# Leverage Policy

Skilling Limited

July 2025

## 1. Introduction

1.1. Skilling Limited (the "Company", "we", "us", or "our") is a private limited liability company incorporated under the Cyprus registration number HE373524 and regulated by the Cyprus Securities and Exchange Commission (hereinafter the "CySEC"), under licence number 357/18, with its registered office at 62 Athalassas Avenue, 2nd Floor, Office 22, 2012 Nicosia, Cyprus. For the purposes of tis Policy, references to "you", "your", or "client" refer to you, unless otherwise stated.

1.2. This Policy (the 'Policy') is issued pursuant to, and in compliance with the (EU) Directive 2014/65/EU ("**MiFID II**"); the Investment Services and Activities and Regulated Markets Law 87(I)/2017 (the "Law"); the Investment Services and Activities and Regulated Markets Law No 144(I)/2007. For the purpose of this Policy, any of the above legislation and regulation will be referred to as 'Laws' and 'Regulations'.

1.3. Fair treatment of customers is critical to our company culture, ethos, and attitude. When dealing with our clients, we have a responsibility to operate honestly, fairly, professionally, and in their best interests. The default leverage for retail clients is set at 30:1 to 2:1, which is the asset class and underlying financial instrument of the CFD, subject to the conditions mentioned in this Policy.

1.4. For your protection and satisfaction, you should carefully read this Policy as well as any other policies, documents, and information available on our website before opening a trading account. By default, you must read, agree, and accept all the general terms and conditions, and any documents incorporated herein by reference, before establishing a business relationship with us.

1.5. If you have objections to any of these general terms and conditions, or any part thereof, and/or if you do not agree to be bound by these general terms and conditions, or any part thereof, do not access and/or use our online trading facility in any way and inform us in writing immediately.

1.6. By accepting this Agreement, you agree to be bound by these terms and conditions and our Terms of Business (including any schedules, annexes, exhibits, amendments and/or side agreements, if any) that apply to your account and are always subject to any applicable laws. In the event of any conflicts or inconsistency between our Terms of Business and this Agreement, our Terms of Business shall prevail.

1.7. The leverage should be used in the best interests of the client. As a result, the Company's use of leverage should adhere to the criteria outlined below:

## 2. Capital Base and Financial Strength of the Company

2.1. The Company shall always comply with the Capital Requirements regulatory framework and the leverage ratios allowed to its Clients shall not inhibit in any way the Company from complying with the minimum capital requirements as set in the relevant regulatory framework.

## 3. Risk appetite and risk management of the Company

3.1. The Company shall follow the risk management policies and procedures which identify the risks relating to the Company's activities, processes and systems when it will be setting the percentage of the leverage ratio allowed to its Clients. The Company shall ensure that the leverage ratios allowed to Clients are always in line with the Company's risk appetite and risk management policy.

## 4. Asset class and instrument characteristics

4.1. In order to reflect the varying risk and volatility in different asset classes and instruments, the Company has divided the financial instruments it offers into the categories mentioned on the

Client's dashboard, with the corresponding maximum leverage ratios that can be provided to Clients, after taking into consideration all the factors mentioned in this Policy.

## 5. Clients’ financial knowledge and experience

5.1. The Company considers the Clients’ knowledge and experience prior to allowing a Client to use leverage. More specifically, all retail clients receive the default leverage limit which is 30:1 (unless the maximum allowed leverage for a particular financial instrument is lower than 30:1 as indicated on the Client's dashboard). In case a Client wishes to obtain a higher level of leverage, the Client should submit a request to the Company.

5.2. If the Client fails, or is not seen as suitable, in the Appropriateness and Financial knowledge test, the Client will be requested to take advantage of our Academy and/or a demo account before starting trading with real money.

## 6. Negative Balance Protection

6.1. The Company has established a negative balance protection policy which in the event that a negative balance occurs in the clients’ trading account due to stop out and/ or extremely volatile market conditions, then a relevant adjustment to cover the full negative amount will be made.

## 7. Margin Close Out

7.1. The Company will apply margin close-out protection to retail client accounts that hold open CFD positions. A margin of up to 50% (equivalent to 200% of the Client’s ‘Usage’) is required at which the Company will automatically close one or more positions at market prices where stop out level is reached. Furthermore, by applying the close-out rule at 50% margin call (equivalent to 200% of the Client’s ‘Usage’), limits the risk of any substantial loss by a retail client when the sum of funds in the trading CFD account and the unrealised net profits of all open CFDs connected to the Client's account falls to less than half of the total initial margin protection (protection) for all those open trades on CFDs.

7.2. The Margin close out is calculated and as shown in the trading platform: margin used/account balance = 200% stop out (equivalent, account balance/margin used = 50% stop out).

## 8. Initial Margin Protection

8.1. Initial margin protection will be applied to retail client accounts that hold CFDs position. The leverage limit will protect retail clients by requiring them to pay a minimum initial margin in order to trade CFDs and limit the risk exposure of the amount of money to be invested by the Client. Initial margin protection may reduce the probability of Client losses compared to those that would be expected if the Client were to trade CFD at higher leverage.

## 9. Restriction on Incentives

9.1. Restriction on the incentives offered to trade CFDs. The retail client should not be provided with any direct or/ indirect payment, monetary or excluded non-monetary benefit(s) in relation to the marketing, distribution or sale of CFDs, other than the profits recognised on any CFDs provided by the Company. Such marketing features and sales techniques referred to above when offering CFDs to Clients include bonuses, especially clients depositing money on the account or on executing a certain volume of trades.

