



Costs and Charges

Professional clients

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1. INTRODUCTION

Finalto Financial Services Ltd ("Finalto FS", the "Company", "we" or "us") is regulated investment services firm, authorized in the conduct of its activities by the Financial Conduct Authority ("FCA") under registration number 481853.

2. PURPOSE

This document aims to serve as a general guide in reference to the costs and charges associated with our products, and includes the formulas applied to the calculation of our charges as well as worked examples.

3. OVERALL COSTS AND CHARGES

Costs & Charges		Description	Amount
Costs and associated charges charged for the <u>investment service(s) and/or ancillary services</u>			
On-going charges	N/A	N/A	N/A
One-off charges	Minimum fees	A minimum fee will be charged when the total trading commissions in a given month are lower than the pre-agreed minimum fee.	Variable, depending on the setup
Costs and associated charges related to the <u>financial instrument</u>			
One-off charges	Spreads	Spread is the difference between the Bid price (selling price) and the Ask price (buying price) and reflects, in part, the spreads of the underlying exchange where the underlying instrument is traded on. Our spreads are variable and are built into the buy/sell prices we offer. This cost is realized every time you open and close a trade. As spreads are variable, the amount may be different when opening and closing a trade. Our spread value is constantly changing based on current market conditions and volatility.	Variable
	Commissions	We charge a commission when you enter or exit a trade.	See Appendix A for further details
On-going charges	Overnight Rollover (Swap Fee – Daily Financing)	We charge or credit you with overnight fees for facilitating you to maintain an open Buy or Sell position on CFDs. These are ongoing fees / credits for as long as you have open trades with us (holding a trade open overnight).	See Appendix B for further details
Other costs related to transactions	Currency conversion fee	Currency conversion fees (Foreign exchange costs) will apply only when your account currency is different than the quoted currency of the underlying asset being traded. The fee will be reflected as a percentage of the conversion rate used. This will affect any conversions made on the Used Margin, Profit and Loss, overnight swap (Swap Fee) etc.	The Currency conversion fee (Foreign exchange costs) will not be higher than 0.25%.

Note: We do not charge fees when processing deposits and/or withdrawals. There may be charges applied depending on the financial institution through which you choose to fund your account with us.

APPENDIX A - COMMISSIONS

1. Rolling contracts - Forex, NDFs and Commodities

- **Nominal Commissions**

- The formula applied is the following:

$$\text{Traded Amount} * \text{Traded rate} * \text{Commission rate} / 1,000,000.00 = \text{Nominal Commission}$$

Example:

Traded Amount: 275,000.00 EURNOK

Traded rate: 11.70719

Commission rate: 10 USD

$$275,000.00 * 11.70719 * 10 / 1,000,000.00 = 32.20 \text{ NOK} = \text{Nominal Commission}$$

(Note that commission fees are rounded up to the second decimal place. In this case, rounded up from 32.1947725 NOK)

- **Notional Commissions**

- The formula applied is the following:

$$\text{Traded Amount} * \text{Commission rate} / 1,000,000.00 = \text{Notional Commission}$$

Example:

Traded Amount: 275,000.00 EURNOK

Traded rate: 11.70719

Commission rate: 10 USD

$$275,000.00 * 10 / 1,000,000.00 = 2.75 \text{ USD} = \text{Notional Commission}$$

- **PIP Commissions**

- The formula applied is the following:

$$\text{Traded Amount} * \text{Commission rate} = \text{PIP Commission}$$

Example:

Traded Amount: 275,000.00 EURNOK

Traded rate: 11.70719

Commission rate: 0.1 Pips (0.00001)

$$275,000.00 * 0.00001 = 2.75 \text{ NOK} = \text{PIP commission}$$

2. Contracts for Difference (CFDs)

- **PIP commissions**

- The formula applied is the following:

$$\text{Traded Amount} * \text{Commission rate} = \text{PIP Commission}$$

Example:

Traded Amount: 20 Contracts of 100GBP

Traded price: 9251

Commission rate: 0.01 Pips

$$20 * 0.01 = 0.2 \text{ GBP} = \text{PIP Commission}$$

- **Standard commissions**

- The formula applied is the following:

$$\text{Traded Amount} * \text{Traded price} * \text{Commission rate} = \text{Standard Commission}$$

Example:

Traded Amount: 20 Contracts of D30EUR

Traded Price: 23673

Commission rate: 0.0004 %

$$20 * 23673 * 0.0004\% = 1.89 \text{ EUR} = \text{Standard Commission}$$

(Note that commission fees are rounded up to the second decimal place. In this case, rounded up from 1.89384 EUR)

- **Per unit commissions**

- The formula applied is the following:

$$\text{Traded Amount} * \text{Commission rate} = \text{Per unit Commission}$$

Example:

Traded Amount: 20 shares of Amazon

Traded price: 222.14

Commission rate: 0.03 USD per share

$$20 * 0.03 = 0.6 \text{ USD} = \text{Per unit Commission}$$

APPENDIX B – OVERNIGHT ROLLOVERS (SWAP CHARGES)

Note: The calculation methodology of the overnight rollover (swap fee) charge varies according to the type of asset to which it applies. Moreover, the amount of the overnight swap (swap fee) charge will vary between different assets as it is linked to interest rates related to each asset and in addition to an extra financing charge defined by us.

