

Margin

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Forex Margin


All assets in each currency are combined to determine a single net asset value in that currency. Separate margin requirement calculations are used when determining the amount of funds available for withdrawal and the amount of funds available for trading. When determining the amount of funds available for withdrawal, the margin for non-base currency assets is determined by taking the margin rate tables below times the net asset value in the currency. There is no margin for base currency assets.

IB Margin Requirements

The following margin rates generally apply to all customers. In various jurisdictions, local regulators require different and/or higher margin rates. If the local margin rates are higher than the IB margin rates, then the

margin rates required by local regulators will apply. Otherwise, the IB margin rates listed below apply.

Separate margin requirements are used when determining the amount of funds available for withdrawal and the amount of funds available for trading. For more information, see Knowledge Base articles [KB970 - Currency Margin Calculation](#) and [KB971 - Currency Margin Calculation \(Withdrawals\)](#).

Currency	Initial Margin % (Leverage)	Margin Requirement % (Leverage) ¹
AUD	3% (33.3:1)	2.5% (40:1)
CAD	N/A	2.5% (40:1)
CHF	N/A	3% (33.3:1)
CNH	10% (10:1)	5% (20:1)
CZK	N/A 	5% (20:1)
DKK	15% (6.7:1)	15% (6.7:1)
EUR	5% (20:1)	3% (33.3:1)
GBP	N/A	2.5% (40:1)
HKD	10% (10:1)	5% (20:1)
HUF	N/A	5% (20:1)

ILS	N/A	5% (20:1)
JPY	3% (33.3:1)	2.5% (40:1)
KRW	N/A	10% (10:1)
MXN	6% (16.7:1)	5% (20:1)
NOK	N/A	3.33% (30:1)
NZD	N/A	3.33% (30:1)
RUB	20% (5:1)	15% (6.7:1)
SEK	N/A	3.33% (30:1)
SGD	N/A	3.3% (30.3:1)
USD	N/A	2.5% (40:1)

IB LLC Customers

The following margin rates are required by regulators for customers of IB LLC. They only apply if they are higher than the IB Margin Requirements listed above.

Currency	Maintenance Margin (Leverage) ¹
AUD	3% (33.3:1)
CAD	2% (50:1)
CHF	5% (20:1)
CNH	5% (20:1)
CZK	5% (20:1)
DKK	2% (50:1)
EUR	2% (50:1)
GBP	2% (50:1)
HKD	5% (20:1)
HUF	5% (20:1)
ILS	5% (20:1)
JPY	3% (33.3:1)
KRW	5% (20:1)
MXN	6% (16.7:1)

NOK	3% (33.3:1)
NZD	2% (50:1)
RUB	20% (5:1)
SEK	3% (33.3:1)
SGD	5% (20:1)
USD	2% (50:1)

IB Canada Customers

The following margin rates are required by regulators for customers of IB Canada. They only apply if they are higher than the IB Margin Requirements listed above.

Currency	Margin Requirement % (Leverage) ¹
AUD.CAD	3% (33.3:1)
AUD.USD	3.3% (30.3:1)

CHF.CAD	3% (33.3:1)
DKK.CAD	10% (10:1)
DKK.USD	10% (10:1)
EUR.CAD	3% (33.3:1)
EUR.USD	3.5% (28.6:1)
GBP.CAD	3% (33.3:1)
GBP.USD	3% (33.3:1)
HKD.CAD	10% (10:1)
HKD.USD	10% (10:1)
ILS.CAD	3% (33.3:1)
ILS.USD	3% (33.3:1)
JPY.CAD	3% (33.3:1)
MXN.CAD	3% (33.3:1)
MXN.USD	3% (33.3:1)
NOK.CAD	3% (33.3:1)
NOK.USD	4.4% (22.7:1)

NZD.CAD	3% (33.3:1)
NZD.USD	3% (33.3:1)
SEK.CAD	3% (33.3:1)
SEK.USD	3% (33.3:1)
SGD.CAD	10% (10:1)
SGD.USD	10% (10:1)
USD.CAD	2.3% (43.5:1)

IB Hong Kong Customers

The following margin rates are required by regulators for customers of IB Hong Kong. They only apply if they are higher than the IB Margin Requirements listed above.

