



# Costs and charges

Company: Pepperstone Limited  
Date: March 2020

Risk Warning: CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 73.6% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. Trading derivatives is risky. It isn't suitable for everyone and, in the case of Professional clients, you could lose substantially more than your initial investment. You don't own or have rights in the underlying assets. Please read our legal documents and ensure you fully understand the risks before you make any trading decisions. We encourage you to seek independent advice. Pepperstone Limited is a limited company registered in England & Wales under Company Number 08965105 and is authorised and regulated by the Financial Conduct Authority (Registration Number 684312). Registered office: 70 Gracechurch Street, London EC3V 0HR, United Kingdom.



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## 1. Direct Costs

### 1.1 Spread and Commission

The difference between the bid and ask price is known as the spread. The spread can vary depending on a wide range of market conditions. Pepperstone offers two trading accounts, Standard and Razor and the costs for trading are dependent on the trading account you hold with us. Both account types will have minimum spread. In most cases Pepperstone will charge our spread on top of the market spread which is the fee for trading and shown as a total spread on the trading platform (Table 1 - 8). Spread charges will be applied to most of our products; Forex, Indices, Metals, Cryptocurrency and Soft Commodities (Table 3-7). Share CFD trades are charged a commission instead of a spread (Table 8).

### 1.2 Standard Account

Our Standard Account has a 1 Pip Mark-up to the spread reflected on the Razor account for Forex, instead of a separate commission charge. For a standard account commissions on metals and Index products are reflected in the spread (Table 1-8).

#### 1.2.1 Standard Account - Swap-free

In some regions and at the discretion of Pepperstone, we offer a swap-free account for clients. This account type does not incur overnight funding or swaps. An administration fee charged on any position open for 10 days for each 10 day period (Table 9). The swap-free account has a 1 pip mark-up to the spread of forex instruments on top of the Razor account spreads with commissions on Index and Metal products reflected in the spread.

### 1.3 Razor Account

Our Razor account commission is dependent on the account currency and is charged on all FX trades (Table 1). In Addition to the commission, you will also pay a market spread or minimum spread. When trading a cTrader account the commission is 7 units in the base currency of the instrument traded and converted to your trading account currency. e.g. 1 lot AUDUSD = \$7 AUD per Lot. For both MetaTrader and cTrader platforms the commission on index, metal, cryptocurrency and soft commodity markets are reflected in the spread with no separate commission charge.

## 2. Other Charges

### 2.1 Overnight funding and swaps

Overnight funding is a charge for holding a position in equities, commodities, crypto, metal or index markets and a swap for forex positions over rollover; which is 5pm New York (23:59 Server Time).



## 2.2 Forex

Pepperstone's Forex overnight funding or swap as displayed in the platform is calculated by using the TomNext rate provided by our liquidity providers with an admin fee. These rates are updated as the underlying TomNext rate changes. Formula for forex overnight funding is: number of nights held x (TomNext\* including funding fee\*\*) x trade size. \*TomNext rate is derived from our liquidity providers from the underlying market. \*\*Funding Fee is the TomNext rate in points multiplied by 3%

### 2.2.1 Triple Swap

Given the T+2 nature of Spot Forex, trades held past 5pm Wednesday New York time will be treated as having been executed on Thursday and the account adjusted for three days of interest to account for the weekend. For our CFD Equities and Index products a Triple swap will be incurred on Friday to account for weekend holding.

## 2.3 Swap-free Administration Fee

At Pepperstone's discretion we offer a swap-free account to some clients, due to personal or religious reasons. The swap-free account does not incur swaps, rather has a set admin fee charged every 10 days that a position is held open. The administration fee is available in table 9.

## 2.4 Inactivity Fee

Overnight funding is a charge for holding a position in equities, commodities, crypto, metal or index markets and a swap for forex positions over rollover; which is 5pm New York (23:59 Server Time).

## 2.5 Funding and Withdrawal Fees

Pepperstone does not charge funding and withdrawal fees, however, your bank may charge an intermediary fee. It is always best to check with your financial institution about any intermediary bank charges that may be incurred when transacting with Pepperstone.

