re-categorisation requests, Clients are referred to the Company's Client Categorisation Policy, which forms an integral part of the Company's governance and investor protection framework.

## **7. Leverage Conditions for Professional Clients**

Professional Clients are not subject to the leverage restrictions applicable to Retail Clients under ESMA product intervention measures. The Company may offer higher leverage to such Clients, based on their classification, trading experience, financial capacity, and internal risk assessment.

Leverage levels for Professional Clients are determined in accordance with the Company's risk appetite, market conditions, and the terms agreed with liquidity providers. The Company reserves the right to adjust such levels at its sole discretion and may impose additional safeguards where appropriate.

Professional Clients must confirm in writing their understanding of the risks involved and acknowledge that they do not benefit from certain regulatory protections available to Retail Clients, including negative balance protection and mandatory margin close-out thresholds.

## **8. Policy Review and Updates**

This Policy is subject to review at least annually or whenever there are material changes in the applicable regulatory framework, the Company's risk exposure, or its business operations.

Any amendments to this Policy are reviewed internally and approved by the Board of Directors. Updated versions are distributed to relevant personnel and, where applicable, made available to Clients through official communication channels, including its website [www.In2Markets.com](http://www.In2Markets.com).

## **9. Contact Information**

For any questions or further information regarding this Policy, Clients are encouraged to contact the Company at: [support@in2markets.com](mailto:support@in2markets.com)

Additional information may also be made available through the Company's official website or upon written request.

**IN2MARKETS LTD**

Incorporated in the Republic of Cyprus (Registration no. HE 333743)

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