



# **COSTS AND ASSOCIATED CHARGES**

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## **COSTS AND ASSOCIATED CHARGES**

www.purewallet.app is a website operated by Redpine Capital Ltd, which is authorised and regulated by the Cyprus Securities and Exchange Commission, licence number 391/20. Postal Address: 8 Georgiou Drosini, 3085, Limassol, Cyprus (hereinafter the “Company” or “Pure.”, or “we”, or “us”, or “our”, as appropriate). The Company operates under the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 which transposed the European Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as the same may be in force from time to time and modified or amended from time to time (hereinafter “MiFID II”).

Following the implementation of the MiFID II, the Company is required to ensure that the information on all costs and associated charges which may have incurred when trading with our Company, is provided to you.

## **DEFINITIONS**

‘Spread’ is the difference between the buy price and the sell price of a particular trading instrument.

‘Swap/Rollover’ is the process of extending the settlement date of an open position (i.e. date by which an executed trade must be settled). That is, the Company will simply add or deduct from a client’s trading account an interest rate for rolling over (i.e. holding/transferring) open positions relating to finance transactions generated through an account to the next day.

‘Commission fee’ is charged for trading on Pure. trading accounts only, when opening and closing a position and is automatically calculated according to the volume traded.

‘Dormant fee’ is a monthly fee imposed on trading accounts which have become archived due to inactivity (trading/withdrawals/deposits) for a period of ninety (90) calendar days, and which have free balance in the account.

## **COSTS AND CHARGES**

### **3.1. Types of Costs and Charges Incurred**

#### **3.1.1. Spreads**

Pure. offers variable spreads (i.e. not fixed spreads), which means that the spread value constantly changes based on the current liquidity market conditions and the volatility. As such, spreads tend to be narrower under normal market conditions. However, spreads may widen as a result of important news announcements, during political uncertainty, because of unexpected events that can lead to volatile market conditions, or at the close of the business day, or at the weekends when the liquidity is lower.

Example

You trade 1 standard lot in EUR/USD. The current bid and ask prices are 1.30583 and 1.30599, respectively. Therefore, you buy at the ask price 1.30599 (i.e., open price) and you close the order at the bid price 1.30583 (i.e., close price). The difference between buy and sell prices is the spread. As such, the spread is 0.00016 (i.e., 1.6 pips) which equals to USD 16 (or currency equivalent). This is calculated based on the volume you trade (i.e., lots), the point size and the spread:  $100,000 * 0.0001 * 1.6 = \text{USD } 16$

At this point, we would like to draw your attention to the fact that Buy orders always open at ask prices and close at bid prices.

### 3.1.2. Swap/Rollover Fee

Pure. handles rollover interest (i.e. swap fees) at competitive rollover rates for all positions held open overnight (i.e. 22:00 GMT). Positions opened at 22:01 are not subject to rollover until the next day, but if you open a position at 21:59, a rollover will take place at 22:00 GMT.

Pure. debits or credits clients' accounts with competent rollover rates, within an hour, when a trade is kept open overnight (i.e., 22:00 GMT). Although there is no rollover on Saturdays and Sundays when the markets are closed, banks still calculate interest on any position held over the weekend. To level this time gap, Pure. applies a 3-day rollover strategy on Wednesdays.

#### Example

Every currency trade is based on borrowing one currency in order to buy another. Interest is paid on the borrowed currency and earned on the purchased currency. For instance, if we assume that the interest rates in Japan and the US are 0.25% p.a. and 2.5% p.a. respectively, and you have a buy position of 1 lot in USDJPY at 118.50, you will earn 2.5% per year on your USD and pay 0.25% per year on your borrowed JPY.

This means that with an open position you gain USD 6.16 per day [ $100,000 * (2.5\% - 0.25\%) / 365$ ]. This amount is credited into your account and equivalent to 0.73 pips per day [ $118.50 * (2.5\% - 0.25\%) / 365$ ]. Similarly, if you have a short position in USDJPY, you lose USD 6.16 per day. Thus, rollover interest can provide an added stream of profit or loss for you.

### 3.1.3. Commission on CFDs

Commission on CFDs: Our CFDs on stocks carry a 0.1% commission charge on the entry.

### 3.1.4. Dormant fee

As per our 'dormant and archiving policy', which you accepted in our Terms and Conditions of Business, in the event that there is no trading activity (i.e. trading/withdrawals/deposits) in your account for a set period of at least ninety (90) calendar days, your account will be regarded to be 'dormant' or 'archived'.

Dormant accounts are charged with a monthly dormant fee of USD 5 or the full amount of the free balance in the account, in the case that the free balance is less than USD 5. There will be no charge in case the free balance in your account is zero (0). As such, accounts with zero (0) balance, will be archived after a period of ninety (90) calendar days.

## 3.2. Annual Report of the Costs and Associated Charges

An overview of the aggregated costs and charges (i.e. including the swap charges, spreads, commissions and dormant fee, if applicable) derived from clients' transactions regarding each of their trading account(s) will be provided, via email, to each client, on an annual basis. This information will be sent to Company's clients both as cash amount and as a percentage of the costs and associated charges imposed on the invested funds, on each account's base currency. This will help clients to understand the costs and associated charges imposed on their trading account(s) according to their trading activity throughout the year.



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