1. Rolling contracts - Forex, NDFs & Commodities

Swap rates are updated daily and can be found via the Finalto BackOffice Swap Rates report.

Please see the following general example explaining how rollovers are calculated for Forex and Commodities products.

The swap rates applicable to this example are below:

Instrument	EoD Rate	Decimals		Pips	
		Short	Long	Short	Long
GBPUSD	1.355535	-0.0000075	0.0000093	-0.075	0.093
EURUSD	1.17888	0.0000721	0.000074	0.721	0.74

At End of Day (EoD) we have the following example open positions:

-3,476,000 GBPUSD

5,962,000 EURUSD

Roll steps - SHORT position:

Roll steps - LONG position:

1) Close position – BUY

Rate = EoD rate - swap rate

Rate = 1.355535 - (-0.0000093) = 1.3555443

The short position - 3,476,000 GBPUSD will be closed (BUY) at rate 1.3555443 at EoD

1) Close position - SELL

Rate = EoD rate - swap rate

Rate = 1.17888 - (0.000074) = 1.178806

The long position 5,962,000 EURUSD will be closed (SELL) at rate 1.178806 at EoD

2) Open position - SELL

Rate = EoD rate

Rate = 1.355535

The position - 3,476,000 GBPUSD will be re-opened (SELL) at rate 1.355535 at EoD

Cost of rollover – SHORT position

Rollover cost = dealt amount x (sell rate - buy rate) x no. days rolled

Rollover cost = 3,476,000 x (-0.0000075) x 1 = -26.07 USD

2) Open position - BUY

Rate = EoD rate

Rate = 1.17888

The position 5,962,000 EURUSD will be re-opened (BUY) at rate 1.17888 at EoD

Cost of rollover – LONG position

Rollover cost = dealt amount x (sell rate - buy rate) x no. days rolled

Rollover cost = 5,962,000 x (-0.000074) x 1 = -441.188 USD

2. Indices CFD & Cryptocurrency CFD

Indices CFD and Cryptocurrency CFD Financing costs are updated daily and can be found via the Finalto BackOffice CFD Costs report.

Please see the following example explaining how financing costs are calculated for CFD products (including indices and cryptocurrencies).

The swap rates applicable to this example are below:

Instrument	EoD rate	Short	Long
U30USD	46,197.85	2.56904	-8.9854
100GBP	9,237.75	0.38112	-1.6465

At End of Day (EoD) we have the following example open positions:

-5 U30USD

7 100GBP

Roll steps - SHORT position:

1) Close position - BUY

Rate = EoD rate

Rate = 46,197.85

Roll steps - LONG position:

1) Close position - SELL

Rate = EoD rate

Rate = 9,237.75

The short position – 5 U30USD will be closed (BUY) at rate 46,197.85 at EoD

The long position – 7 100GBP will be closed (SELL) at rate 9,237.75 at EoD

2) Open position - SELL

Rate = EoD rate

Rate = 46,197.85

The position – 5 U30USD will be re-opened (SELL) at rate 46,197.85 at EoD

Cost of rollover – SHORT position

Rollover cost = dealt amount x short cost x no. days rolled

Rollover cost = $5 \times 2.56904 \times 1 = 12.845$ USD

2) Open position - BUY

Rate = EoD rate

Rate = 9,237.75

The position – 7 100GBP will be re-opened (BUY) at rate 9,237.75 at EoD

Cost of rollover – LONG position

Rollover cost = dealt amount x long cost x no. days rolled

Rollover cost = $7 \times (-1.6465) \times 1 = -11.53$ GBP

3. Equities CFD and ETFs CFD

Positions on Equity and ETF CFDs will be subject to a financing cost.

The Financing costs for these instruments are updated daily and can be found via the Finalto BackOffice CFD Costs report.

Please see the following examples explaining how financing costs are calculated for CFD products on Equities and ETFs:

Instrument: FTNT.xnas

Amount held overnight: 285 shares (long position)

EoD rate: 84.62

Financing Cost: Long positions: -0.01393983/ Short positions: 0.0068865

Amount held overnight x Long position = **Cost of financing**

Cost of financing: $285 \times (-0.01393983) = -3.97$ USD (rounded up from -3.97285 USD)

Instrument: CBK.xetr

Amount held overnight: 140 shares (short position)

EoD rate: 31.97

Financing Cost: Long positions: -0.00308288/ Short positions: 0.00041872

Amount held overnight x Short position = **Cost of financing**

Cost of financing: $140 \times (0.00041872) = 0.06$ EUR (rounded up from 0.0586208 EUR)