



# Introducing Broker Agreement

## 1. Introduction.

1.1 This Agreement ("**Agreement**") is between GVD MARKETS Capital Ltd., ("**Company**") and the individual or company ("**IB**"). Both parties are collectively referred to as the "**Parties**".

1.2 The Company, is a limited liability Company incorporated and registered under the laws of Comoros, with Company number HY00723419 and a registered address at Bonovo Road – Fomboni Island of Mohéli – Comoros Union (hereinafter the "**Company**" and/or "**GVD Markets**" and/or "**we**" and/or "**our**" and/or "**us**"). The Company is authorized and regulated by the Mwali International Services Authority (the 'MISA').

1.3 This Agreement, as amended from time to time in accordance with clause 9, outlines the terms between the Company and the IB, who, in compliance with their jurisdiction's laws, will solicit clients for spot foreign exchange ('FOREX'), spot precious metals, and Contracts for Differences ("**CFDs**") and introduce them to the Company.

1.4 The IB's business involves soliciting clients for financial services transactions. If required by law, the IB is registered as an introducing broker or holds another relevant capacity allowing them to provide the services outlined in this Agreement to the Company.

1.5 The Company will provide execution and related services for financial transactions as per the terms herein.

1.6 Definitions used in this Agreement are detailed in clause 18 ("**Interpretation of Terms**").

## 2. Commencement

This Agreement will commence on the Effective Date and will continue unless or until terminated by either Party in accordance with clause 9.

### **3. Compliance**

- 3.1** The IB acknowledges that its Principals have read and understood the Company's Terms and Conditions, which may be modified from time to time.
- 3.2** The IB warrants compliance with all relevant laws, regulations, and organizational rules pertaining to their jurisdiction and client base.
- 3.3** In fulfilling services under this Agreement, the IB commits to complying with applicable laws, maintaining proper procedures, promptly reporting any undue financial requests, and ensuring compliance among their associates.
- 3.4** The IB will provide necessary details and evidence of their status and business as requested by the Company.
- 3.5** All promotional materials and website content concerning the Company's services must be provided by the Company before distribution to potential or existing clients.
- 3.6** The IB must direct clients to deposit funds directly into the Company's bank account(s)/payment provider(s) and refrain from accepting funds themselves.
- 3.7** The Introducing Broker (IB) is authorized to use the Company's name and brand exclusively for the purpose of soliciting clients. This authorization is valid only while the clients solicited by the IB maintain active trading accounts with the Company. Once these clients close their accounts or cease trading with the Company, the IB must immediately stop using the Company's name and brand for any solicitation or promotional activities.
- 3.8** The IB will not guarantee clients against loss or attempt to collect margins established by the Company.
- 3.9** The IB will promptly inform the Company of any regulatory or legal investigations or sanctions imposed on them.
- 3.10** The Company will provide necessary disclosures to clients as per applicable laws and regulations, with the IB responsible for disclosures mandated by their jurisdiction.

## **4. Discretionary Authority**

- 4.1** The IB assures that providing Discretionary Services to its clients will adhere to all applicable laws, regulations, and rules.
- 4.2** The IB agrees not to offer any Discretionary Services, nor allow its employees or consultants to exercise such services over client accounts without obtaining a signed power of attorney or trading authorization. Additionally, any actions on client accounts will require explicit authorization, electronically recorded before transmission to the Company, in the absence of valid power of attorney or acceptable trading authorization.
- 4.3** Before engaging in any Discretionary Services, the IB shall disclose to the client that:
  - 4.3.1** The IB is not an Affiliate of the Company.
  - 4.3.2** Discretionary Services are provided solely by the IB, not the Company.
  - 4.3.3** The Company is not liable for any losses arising from Discretionary Services provided by the IB.
  - 4.3.4** Margin Trading carries high risk, and clients should comprehend the potential loss. **4.3.5** Engaging in Margin Trading requires understanding the risks involved, and seeking independent advice is advisable.
  - 4.3.5** Past performance does not ensure future results.

