

Liquid Trading Rules

IMPORTANT NOTICE FOR RESIDENTS OF JAPAN: *These Trading Rules do not apply to you if you reside in Japan or if you are using or accessing the Services on behalf of an entity that is incorporated, established, or domiciled in Japan. In that case the Trading Rules (取引ルール/手数料) provided on the Japanese language version of the Liquid website apply to you.*

If you are a Japanese citizen but not resident in Japan, the Trading Rules set out below apply to you.

Effective date: 4 September 2018

These Trading Rules and any terms expressly incorporated herein (“**Rules**”) apply to your access to and use of any services made available by Quoine Pte. Ltd. (“**Quoine**”) through Quoine’s websites, mobile applications, APIs or developer tools, and any other related services provided by Quoine. Certain capitalized words and phrases used in these Rules are defined in the Terms of Use.

These Rules constitute a binding agreement between you and Quoine. By clicking a checkbox or a button that contains words such as “I Agree” when presented with these Rules or, if earlier, by accessing or using any Services, you agree to be bound by these Rules. The Terms of Use, Privacy Policy and all other rules, policies and procedures posted on the Site constitute a part of and are hereby incorporated by reference in their entirety into these Rules.

Please review these Rules periodically to ensure that you understand all the terms and conditions that apply to your access to and use of the Services.

These Rules provide explanations of permitted trading methods, terminology, fees, rules applicable to leveraged trades and other important matters so that users can understand the Digital Asset trading that can be performed whilst using the Services.

1. Trading Channels

Trades can be performed online through Quoine 's website or a dedicated application using computers, tablets, smartphones, or other devices. However, some Services may not be available from certain devices.

Quoine does not accept orders through customer support, by email, by telephone or by any other method not approved by Quoine.

2. Trading Times

Trading days	Trading start	Trading end
Monday to Sunday	7:00 AM	6:59 AM following day

Trades cannot be performed during system maintenance. Quoine will provide notification prior to performing system maintenance.

Trading times may be changed whenever necessary at Quoine 's sole discretion.

3. Trading Currency Pairs

A “**Currency**” or “[**CCY**]” refers to a specific Digital Asset or a specific Legal Tender. A “**Currency Pair**” is a set of two Currencies, displayed side by side, that are traded in a Digital Asset trade.

Each Currency Pair, as shown on the Site, indicates the amount of Currency displayed on the right side of the Currency Pair that is necessary to acquire one unit of the Digital Asset on the left side of the Currency Pair. For example, ETH/BTC indicates the amount of BTC necessary to purchase one ETH and BTC/JPY indicates the amount of JPY necessary to purchase one BTC.

The Currency Pairs available to you for trading are visible on the Site after you log in.

4. Trading Overview

Users can perform spot trades and leveraged (margin) trades for purposes of Digital Asset trading. If you are a resident of Japan (see above), “leveraged trade” refers to a contract-for-difference (CFD) trade. If you are not a resident of Japan, “leveraged trade” refers to a margin trade.

4.1 Order Limits

	BTC	All Other Digital Assets
Minimum order quantity for spot trades	None (For a sale of less than 0.01BTC, the sell order must be for the entire quantity)	0.5[CCY] (For a sale of less than 0.5[CCY] or 0.1LTC for Litecoin, the sell order must be for the entire quantity)
Trade limit for spot trades	None (Combined limit of 500BTC per hour for market takers and/or spot trades/leveraged trades)	None (Combined limit of [CCY] equivalent of 500BTC per hour for market takers and/or spot trades/leveraged trades)
Maximum order quantity for spot trades	None (Combined limit of 500BTC per hour for market takers and/or spot trades/leveraged trades)	None (Combined limit of [CCY] equivalent of 500BTC per hour for market takers and/or spot trades/leveraged trades)
Minimum order quantity for leveraged trades	Liquidating (opposing trade) for less than 0.01BTC, opposing trades for all open positions must be made	Liquidating (opposing trade) for less than 0.5[CCY], opposing trades for all open positions must be made

4.1 Other Terms

Active period of limit and stop-loss orders	None (“good until canceled”) Orders are active until executed or until canceled by the user.
Canceling orders	Limit orders and stop-loss orders placed by the user can be canceled if they have not been executed. Market orders cannot be canceled.
Changing orders	Limit orders and stop-loss orders placed by the user can be changed if they have not been executed. Market orders cannot be changed.

