

**What is trading on margin**

**Ans:** Buying on margin is borrowing money from a broker to purchase stock. You can think of it as a loan from your brokerage. Margin trading allows you to buy more stock than you'd be able to normally.

**What is margin call**

**Ans:** If the margin equity in your account falls below a certain amount based on the amount you have borrowed, then the account is issued a margin call via email and the client

**Debit Balance (DB)**

**Ans:** This means the amount owed by the client to the Broker. It changes with additional purchases or sales in the client's margin account.

**Margin Equity**

**Ans:** This means the difference between the current market value of all securities in the margin account and the amount owed by the client to the broker in the margin account.

**Initial margin**

**Ans:** This means the minimum amount that the broker shall accept for purposes of opening and operating a margin account for the client.

**Maintenance margin**

**Ans:** This means the minimum amount of equity that must be maintained by a client in his/her margin account.

**Collateral Requirement**

**Ans:** This means the amount payable to cover a margin call.

**Can I use same Available Cash Balance for trading in Non- Margin Trading stocks, Derivatives and Margin trading stocks?**

**Ans:** No, you can't

**What are the brokerage charges for buying/ selling using Margin Trading?**

**Ans:** Brokerage is 1%.



**What will happen if I do not maintain the Maintenance Margin?**

**Ans:** In case margin falls below the limits prescribed for Maintenance Margin (presently 40%), we will issue a Margin Call and the position can be liquidated.

**What if I am not able to meet the Margin Call?**

**Ans:** Your position will be liquidated.

**What is the minimum amount?**

**Ans:** The minimum amount need to qualify you for margin is N1,000,000

**If I bring in N1,000,000 how much am I entitled to?**

**Ans:** The loan to value amount equates what the initial margin with its limits as stated in the risk acceptance criteria.

**What is my advantage if I subscribe to the Margin platform?**

**Ans:** Taking up a margin facility betters your chances at magnifying your returns with an increase in price movement of the shares.

**What is the Interest Rate?**

**Ans:** Prime Lending Rate + 15%

**What are the fees involved?**

**Ans:** Brokerage, Interest rate and an annual management fee of 2%.