## **5. Remuneration**

- 5.1** Upon request, the Company may quote a wider spread for certain Currency Pairs for clients introduced by the IB, compensating the IB accordingly.
- 5.2** At the Company's discretion, additional commissions may be charged to clients introduced by the IB, with the Company determining the maximum commission charge allowable on each Transaction. The Company may adjust its commission schedule 1 with Written Notice to the IB.
- 5.3** Additional remuneration may be paid to the IB as outlined in the Agreement's Addendum.
- 5.4** The Company reserves the right to withhold remuneration for Completed Transactions if:
  - 5.4.1** Transactions are deemed to benefit the IB solely for remuneration purposes.
  - 5.4.2** Transactions are not in the client's best interest.
  - 5.4.3** Suspected market abuse or regulatory breaches arise.

- 5.4.4 Transactions are executed outside the Company's client agreement.
- 5.5 Remuneration for completed trades will be paid 15 minutes after the completion of the trade(s) unless otherwise notified by the Company.

## **6. Introduction of Clients**

- 6.1 Clients introduced by the IB must meet eligibility criteria and open a trading account by completing the Company's required forms and providing necessary documentation.
- 6.2 If a client requests to be unlinked from the IB (the "Unlinked Client"), the Company shall, from the date of such communication, cease paying the IB remuneration in respect of the Unlinked Client. Any existing (but unpaid) compensation in respect of the Unlinked Client shall be transferred to the IB, and the IB shall have no further rights in respect of the Unlinked Client.
- 6.3 The Company reserves the right to not recognize a client as introduced by the IB did not register through the IB Referral link or did not send a confirmation email requesting to link his account to the IB.
- 6.4 The Company may determine, at its discretion, whether a client has been introduced by the IB if the customer's registration was not carried out in accordance with clause 6.3.
- 6.5 The Company may reject potential clients or withhold compensation if:
  - 6.5.1 the client opens a trading account with the Company more than five Business Days before the customer is introduced to the Company by the IB, or
  - 6.5.2 the client already has a trading account with the Company or any Affiliate more than five Business Days before the customer is introduced to the Company by the IB.
- 6.6 All new account applications must be approved by the Company in writing before trading commences.
- 6.7 Clients introduced by the IB remain clients of the Company upon termination of this Agreement, and the IB must not interfere with their account rights.

## **7. Limitations of Liability and Indemnity**

- 7.1 The Company holds no liability for any loss or expense incurred by the IB due to the acts, omissions, or negligence of third parties.
- 7.2 The IB will indemnify the Company and keep the Company indemnified on demand in respect of all liabilities, costs, claims, demands and expenses of any nature whatsoever which the Company suffers or incurs as a direct or indirect

result of any act or omission of the IB in connection with its relationship with the Company or any customer introduced by the IB to the Company or any failure by the IB to perform any of the IB's obligations under this Agreement or any breach of any provision of this Agreement including Introducing Broker Agreement.

- 7.3** Except as provided in this Agreement, the Company is not liable to the IB for any consequential direct or indirect losses, loss of profits, loss of opportunity, costs, expenses, penalties (including those stemming from regulators), or damages related to this Agreement.
- 7.4** Subject to this Agreement, the IB agrees to indemnify and hold the Company harmless from claims, damages, costs, penalties, or expenses resulting from the IB's activities or its clients' accounts, including account deficits, losses, and legal fees.

## **8. Prohibited Trading Practices**

### **8.1 High-Frequency Trading**

- 8.1.1** The IB acknowledges and agrees that engaging in high-frequency trading, defined as opening and closing positions within a period of fewer than three minutes, is not permitted under this Agreement.
- 8.1.2** The Company does not provide rebates or incentives for high-frequency trading activities.
- 8.1.3** The IB understands that any violation of this provision may result in account review and potential corrective actions, including but not limited to the immediate removal of profits, closure of positions, and suspension or termination of the account at the discretion of the Company.

### **8.2 Hedging**

- 8.3** The IB acknowledges and agrees that the practice of hedging, defined as the opening of multiple positions in opposite directions on the same instrument to mitigate potential losses, is strictly prohibited on our platform.
- 8.4** Hedging, while commonly used to reduce risk, can lead to abusive trading practices and compromise the integrity of our trading environment.
- 8.5** Therefore, the IB shall refrain from engaging in any hedging activities. Any accounts found to be participating in hedging will be subject to immediate review, and we reserve the right to take corrective actions, including but not limited to the immediate removal of profits, closure of positions, and suspension or termination of the account.