5. Order Types

Market orders	This is an order method in which the user does not specify a price. When a market buy order is placed, the order quantity is filled beginning with the lowest-priced sell order currently available. Likewise, when a market sell order is placed, the order quantity is filled beginning with the highest-priced buy order currently available. Batch sell orders, partial liquidation orders, total liquidation orders, batch liquidation orders, batch long position liquidation orders, and batch short position liquidation orders are executed as market orders.
Limit orders	Limit orders are orders with conditions set to buy if the price falls to or below a specified point or to sell if the price rises to or surpasses a specified point. There are instances in which only part of a limit order is executed; in these cases, the remaining order will remain active until executed or until canceled by the user. In certain circumstances, including scheduled maintenance, limit orders may be canceled by Quoine.
Stop-loss orders	Stop-loss orders are market orders with conditions set to buy if the price surpasses a specified point or to sell if the price falls below a specified point.
Trailing stop orders	<p>A trailing stop order is a stop order with a limit that “trails” after market price. They are normally used by traders to lock in profits of an existing position once the position P&L has gone into positive territory.</p> <p>In a buy trailing stop order, limit is set at a fixed number above market ask with a “trail” amount. When market ask falls, limit will also fall (“trailing” after market ask) by the trail amount. When market ask rises, limit does not change, and the order is executed as a market order when the limit is hit.</p> <p>Vice versa, in a sell trailing stop order, limit is set at a fixed number below market bid with a “trail” amount. When market bid rises, limit will also rise (“trailing” after market bid) by the trail amount. When market bid falls, limit does not change, and the order is executed as a market order when the limit is hit.</p>

6. Slippage

Slippage refers to a situation in which there is a difference between the price specified by the user (the price displayed on screen when placing an order) and the actual execution price due to reasons such as market changes after an order is placed. In some cases, slippage may be beneficial to the user, but it may also be detrimental; however, Quoine bears no liability whatsoever in relation to slippage. Slippage can occur with market orders and stop-loss orders. After the order placement, the price designated by the user and the actual contract price might differ, but Quoine will not be liable for that difference.

7. Rules on Leveraged Trades

In leveraged trades, users deposit margin with Quoine as collateral and engage in trades for amounts multiple times larger than the margin in accordance with the leverage ratio specified by the user. Actual Digital Assets are not bought and sold in CFD trades; users must perform opposing trades for equal amounts, thereby offsetting the original purchase or sale. Users resident in Japan are eligible for CFD trading facilities. Users not resident in Japan are eligible for margin trading facilities (see above).

7.1 Leveraged trade terminology

Open positions	Active trades before an opposing trade (liquidation) is performed Leveraged trades are referred to as “long positions” when buying and “short positions” when selling. Open positions are sometimes simply called positions.
Margin	Money used as collateral to hold an open position
Margin rate	$1 \div$ first number of leverage ratio * Users can choose various leverage ratios such as 2:1, 4:1, 5:1, 10:1, or 25:1. * The margin rate may be changed at Quoine 's discretion.
Required margin	Margin required to execute orders and maintain open positions Required margin is calculated as follows: (When order is executed) Execution price \times execution quantity \times margin rate
Pending order margin	Margin required for new limit or stop-loss orders that have been placed but not executed. Pending order margin is calculated as follows: (When placing order) Order price \times order quantity \times margin rate
Equity	Real value of funds in a user's account calculated by adding unrealized profits and losses to the deposited margin
Margin available	Amount calculated by subtracting required margin, pending order margin, and unrealized losses from the deposited margin.
Margin coverage	Rate of equity to required margin (equity \div required margin) * This rate is used to determine when to trigger a stop-out, etc.
Alert rate	120% This is the level at which users are warned that their maintenance margin rate is decreasing; if the maintenance margin rate falls below the alert level, users will be notified by email. * Alert notifications are sent as a tool to help users manage their open positions; however, be aware that due to technical reasons, sudden market changes, and other such causes, notification may be delayed or not sent at all in some cases. Accordingly, users should anticipate the possibility of such events and constantly exercise sufficient caution in their trading. * The alert rate may be changed at Quoine 's discretion.
Stop-out rate	110% If the maintenance margin rate falls below the stop-out rate, the user's held positions will be forcibly liquidated through opposing trades at market, beginning with the position with the largest unrealized loss, until the maintenance margin rate returns to 110% or more. * The stop-out rate may be changed at Quoine 's discretion.
Unrealized profits and losses (P&L)	Profits and losses of open positions at current prices.

