

Learn about **Margin Calls & Low Equity liquidation policy** when trading!

1. What is Phillip Capital' Low Equity Policy?

Your account will be considered to have fallen into low equity when the account's equity balance is less than 50%* of the initial margin of all open positions held in the account. While not legally obligated, we will do our best to notify you of the low equity status. To address the low equity, you will have to top up your account with funds or liquidate your positions before the account's equity balance reaches 20%* of the initial margin.

After you have topped up your account, do notify Phillip Capital via email to futures_dealing@phillipcapital.com.my and attach the proof of transaction for verification. This ensures that we are updated of your top-up and do not have to liquidate your positions partially or in full, without prior notice, when your equity balance falls below 20%* of initial margin.

Customers are encouraged to practise good risk management by taking proactive steps to cope with volatile market conditions and uncertainties.

**Phillip Capital reserves the right to amend the low equity and stop loss threshold in accordance to the risk profile of the account. You will be informed of any changes to your account's low equity threshold.*

2. Will my whole portfolio be liquidated when there's a low equity situation?

If you have not topped up your account and/or have not reduced your position(s), in the event your equity balance reaches 20%* of Initial Margin, Phillip Capital will be liquidating all your open position(s) on your behalf. Partial liquidation may be carried out if the contract is closed for trading and/or there's insufficient liquidity in the market place.

If you have position(s) which is benchmarked across different exchanges/time zone, Phillip Capital may use the prevailing market price of a similar contract to assess your portfolio. (For e.g. if prices for Nikkei 225 contract from Exchange A is unavailable, a similar contract from Exchange B may be used).

Liquidation of your position(s) will be carried out at Phillip Capital reasonable discretion and without notice.

**Phillip Capital reserves the right to amend the low equity and stop loss threshold in accordance to the risk profile of the account. You will be informed of any changes to your account's low equity threshold.*

3. Where can I find the margin requirements for the leveraged products I wish to trade?

If you are an existing customer, you will receive an updated Margin List weekly through your email.

Alternatively, you may approach our Marketing Desk at the Main Office or Investor Centres during operating hours for the latest margin list. You can also contact the Marketing Desk at (03) 2162 1628/2711 0026 or email pcsb_enquiry@phillipcapital.com.my for the margin requirements.

4. Who sets the Margin requirements?

The margin requirements are determined by benchmarking the margins required by respective exchanges, counterparties or any relevant bodies. Phillip Capital may adjust to a higher margin requirement without notice.

5. What is the Initial Margin?

The Initial Margin refers to the minimum amount that you would have to deposit for each open position.

6. What is the Maintenance Margin?

Maintenance or Call Margin refers to the minimum amount which is to be maintained in your trading account following the deposit for the initial margins.

7. What is a Margin Call? When will a Margin Call be issued?

A Margin Call occurs when your Equity Balance falls below the total Maintenance Margin (MM) level. The under-margined amount is the difference between your Equity Balance and Initial Margins.

In determining Margin Calls, your account shall be reviewed at the close of the business day.

You will be notified and required to fulfil the margin call on T+1.

8. What do I need to do to fulfil the Margin Call?

To fulfil the Margin Call, you are required to deposit sufficient funds or liquidate open positions, to ensure that your account's Equity Balance is above the Initial Margin (IM) requirements at the close of the business day.

9. How much time do I have to fulfil the Margin Call?

Please refer to the table below for the timeline of a Margin Call during normal market conditions:

Trade Date (T)	Margin Call occurs
T+1 Business Day	To fulfil Margin Call by T+1*

*Depending on the open position(s), you are required to top up the higher Margin Call amount and/or liquidate sufficient open position(s) by the specified time.

It is a trader's responsibility to continuously monitor and ensure there is sufficient margin on the account on a regular basis. When margin requirements are not met by T+1, Phillip Capital reserves the right to close any position(s) without prior notice.

Under adverse market conditions, you are advised to top up your account almost immediately. For more details, click here to refer to our Low Equity Policy.

While we try our best to prevent your account from going into over loss, it may be inevitable under extreme market conditions.