### **8.2. Scalping**

- 8.2.1. The IB acknowledges and agrees that the practice of scalping, defined as the making of numerous trades over a short period to capture small price movements, is not allowed on our platform.
  - 8.2.2. Scalping can create excessive order traffic and potentially manipulate market prices.
  - 8.2.3. Therefore, the IB shall not engage in any scalping activities. Accounts engaging in scalping will be reviewed, and we reserve the right to take necessary actions, including but not limited to the immediate removal of profits, closure of positions, and suspension or termination of the account.
  - 8.2.4. The IB understands that prohibited trading practices may result in financial penalties, account restrictions, or legal action as determined by the Company in its sole discretion.
- 8.3. These prohibitions shall remain in effect for the duration of this Agreement and survive its termination or expiration.

## **9. Written Notice**

- 9.2. Written Notices may be delivered via email, facsimile transmission, post, or published on the Company News Webpage.
- 9.3. Contact details provided by the IB will be used as applicable.
- 9.4. Notice is deemed served:
- 9.4.1. Email: within one hour after sending, unless a delivery failure notice is received.
  - 9.4.2. Post: seven calendar days after posting.
  - 9.4.3. Company News Webpage: within one hour after posting.
- 9.5. Business hours" refer to 9:00 a.m. to 6:00 p.m. on a Business Day.

## **10. Amendment and Termination**

- 10.1. The Company reserves the right to modify the Agreement, Addendum, or Appendix with ten Business Days Written Notice to the IB. Any such amendments will become effective on the date specified in the notice.
- 10.2. The IB may terminate this Agreement with written notice at any time. The Company may terminate with at least thirty (30) days written notice, unless circumstances require shorter notice.

**10.3.**The Company may terminate immediately by Written Notice if:

10.3.1.The IB or its Principals are convicted of a crime or serious violation of law affecting honesty and integrity.

10.3.2.The IB commits acts inconsistent with Company Terms, material provisions of this Agreement, or equitable trade principles.

10.3.3.The IB fails to comply with clause 3 of this Agreement.

10.3.4.The IB fails to meet Addendum criteria when applicable.

**10.4.**Termination ends the compensation arrangement immediately but doesn't affect existing legal rights or obligations.

## **11.Personal Data and Recording of Telephone Calls**

**11.1.**The Company may process personal information provided by the IB.

**11.2.**If the IB is an individual, the Company must provide, upon request, a copy of personal data held about the IB.

**11.3.**By entering this Agreement, the IB consents to the transmission of personal data. If applicable, consent from individuals working on behalf of the IB must be obtained.

**11.4.**The IB agrees that the Company may share IB information with other company affiliates or external entities for processing and analysis. The IB can opt out of this use by providing Written Notice.

**11.5.**Personal data may be used for marketing or market research purposes, with the IB having the option to opt out by providing Written Notice.

**11.6.**Telephone conversations may be recorded, with instructions received via phone considered binding. Recordings are the Company's property and may be provided to courts or regulatory authorities

## **12.Consent to Direct Contact**

**12.1.**The IB invites the Company to make direct contact for administering this Agreement or marketing financial services and products.

**12.2.**The IB consents to such communication, acknowledging it doesn't breach data protection regulations.



### **13. Confidentiality**

**13.1.** Information about clients is confidential and will only be disclosed as outlined in this Agreement or the Operative Agreements.

**13.2.** The IB must keep Proprietary Information confidential and not disclose it without the Company's written consent. This includes not delivering, reproducing, or allowing its use by any entity without consent.

### **14. Proprietary Property**

**14.1.** Subject to terms and conditions of this Agreement, the Company may grant to the IB, for the duration of this Agreement, a non-exclusive and revocable license to use Proprietary Property.

**14.2.** Proprietary Property remains the Company's sole property, and the IB's license is limited to fulfilling its obligations.

**14.3.** Upon termination, the IB must return all Proprietary Property to the Company.

**14.4.** The IB agrees to indemnify the Company and keep it indemnified at all times against all or any costs, claims, damages or expenses incurred by the Company, or for which the Company may become liable, with respect to any Proprietary Property infringement claim or other claim relating to the provision of services supplied by the IB to the Company during the course of this Agreement.

