



Volity Trade Ltd.

Company Number 2024-00059
Rodney Bay, Gros Islet, St. Lucia

NEGATIVE BALANCE PROTECTION POLICY

AUGUST 2026

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The trading systems of Volity Trade Ltd (the “**Company**”) are designed with "safeguards" to help prevent clients from incurring a negative balance when trading under normal market conditions, for example the "Stop out Level".

Also, as is common practice, all clients can and should set personal limits for risk management which can help limit losses and help maximise profits.

For example, a personal “Stop Loss” should be instigated that takes into account the amount of leverage being used for open positions in relation to the account balance and individual order size. To reiterate, “**Risk Management**” is an important discipline when trading leveraged products.

Risk management means the use of strategies to control or reduce financial risk. Risk management is a set of rules needed to be followed to secure capital controls and particularly minimise the possibility of negative balance. An example is a stop-loss order that minimizes maximum loss or avoiding of opening large positions immediately prior to publication of important macroeconomic indicators or immediately prior to the instrument’s trading session close.

Occasionally, the above safeguards may fail. This could be because of a significant “market gap” (a weekend close and open) making it possible to incur a negative balance while trading. If a client incurs a negative balance through trading activity, the client should inform the Company’s support team by email, no later than 2 business days after incurring the negative balance.

The Company will credit the client’s account with the amount of the negative balance where the debt was due to normal trading activity following this Policy.

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The amount to be credited is determined by aggregating the negative balances in the client's account, provided, however, that such negative balances have resulted due to normal trading activities, without the use of any illicit trading methods.

Where the Company determines that the negative balance is eligible for protection under this Policy, the Company shall credit the Client's account to restore it to zero within five (5) Business Days of the determination. The Company shall notify the Client in writing of the adjustment made.

Illicit trading methods include, without limitation, an occurrence of the negative balance with a profitable position opened on another account in cooperation with another client of the Company, in an opposite direction to a position that resulted in the negative balance.

The provisions of this policy shall **not** apply where the negative balance is unrelated to the client's trading activity (for example, where the debt relates to any fee or charges of the Company).

If the Company determines that a negative balance is not eligible for protection under this Policy, it shall notify the Client in writing, stating the reasons for its decision. The Client may dispute the decision by submitting a written appeal to the Compliance department within fourteen (14) calendar days. The appeal shall be reviewed independently and a final decision communicated to the Client within thirty (30) Business Days. If the Client remains dissatisfied, the Client may escalate the matter in accordance with the Company's Complaints Policy.