## 10. Client categorization and Leverage Use

**10.1.1. Retail Clients:** Leverage limits on the opening of a position by a retail client from 30:1 to 2:1, which vary according to the volatility of the underlying asset. Clients have the option to adjust their leverage limit to a lower level

10.1.2. **Professional Clients:** Professional Clients have the option to trade with higher leverage on specific assets. Both Retail and Professional Clients will be eligible to the 50% margin close-out rule. For more information regarding the Company's client categorisation please read our Client Categorisation

10.1.3. If the laws or regulations of certain foreign jurisdictions relevant to the Company's activities impose a lower maximum leverage than the one otherwise available s irrespective of the Company's client categorization, the Company will provide the affected clients with the maximum leverage permitted under those laws and regulations.

10.2. **Leverage Settings**

10.3. Following the formal adoption of product intervention and measures on CFDs by the European Securities and Markets Authority (ESMA) on the 1st of June 2018, the Company shall ensure that all retail clients that demonstrate the appropriate knowledge and experience during the onboarding process shall have the following maximum leverage settings on their account as follows:

| | Retail Client | | Professional Client | |
|---|---|---|---|---|
| **Asset Class** | **Maximum Leverage** | **Initial Margin Requirement** | **Maximum Leverage** | **Initial Margin Requirement** |
| **Major FX Pairs** | 1:30 | 3.33% | 1:200 | 0.5% |
| **Minor FX Pairs** | 1:20 | 5% | 1:100 | 1% |
| **Gold** | 1:20 | 5% | 1:100 | 1% |
| **Major Indices** | 1:20 | 5% | 1:200 | 0.5% |
| **Minor Indices** | 1:10 | 10% | 1:100 | 1% |
| **Commodities** | 1:10 | 10% | 1:30 | 3.33% |
| **Stocks** | 1:5 | 20% | 1:10 | 10% |
| **Cryptocurrencies** | 1:2 | 50% | 1:2 | 50% |

10.4. We may implement the maximum leverage amount applied to the different underlying CFD products as set forth by Law sets, but we reserve the right to decrease the leverage we offer at any time. Moreso, the Company is further entitled to apply a lower leverage as a result of corporate events, political events and in general extreme market conditions which have significant impact on the client's open positions, and with or without notice to you, in order to address likely market and financial instrument volatility. Where possible we will give you at least two (2) days' notice of such change so as to enable you to take the action you consider appropriate.

## 11. Dynamic leverage

11.1. We may use a dynamic leverage model for **Elective Professional Clients (EPC),** mainly on FX, Indices and Commodities which automatically adapts to the clients trading CFD positions. For instance, the USD volume per instrument of a client increases the maximum leverage decreases accordingly as per the below table.

11.2. This model is applied per trading instrument, thus where a client has positions open across multiple instruments the leverage will be calculated separately on each symbol.

11.2.1. **FX Dynamic Leverage**

| Open USD Volume | Maximum Leverage* |
|---|---|
| 0-10,000,000 | 200:1 |
| 10,000,000-15,000,000 | 100:1 |
| 15,000,000-20,000,000 | 50:1 |

11.2.2. **Indices Dynamic Leverage**

| Open USD Volume | Maximum Leverage* |
|---|---|
| 0-5,000,000 | 200:1 |
| 5,000,000-10,000,000 | 100:1 |
| 10,000,000-15,000,000 | 50:1 |

11.2.3. **Commodities Dynamic Leverage**

| Open USD Volume | Maximum Leverage* |
|---|---|
| 0-5,000,000 | 100:1 |
| 5,000,000-10,000,000 | 50:1 |
| 10,000,000-15,000,000 | 30:1 |

11.2.4. For more information regarding the maximum leverages per symbol, please visit the section ‘Account Types’, on our website, *here*.

## 12. Changing the Default Leverage

12.1. It is Company’s obligation that retail clients are subject to trade with the maximum leverage of 30:1 to 2:1 depending on the underlying asset of the CFD, to comply with the applicable laws.

12.2. You may request to be categorised as an EPC, but this will apply only to the services or transactions for which you qualify to be treated as a professional client, enabling you to trade with a higher leverage.

12.3. The Company provides a higher leverage 200:1 according to the asset classes and the underlying financial instrument (except for CFDs on stocks, 10:1 and CFDs on cryptocurrencies 2:1 respectively) to retail clients who elect to be treated as EPCs. The Company approves such application in accordance with the Company's Client Categorisation Policy and leverage may be adjusted as determined by the Business Terms and if so, agreed between the Company and the professional client. More information shall be provided to the EPC as soon as the application has been approved by the Company' s Compliance department.

12.4. When a client requests to change the leverage, the Company will not impose any costs and charges to implement the changes.

## 13. Retail Client Important Notice

13.1. The Company shall limit the leverage of Retail clients (also known as 'new traders') to a maximum of 30:1 to 2:1 depending on the underlying asset of the CFD in accordance with the conditions of the applicable laws. Trading with a very high leverage ratio is one of the most common errors committed by new traders.

13.2. You are kindly advised to carefully read our Client Categorisation Policy and Business Terms to understand your obligations.

## 14. Policy Review

14.1. This Policy is reviewed and assessed on a regular basis and at least annually. Where necessary, they provide recommendations for improvements, which are then implemented with the aim of keeping the quality of execution to the highest standards. In instances where a material change to our execution arrangements and policy occurs, we will notify the clients of such change.

14.2. This Policy was last updated and published on 10.07.2025. A copy of the most up-to-date version of this Policy is available on our Website.

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