### **15. Force Majeure**

The Company may determine the existence of a Force Majeure Event and inform the IB accordingly. A Force Majeure Event includes without limitation any act, event or occurrence (including, without limitation, Market Disruption, acts or restraints of government(s) or public authorities, war, derelict weapons of war, nuclear, radioactive, biological, chemical, biochemical or electromagnetic weapons or contamination, revolution, strikes, lock-outs or other forms of industrial action, fire, flood, natural disaster, explosion, unavoidable accidents, terrorist action, failure of a utility service or transport network, the suspension or limitation of trading by any execution venue, or any breakdown, failure, defective performance or malfunction of any telecommunications, settlement or other equipment or systems.

### **16. Miscellaneous**

**16.1.** Situations not covered by this Agreement will be resolved based on good faith, fairness, and market practice.

**16.2.**No single or partial exercise of, or failure or delay in exercising any right, power or remedy (under these terms or at law) by the Company shall constitute a waiver by the Company of or impair or preclude any exercise or further exercise of, that or any other right, power or remedy arising under this Agreement or at law.

**16.3.**The Company may release the IB from liability, either wholly or partially, without affecting other obligations. A waiver by the Company of one breach does not waive its rights for subsequent breaches.

**16.4.**The Company's rights and remedies under this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

**16.5.**The Company may assign this Agreement to a third party upon notice to the IB, provided the assignee agrees to the terms.

**16.6.**If any term of this Agreement is deemed unenforceable, the remaining terms shall still apply.

**16.7.**The IB cannot transfer its rights or obligations under this Agreement without the Company's written consent.

**16.8.**The IB must inform the Company of any other business activities during the term of this Agreement.

**16.9.**This Agreement, along with any Addendums and Appendices, constitutes the entire agreement between the Parties, superseding all prior agreements.

**16.10.**The IB agrees to inform the Company of any circumstances that may pose risks to the Company.

## **17.No Partnership or Agency**

This Agreement does not create a partnership or agency between the Parties. The IB cannot represent itself as an agent of the Company or bind the Company in any way.

## **18.Governing Law and Jurisdiction**

**18.1.**The laws and regulations of the jurisdiction where the Company is registered shall govern this Agreement and any disputes between the parties to this Agreement, unless otherwise specified by law.

**18.2.**Where this Agreement is issued in a language other than English, the English language version shall take precedence in the event of any conflict.

## **19.Interpretation of Terms**

**19.1**In this Agreement:

**19.1.1. Active Client:** A client introduced by the IB who has conducted a minimum of two Completed Transactions in a reporting month.

**19.1.2. Affiliate:** Any entity directly or indirectly controlled by, controlling, or under common control with the Company.

**19.1.3. Application to open a personal/corporate Margin Trading account form:** The form completed by a client when opening a trading account with the Company.

**19.1.4. Ask:** The higher price in the Quote, allowing the client to buy.

**19.1.5. Balance:** The total financial result of all Completed Transactions and depositing/withdrawal operations on the trading account.

**19.1.6. Base Currency:** The first currency in a Currency Pair against which the customer buys or sells the Quote Currency.

**19.1.7. Bid:** The lower price in the Quote, allowing the client to sell.

**19.1.8. Completed Transaction:** Two counter deals of the same size, involving opening and closing a position (buy then sell or vice versa).

**19.1.9. Contract for Differences (CFD):** shall mean a contract, which is a contract for differences by reference to fluctuations in the price of the underlying asset (shares, futures, metals, indices etc.

**19.1.10. Contract Specifications:** shall mean principal trading terms (Spread, Initial Margin etc.) for each Instrument.

**19.1.11. Currency Pair:** The object of a Transaction based on the change in value of one currency against the other.

**19.1.12. Discretionary Services:** shall mean opening/closing positions and/or placing/modifying/deleting Orders on behalf of a client on a discretionary basis and any and all other actions that may be undertaken by a client under the Operative Agreements that the IB carries out on the client's behalf.