### MetaTrader 5 Razor Commissions

| Trading Account Currency | Commission Per 1 Lot (100,000 base Currency) |
|--------------------------|--|
| AUD (Australian Dollar)  | AUD 3.50 (AUD 7 round turn)                  |
| USD (US Dollar)          | USD 3.50 (USD 7 round turn)                  |
| JPY (Japanese Yen)       | JPY 303 (JPY 607 round turn)                 |
| EUR (Euro)               | EUR 2.61 (EUR 5.23 round turn)               |
| GBP (Pound Sterling)     | GBP 2.29 (GBP 4.59 round turn)               |
| CHF (Swiss Franc)        | CHF 3.30 (CHF 6.60 round turn)               |
| NZD (New Zealand Dollar) | NZD 4.75 (NZD 9.50 round turn)               |
| SGD (Singapore Dollar)   | SGD 4.55 (SGD 9.10 round turn)               |
| HKD (Hong Kong Dollar)   | HKD 28.17 (HKD 56.34 round turn)             |



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|                              |                            |
|------------------------------|----------------------------|
| <b>CAD (Canadian Dollar)</b> | CAD 3.5 (CAD 7 round turn) |
|------------------------------|----------------------------|

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## MetaTrader 4 Razor Commissions

| <b>Trading Account Currency</b> | <b>Commission Per 1 Lot (100,000 base Currency)</b> |
|---------------------------------|---|
| <b>AUD (Australian Dollar)</b>  | AUD 3.50 (AUD 7 round turn)                         |
| <b>USD (US Dollar)</b>          | USD 3.76 (USD 7.53 round turn)                      |
| <b>JPY (Japanese Yen)</b>       | JPY 303 (JPY 607 round turn)                        |
| <b>EUR (Euro)</b>               | EUR 2.61 (EUR 5.23 round turn)                      |
| <b>GBP (Pound Sterling)</b>     | GBP 2.29 (GBP 4.59 round turn)                      |
| <b>CHF (Swiss Franc)</b>        | CHF 3.30 (CHF 6.60 round turn)                      |
| <b>NZD (New Zealand Dollar)</b> | NZD 4.75 (NZD 9.50 round turn)                      |
| <b>SGD (Singapore Dollar)</b>   | SGD 4.55 (SGD 9.10 round turn)                      |
| <b>HKD (Hong Kong Dollar)</b>   | HKD 28.17 (HKD 56.34 round turn)                    |
| <b>CAD (Canadian Dollar)</b>    | CAD 3.5 (CAD 7 round turn)                          |

## 2.6 Minimum and Average Spreads

### Forex

| <b>Currency Pair</b> | <b>Minimum Spread*</b> | <b>Average Spread*</b> |
|----------------------|------------------------|------------------------|
| <b>AUDCAD</b>        | 0.30                   | 0.91                   |
| <b>AUDCHF</b>        | 0.20                   | 0.66                   |
| <b>AUDJPY</b>        | 0                      | 0.32                   |
| <b>AUDNZD</b>        | 0.20                   | 0.86                   |
| <b>AUDSGD</b>        | 1.6                    | 2.41                   |
| <b>AUDUSD</b>        | 0                      | 0.18                   |
| <b>CADCHF</b>        | 0.3                    | 0.94                   |
| <b>CADJPY</b>        | 0                      | 0.45                   |
| <b>CHFJPY</b>        | 0                      | 0.60                   |
| <b>CHFSGD</b>        | 0                      | 1.27                   |
| <b>EURAUD</b>        | 0                      | 0.51                   |
| <b>EURCAD</b>        | 0.40                   | 1.20                   |
| <b>EURCHF</b>        | 0                      | 0.51                   |
| <b>EURCZK</b>        | 0.10                   | 0.53                   |
| <b>EURGBP</b>        | 0                      | 0.48                   |
| <b>EURHUF</b>        | 4                      | 15.04                  |
| <b>EURJPY</b>        | 0                      | 0.27                   |
| <b>EURMXN</b>        | 14                     | 37.79                  |
| <b>EURNOK</b>        | 6                      | 17.13                  |
| <b>EURNZD</b>        | 0.4                    | 1.41                   |



