

Important: New Leverage Limits

The following information is important as it relates to your dealings in Forex and in CFDs with Tier1FX.

Our regulator, the Malta Financial Services Authority (“MFSA”), has recently ruled that “The operations of online business models offering MiFID investment services in relation to *complex speculative products* pose a high risk for retail customers who may not be fully conversant with the risks associated with such speculative trading.”

This represents the conclusions drawn from various consultations with industry experts, including ourselves, in Malta wherein the Authority has now set the following maximum leverage limits on the dealing clients of all licensed entities, which will also include you as our clients at Tier1FX:

- **For retail clients, maximum leverage of 1:50;**
- **For retail clients electing to be treated as professional clients in terms of MiFID – 1:100;**
- **For all other clients – no leverage limits.**

Please note that these changes will take effect from **1st October 2017**.

As a client of ours, you are fully aware that leverage will alter the exposure to an underlying financial instrument and it will amplify its financial outcome. It therefore exposes you and whoever else deals in derivatives to potential losses which may exceed your initial deposits.

The MFSA’s position here is that the 1:50 maximum leverage limit should ensure that those of you who are classified as Retail Clients are not exposed to the risks which are not suitable for them, and thereby diminishing the risk of making losses greater than the investment made.

As clients of ours, many of you already trade on these leverage limits.

A number of you reading this letter, however, whilst being classified as a Retail Client, have traditionally traded on higher leverage limits and may wish to continue to do so. In that event, you may elect to be treated as a professional client in terms of MiFID.

For you to be eligible to do so you will be required to meet certain conditions, primarily relating to your trading experience and to your financial resources. Should you wish to learn more about being reclassified as a Professional Client, **please contact us at support@tier1fx.com before 26th Sept 2017**.