Currency	Initial Margin in % (Leverage)	Maintenance Margin (Leverage) ¹
All pairs	5% (20:1)	3% (33.33:1)

Margin for Leveraged FX Positions

Margin for leveraged FX positions is calculated as follows:

- For each currency with a negative cash balance, offset with positive non-cash asset value in the same currency;
 - For each currency with remaining positive non-cash asset value, use it to offset remaining negative cash balance in other currencies. Offset the currency with the highest margin rate first.
 - Use total net liquidation value to offset remaining negative cash balances. Offset the currency with the highest margin rate first.
 - If there are negative cash balances left, they are paired up with positive cash balances to calculate margin. The pairing algorithm previously developed for IB currency margin is used.
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Examples

The following exchange rates and margin rates are used in the examples below. The rates are intended for illustrative purposes only and do not represent actual margin rates.

Currency	Exchange rate to USD	IB Margin Rate	NFA Margin Rate
HKD	0.125	3%	5%
USD	1	2.5%	N/A
EUR	1.25	2.5%	N/A
NZD	0.8	10%	N/A

Example 1: Total Net Liquidation Value = 5,000.00 USD

Currency	Cash	Non-Cash Asset Value	FX Balance	Leveraged FX Balance	Leveraged FX Balance (USD)
HKD	120,000	0	-120,000	-80,000	-10,000
USD	20,000	0	N/A	N/A	N/A

Leveraged FX position is -80,000 HKD vs 10,000 USD.

Margin is $10,000 \text{ USD} * 5\% = 500 \text{ USD}$.

Example 2: Total Net Liquidation Value = 5,000.00 USD

Currency	Cash	Non-Cash Asset Value	FX Balance	Leveraged FX Balance	Leveraged FX Balance (USD)
HKD	120,000	40,000	-80,000	-40,000	-5,000
USD	35,000	-20,000	N/A	N/A	0

Leveraged FX position is -40,000 HKD vs 5,000 USD.

Margin is $5,000 \text{ USD} * 5\% = 250 \text{ USD}$.

Example 3: Total Net Liquidation Value = 5,000.00 USD

Currency	Cash	Non-Cash Asset Value	FX Balance	Leveraged FX Balance	Leveraged FX Balance (USD)
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HKD	120,000	240,000	0	0	0
USD	-10,000	0	0	0	0

-120,000 HKD cash is offset by 120,000 HKD non-cash asset value. -10,000 USD cash is offset by 80,000 HKD non-cash asset value. There is no leveraged FX position.

Margin = 0.

Example 4: Total Net Liquidation Value = 5,000.00 USD

Currency	Cash	Non-Cash Asset Value	FX Balance	Leveraged FX Balance	Leveraged FX Balance (USD)
HKD	120,000	0	-120,000	-80,000	-10,000
USD	-10,000	0	-10,000	-10,000	-10,000
EUR	10,000	0	N/A	N/A	N/A
NZD	21,875	0	N/A	N/A	N/A

Short balances in USD and HKD are paired up with long balances in EUR and NZD to form FX positions as follows:

- -10,000 USD vs 8,000 EUR. Margin is $10,000 \text{ USD} * 2.5\% = 250 \text{ USD}$

- -20,000 HKD vs 2,000 EUR. Margin is 2500 USD * 5% = 125 USD
- -60,000 HKD vs 9,375 NZD. Margin 7500 USD * 10% = 750 USD

Total Margin = 1125 USD. Note that net liquidation value is used once to offset HKD, but not used to offset USD.

Disclosures

1. Margin Requirement % = 1/Leverage Rate.
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- US IRA margin accounts are never allowed to borrow non-base currencies.



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www.interactivebrokers.co.in

INTERACTIVE BROKERS SECURITIES JAPAN INC.

〒103-0025 東京都中央区日本橋茅場町1-10-10 4F **Registered Office:** 4th Floor Tekko Kaikan, 3-2-10 Nihonbashi Kayabacho, Chuo-Ku, Tokyo 103-0025 Japan
www.interactivebrokers.co.jp

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