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|        |      |       |
|--------|------|-------|
| EURPLN | 2    | 8.47  |
| EURSEK | 6    | 22.49 |
| EURSGD | 1.10 | 1.83  |
| EURTRY | 2    | 13.91 |
| EURUSD | 0    | 0.13  |
| EURZAR | 2    | 38.46 |
| GBPAUD | 0.8  | 1.91  |
| GBPCAD | 0.6  | 2     |
| GBPCHF | 0.8  | 1.79  |
| GBPJPY | 0.4  | 1.20  |
| GBPMXN | 14   | 61.22 |
| GBPNOK | 6    | 31.10 |
| GBPNZD | 1.2  | 2.73  |
| GBPSEK | 7    | 33.45 |
| GBPSGD | 1.3  | 3.17  |
| GBPTRY | 4    | 23.36 |
| GBPUSD | 0    | 0.51  |
| NOKJPY | 1.5  | 1.78  |
| NOKSEK | 6    | 8.08  |
| NZDCAD | 1    | 1.99  |
| NZDCHF | 0.5  | 1.10  |
| NZDJPY | 0.3  | 0.81  |
| NZDUSD | 0.1  | 0.37  |
| SEKJPY | 6    | 6.25  |
| SGDJPY | 1    | 1.21  |
| USDCAD | 0    | 0.24  |
| USDCHF | 0    | 0.31  |
| USDCNH | 6.40 | 9.21  |
| USDCZK | 3    | 37.37 |
| USDHUF | 4    | 11.23 |
| USDJPY | 0    | 0.13  |
| USDMXN | 5    | 15.47 |
| USDNOK | 1.50 | 11.20 |
| USDPLN | 6    | 11.95 |
| USDRUB | 22   | 67.76 |
| USDSEK | 6    | 17.77 |
| USDSGD | 0.50 | 1.39  |
| USDTHB | 10   | 33.21 |
| USDTRY | 1.40 | 10.12 |
| USDZAR | 10   | 24.11 |

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|               |   |      |
|---------------|---|------|
| <b>ZARJPY</b> | 1 | 1.05 |
|---------------|---|------|

\*Minimum and Average spread refers to the spread on a Razor account, Standard accounts will have an additional 1Pip above these values.

## Index markets

| <b>Instrument</b> | <b>Session Time (GMT + 2)</b> | <b>Minimum Spread</b> |
|-------------------|-------------------------------|-----------------------|
| <b>AUS200</b>     | 00.50 - 7.30                  | 1                     |
|                   | 03:00 - 10:00                 | 1.80                  |
|                   | 03:00 - 10:00                 | 10                    |
| <b>CN50</b>       | 10:00 - 22:45                 | 12                    |
|                   | 22:45 - 3:00                  | 24                    |
| <b>EUSTX50</b>    | 00:00 - 23:59                 | 2                     |
| <b>FRA40</b>      | 09:00 - 23:00                 | 1                     |
|                   | 09:00 - 23:00                 | 1                     |
|                   | 18:30 - 23:00                 | 2                     |
| <b>GER30</b>      | 02:15 - 9:00,                 | 4                     |
|                   | 23:00 - 02:15                 | 5                     |
|                   | 10:00 - 18:40                 | 10                    |
| <b>JPN225</b>     | 01:30 - 23:00                 | 8                     |
|                   | 23:00 - 1:30                  | 10                    |
|                   | 09:00 - 18:30                 | 1                     |
| <b>SPA35</b>      | 21:00 - 09:00                 | 2                     |
|                   | 18:30 - 21:00                 | 3                     |
|                   | 10:00 - 18:30                 | 1                     |
| <b>UK100</b>      | 09:00 - 10:00, 18:30 - 23:00  | 2                     |
|                   | 03:00 - 09:00                 | 3                     |
|                   | 23:00 - 03:00                 | 4                     |
|                   | 16:30 - 23:00                 | 0.40                  |
| <b>US500</b>      | 01:00 - 16:30, 23:00 - 00:00  | 0.60                  |
|                   | 00:00 - 01:00                 | 1.50                  |
| <b>NAS100</b>     | 01:00 - 00:00                 | 1                     |
|                   | 16:30 - 23:00                 | 1.60                  |
| <b>US30</b>       | 10:00 - 16:30                 | 2.40                  |
|                   | 01:00 - 10:00, 23:00 - 00:00  | 3.80                  |
|                   | 00:00 - 01:00                 | 9.80                  |
| <b>US2000</b>     | 01:00 - 00:00                 | 0.30                  |
|                   | 00:00 - 01:00                 | 0.80                  |
| <b>HK50</b>       | 03:15 - 21:00                 | 8                     |
|                   | 21:00 - 03:15                 | 30                    |