7.2 Leveraged trades

New Orders	Margin must be deposited in advance when placing a new order. Orders are limited by the margin available.
Liquidation	An open position is liquidated by performing an opposing trade for an equal amount. Every trading day, open positions that have not been liquidated will automatically be rolled over to the next trading day. Therefore, there are no routine liquidation deadlines for leveraged trades. However, liquidation deadlines may be set at Quoine 's discretion.

7.3 Position management fees

Position management fees are fees that are incurred when a user takes a new open position and each day that an open position is rolled over to the next trading day. Position management fees are not affected by changes in Digital Asset prices, etc.

Payment of position management fees is made when taking a new open position and when an open position is rolled over to the next trading day.

Position management fees are set out in Article 9 "Fees" below. Quoine determines position management fees based on factors such as the current price and market environment surrounding Digital Assets.

7.4 Funding leveraged trades

Funds must be deposited in advance when performing leveraged trades.

The necessary amount of margin (pending order margin and required margin) is calculated by multiplying the actual value of trades by the margin rate. Confirmation of whether the deposited margin meets the required amount is performed twice, once when placing a new order and once when executing it.

	Required margin
Pending order margin (when placing order)	Order price × order quantity × margin rate
Required margin (when order is executed)	Execution price × execution quantity × margin rate

7.5 Stop-out

The stop-out system is a system in which, if the maintenance margin rate falls below the stop-out rate, then in order to prevent losses from increasing, the user's held positions are forcibly liquidated through opposing trades at market, beginning with the position with the largest unrealized loss, until the maintenance margin rate returns to the stop-out rate or more.

Because the final liquidation price in a stop-out depends on the current market price, the total amount of losses is not determined until liquidation is complete.

In cases of sudden changes in market conditions, for whatever reason, the final liquidation price can differ greatly from the price at the time that the stop-out is triggered, so it is possible for users to incur losses greater than the amounts they have deposited. Users agree to promptly pay any balance due arising in such cases.

Stop-out
(1) Held positions are liquidated through the opposing trades one position at a time, beginning with the position with the largest unrealized loss until the maintenance margin rate returns to 110% or more.
(2) Stop-out orders are at-market liquidation orders.
(3) If there is any balance due, users will be unable to withdraw Digital Assets or Legal Tender.

If procedures for stop-out trades cannot be performed due to system, technical or other issues, there is a risk of users incurring losses that are greater than anticipated or greater than the amount deposited by them. In such cases, Quoine bears no liability to compensate for losses incurred by users, and users consent to promptly pay any balance due that arises.

When the maintenance margin rate has fallen below the alert level, Quoine will send a warning email to the user's registered email address. Alert notifications are sent as a tool to help users manage their open positions. Quoine bears no liability whatsoever in cases where notification is delayed or not sent at all due to technical reasons, sudden market changes, or other causes.

Stop-out rate	110%
Alert rate	120%

The stop-out rate and alert rate may be changed at Quoine 's discretion.

7.6 Cross-trading

Cross-trading means holding both the long position and the short position. This is not possible under default settings, but users can specify settings to allow for cross-trading. When engaging in cross-trades, the required margin for both the long position and short position are necessary.

Users must note that cross-trades incur position management fees for both the long position and short position, and therefore may lack economic rationale.

8. Depositing and Withdrawing Legal Tender and Digital Assets

8.1 Depositing Legal Tender

Legal Tender deposited by users must be in Japanese yen, US dollars, Euro, Hong Kong dollars, Singapore dollars or Indonesian rupiah. Legal Tender deposits must be transferred to the bank account designated by Quoine. Legal Tender funding options are subject to change from time to time.