**19.1.13. Effective Date:** The date of entering into this Agreement.

**19.1.14. Existing Client:** A client who already had a trading account with the Company at the time of solicitation by the IB or a customer introduced by the IB who has opened a trading account with the Company.

**19.1.15. Force Majeure Event:** An event as defined in clause 14.

**19.1.16.Initial Margin:** shall mean the margin required by the Company to open a position. The details for each Instrument are in the Contract Specifications.

**19.1.17.Intellectual Property Rights:** shall mean patents, rights to inventions, copyright and related rights, moral rights, trademarks, trade names and domain names, website content, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world.

**19.1.18.Instrument:** Any Currency Pair or Contract for Differences.

**9.1.19.Long Position:** shall mean a buy position that appreciates in value if market prices increase. In respect of Currency Pairs: buying the Base Currency against the Quote Currency.

**19.1.20.Margin Trading:** Trading where the client may engage in Transactions with far less funds than the transaction size.

**19.1.21.Necessary Margin:** The margin required by the Company to maintain Open Positions.

**19.1.22.Open Position:** A Long Position or a Short Position that is not a Completed Transaction.

**19.1.23.Operative Agreements:** Agreements between the client and the Company governing all trading activity of the customer. Operative Agreements consist of the client agreement, including in each case any addendums thereto and the risk disclosure notice, accessible through the Website as the same may be amended from time to time.

**19.1.24.Order:** An instruction from the client to the Company to open or close a position.

**19.1.25.Order Level:** The price indicated in the Order.

**19.1.26.Quote:** Information on the current price for a specific Instrument, including Bid and Ask prices.

**19.1.27.Quote Currency:** The second currency in the Currency Pair which can be bought or sold by the client for the Base Currency.

**19.1.28.Pip:** The numerical value of the last digit of a Quote.

**19.1.29.Principal:** An individual serving in specified roles within a business entity.

**19.1.30.Promotional Material:** ny communication that relates to the Company or its services made to or directed at, or that relates in any way to the solicitation of a Prospective Client or a transaction in an Existing Client's trading account. Promotional Material includes, but is not limited to, published written texts, training materials, advertisements, market analysis, research reports, correspondence to Existing Clients or Prospective Clients, newsletters and generally anything written that assists in the solicitation process.

**19.1.31.Proprietary Information:** Information, including, but not limited to, trade secrets, formulae, methods techniques, confidential information, computations, knowledge, data or other information of either Party relating to software products, trading platform, trade routing systems, counterparties, processes, know-how, marketing, merchandising, selling ideas, selling concepts or other confidential information, forecasts, marketing plans, strategies, pricing strategies, computer programs, copyrightable materials, finances or other subject matter pertaining to any of the Parties' business, or any of its clients, customers, consultants, suppliers or affiliates, which either Party may produce, use, view or otherwise acquire during the relationship created by this Agreement.

**19.1.32.Proprietary Property:** Any property, including, but not limited to, Intellect Property Rights, records, forms, trade literature, newsletters, market reports, articles, computer software and any reproduced copies or negatives thereof, and any Proprietary Information or such other information reflected or contained therein, provided and furnished by the Company or otherwise obtained by the IB during the relationship created by this Agreement.

**19.1.33.Prospective Client:** An individual or entity without an account with the Company.

**19.1.34.Short Position:** A sell position that appreciates in value if market prices fall. In respect of Currency Pairs: selling the Base Currency against the Quote Currency.

**19.1.35.Spread:** The difference between Bid and Ask prices.

**19.1.36.Transaction:** Any contract or transaction entered into by the client under the Operative Agreements.

**19.1.37.Website:** The Company's website accessible at <https://www.gvdmartets.com/> or any other maintained website.

**19.1.38.Written Notice:** Notice as defined in clause 8.

**19.2.**References to statutory provisions include modifications, consolidations, re-enactments, statutory instruments, or orders made pursuant to them.

**19.3.**Words denoting singular include plural and vice versa; words denoting any gender include all genders; and words denoting persons include corporations, partnerships, and other legal entities.

**19.4.**Unless otherwise stated, references to clauses, parties, or schedules are to clauses, parties, or schedules of this Agreement.

**19.5.**Clause headings are for reference only and do not affect the construction of this Agreement.

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**V1/2024**