## Commodities

| Commodity    | Minimum Spread | Average Spread |
|--------------|----------------|----------------|
| Cocoa        | 5.0            | 5.00           |
| Coffee       | 2.30           | 2.80           |
| Corron       | 13.00          | 13.00          |
| Orange Juice | 3.00           | 3.41           |
| Sugar        | 4.20           | 4.20           |

## Metals

| Instrument | Minimum Spread | Average Spread |
|------------|----------------|----------------|
| XAGEUR     | 0.50           | 0.93           |
| XAGUSD     | 0.50           | 0.82           |
| XAUAUD     | 0.50           | 2.60           |
| XAUEUR     | 0.50           | 1.53           |
| XAUUSD     | 0.50           | 1.13           |
| XPDUSD     | 5.00           |                |
| XPTUSD     | 5.00           |                |

## Energy

| Instrument | Minimum Spread | Average Spread |
|------------|----------------|----------------|
| XBRUSD     | 0.50           |                |
| XTIUSD     | 0.50           |                |
| XNGUSD     | 5.00           |                |

## Cryptocurrency

| Instrument  | Minimum Spread (\$) |
|-------------|---------------------|
| Bitcoin     | 10.00               |
| BitcoinCash | 4                   |
| Dash        | 3.00                |
| Ethereum    | 4.00                |
| Litecoin    | 3.00                |

## Equities

| Instrument    | Commission           |
|---------------|----------------------|
| US Equity CFD | \$0.02 USD per share |

| Instrument   | Admin Charge (USD) per Lot/contract |
|--|-------------------------------------|
| Cryptocurrencies except Bitcoin, , OrangeJuice, OJ, Sugar, Cocoa, Coffee | \$1                                 |





|   |      |
|---|------|
| AUS200, HK50, UK100, US500, NAS100, EUSTX50, FRA40, SPA35, US2000, USDX, Cotton | \$5  |
| XTIUSD, GER30, XBRUSD, IT40, JPN225, CN50, Bitcoin                              | \$10 |
| US30  | \$30 |
| FX and precious metals  | \$50 |

## 2.7 Illustration of estimated fees and charges

Example:

**Account Currency:** USD

**Traded Currency:** EURUSD:

|                   | Cost per million EURUSD including average spread and financing charges (swaps) | Annualised costs (based on 100 standard lots notional volume = USD\$10 million traded volume) |
|-------------------|--|---|
| Razor Account     | USD \$29.36  | USD \$293.6   |
| Standard Account  | USD \$48.12  | USD \$481.2   |
| Swap-free Account | USD \$58.78  | USD \$587.8   |

## 3. Examples

### 3.1 Forex Swap Calculation

The difference between the bid and ask price is known as the spread. The spread can vary depending

Example:

AUD/CAD

TomNext Rate 10/02/2020: **Bid:** 0.0000069 **Ask:** 0.0000371

TomNext Converted into MT4 Points: **Short:** 0.69 **Long:** -3.71

TomNext Including Mark-up: **Short:** 0.69 - 3% **Long:** -3.71 + 3%

TomNext Displayed in terminal: **Short:** 0.67 **Long:** -3.82

One Point: 0.00001

Account Base: AUD

Exchange Rate: 0.89156

Trade Size 1 Lots (100,000)

Nights Held: 1

Pepperstone Swap Short: 0.67 Long: -3.82

Swap Long to be debited  $1 * (0.00001/0.89156) * (100,000 * -3.82) = \$-4.28$

Swap Short to be credited  $1 * (0.00001/0.89156) * (100,000 * 0.67) = \$0.75$



## 3.2 Indices, commodities and share CFDs Overnight funding.

Pepperstone calculates overnight funding for Indices based on LIBOR or the equivalent interbank rate.

Formula for indices overnight funding is: nights held x (market price at rollover x trade size x (LIBOR +/- admin fee\*)/360

\*Admin fee is 2.5%

### Example:

US30

Account Base: USD

Trade Size: 1 contract (\$29,493 USD)

LIBOR USD 1 Month: 1.66188

Pepperstone Admin fee: +/- 2.5%

Overnight funding Long: -4.162% Short: -0.838%

Funding Long:  $(\$29,493 * -4.162\%)/360 = \$-3.41$

Funding Short  $(\$29,493 * -0.838\%)/360 = \$-0.69$



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