Money transferred to Quoine 's designated bank accounts will be reflected in the user's account once payment is confirmed. Users need to be aware that it may take time for transferred amounts to be reflected in user accounts.

8.2 Withdrawing Legal Tender

Users can have all or part of the withdrawable amount in their account returned to them where "withdrawable amount" means the margin deposited in their user account minus required margin, pending order margin, and

unrealized losses. However, users cannot request withdrawal if the withdrawable amount is less than the withdrawal fee.

Withdrawals will be transferred to a bank account in the user's name. The return of deposited funds generally takes three banking days from the date of the request, except in cases where Quoine notifies the user otherwise.

8.3 Depositing Digital Assets to user accounts

When depositing Digital Assets into a user account, users must transfer the Digital Asset to the Digital Asset address designated by Quoine. Digital Assets transferred to the Digital Asset address designated by Quoine will be reflected in the user's account once the transfer is confirmed during business hours. It may take time for Digital Asset transfers to be reflected in user accounts.

8.4 Withdrawing Digital Assets from user accounts

Users can withdraw all or part of the Digital Assets deposited in their user account (except open positions of leveraged trades).

To withdraw Digital Assets, users must submit a withdrawal request through the trading screen on the Site.

The withdrawal of Digital Assets generally takes two business days from the date of the request, except in cases where Quoine notifies the user otherwise.

Digital Asset Withdrawal Schedule:

Digital Asset	Frequency	Trading Day	Time (UTC)
All [CCY]	Twice daily	Monday to Friday	2:00AM and 9:00AM

8.5 Deposit and Withdrawal Fees

Type of Fee	Legal Tender	Digital Asset
Deposit fee*	Zero	Zero
Withdrawal fee	Withdrawal fees may apply. If applicable, fees are set according to Legal Tender currency.	Zero

*Fees charged by financial institutions are borne by users.

9. Trading Fees, Charges, and Rebates

9.1 Legal Tender Pair Trading Fees and Charges

Type of Fee	Transaction	Base currency	Non-base currency
Trade fee*	Spot / Leveraged Trade	Zero	25bp
Daily Interest	Leveraged Trade	Variable	Variable

*Users' base currency pair will be determined based on their country of residence (vs. BTC). If a user's country currency is not supported on Quoine's platform, the default base currency pair will be BTC/USD.

9.2 Digital Asset Pair Trading Fees and Rebates

Maker Rebate: 0.075%

Taker Fee: 0.15%

Maker/taker status and fee calculation is determined at the time of each match against an order.

10. Prohibited Trading Activity

The following types of trading activity are prohibited. When Quoine determines, in its sole discretion, that a user is engaged in such activity, the user's account may be suspended or terminated and funds (both Legal Tender and Digital Assets) within the user's account may be frozen or appropriated by Quoine as compensation for costs, losses, expenses and any other damage suffered by Quoine or any of its other users.

- **Churning:** Placing both buy and sell orders at the same (or similar) prices to increase the price by attracting more traders.
- **Pump and dump:** Large scale buying of any Digital Asset to create artificial sentiment around a specified asset to attract other buyers with a view to driving the asset price and volumes higher and then selling the asset at such inflated prices.
- **Ramping:** Artificially raising the price of a Digital Asset to give the impression of trading volume and/or price increase, in order to make profit.
- **Wash trading:** Selling and repurchasing the same Digital Asset to generate trading activity and increase the price.
- **Quote stuffing:** Entering and withdrawing large quantities of orders in a short space of time in an attempt to affect the market, thereby gaining an advantage over slower market participants. This may include the use of high frequency trading programs. (Note: High frequency trading is not, in itself, illegal and thus any action by Quoine would be taken in light of the nature and pattern of such trading.)
- **Market manipulation:** Any trading activity on the part of a user which attempts to interfere with a free, fair and transparent market for all Quoine users or which interferes with Quoine 's normal market operations.

11. Governing Language

The governing language of these Rules is English. Any other language translation is provided for convenience only. ***The "Trading Rules" (取引ルール/手数料) written in Japanese available on the Japanese language version of the Liquid website are not a translation of these Rules and are only applicable to users who are resident in Japan.***