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Introduction

Regulations determine rules of marginal trades. According these rules Client authorization (identification), applications submission by client and its execution, recording of current deals on Clients account are carried out. Legal bases of transactions for marginal trade defined by agreements between Client and Company.

Margin trading

For speculative trade transactions Company gives to the Client – a Leverage. It's size depends on financial instrument and is specified in section «Trading terms» on the Company's website. To open Position funds are required, which are called Initial Margin. Initial Margin for each instrument listed on the Company's website in its specification.

Free margin can be withdrawn from the Account by Client at any time or used to open new positions.

During holding Positions, size of Necessary Margin may decrease or increase depending on rates fluctuations of instruments included in the total Open Position. Thus, Company demands, margin requirement wasn't less than 10% from initial margin. This size is called Necessary margin.

Necessary Margin can not be withdrawn from the Client Account or used to increase total Open Position.

If the Equity falls below 10% of the Necessary Margin, Company has the right to close whole or part of total Open Position without any notice. Stop Out depends on an opportunity to make a deal

operatively at Market Price and it doesn't depend on profits/losses

of this Open Position or other factors.

Kinds of applications/orders

Client can use 2 types of Applications/Orders for a deal: Market orders and Limit orders.

Market orders is an order gave to the Dealer to buy or sell some lots, formed by Client, on current Market price.

Limit order is order for Dealer to buy or sell some lots on determined price in the future, when and if the Market price will reach value Specified in Order. Any Order (Market or Limit Order) always is an Order to buy or sell. Purchase is always carried out at Ask price, and sale at Bid, corresponding current Market price.

Irrespective of Applications type, they are accepted only in company's working hours. Applications are executed only during trade session of that market to which Applications Tool concerns. The schedule of trade sessions is specified in section of "Condition of trades" on Company's site. When company is in a time off applications aren't accepted and executed.

In case of quotes flow failure due to technical reasons the Company will have the right to annul any result obtained by any kind of orders during quotes failure. The Company will not refund

any losses obtained by these orders. Any references to any other sources of quotes will not be taken into consideration.

Sending and execution of Market Orders

There are two technologies of sending and execution of Market Orders – "Instant Execution" and "At Request".

On technology "Instant Execution" Client immediately sends instruction to Open Position of Instrument in specified amount by pressing button (Buy/Sell) or to Close whole or part of Position by pressing button (Close …) at the price specified in the Market Order Window.

At sending Market Order " At Request" Client specifies Instrument and amount in the Market Order Window. After receipt of Clients Market Order, search of opportunity begins to operate with declared Instrument, in declared volume. As soon as such opportunity is found (Market price is obtained) – Bid and Ask will be exposed to Client on Company's terminal. Generally duration of Market prices search takes some seconds. Company needs to put maximum efforts for servers and terminals maintain. However, Client understands that any software isn't absolutely reliable. In case of impossibility of order's feedback through the terminal, it is recommended to use telecommunication (see item 6 of present Regulations) for Client.

Client understands search of Market price in the real market can take various time, depending on fluctuations speed at present time, current transactions volumes, Applications congestion. As a result, in Extreme Situations in the market, there can be answer's delays of different duration. Company's duty is duration of delays decrease, but its full elimination isn't possible in real market. Bids and Asks exposed to Client valid no more than 5 seconds. After that Application was cancelled if the client hasn't confirmed the Order. If the client confirmed the Order, operation of buy/sell is carried out at the price, confirmed by client. Thus, the Application is executed "At Market price".

If the Client has received Bid/Ask by inquiry, pressed the button of Transaction (buy/sell), or if Client has grounds to think he has pressed the button of confirmation, but there are no changes in terminal, Client needs to inform the Company to found-out the situation.

Limit orders

To place Limit Order, the Client indicated the Tool, number of lots, a kind of Order and price, which achievement means it is necessary to start execution of Order. The client bears full responsibility for correctness of transferred information in the Order.

All Limit orders can be placed not close than 0 points from current Market price. In unusual cases, for example in case of the Extreme situation in the market, deviation is possible from a rule of "0 points". In these cases Limit orders will be placed on the best price for Client among possible in the market.

Limit orders are GTC (Good Till Cancelled), while Client won't cancel it, or it will not be executed, or removed due to insufficient marginal maintenance. Limit orders are presented to execution, but not corresponding to margin requirements, at once also are cancelled without the Client's agreement.

Any Limit orders can be excellent or changed by the Client in working hours of the Company if the price specified in it differs from a current Market price not less than to 0 items.

Change is equated to new order and carried out according to rules described above. In case orders be placed incorrectly filled a mistake-message will appear, for example "invalid price" ("the incorrect price").

Open Buy Stop – place bid on a price above the current.

Open Sell Stop – place offer for a price below the current.

Open Buy Limit – open bid on a price that is below Current.

Close Sell Limit – order to offer for a price above the Current one.

The Limit orders on Closing always are adhered to the Position, or the Limit orders of Opening. All the Limit orders on Closing at once also are cancelled without Client's agreement if and as soon as the corresponding Position has been closed (any way), or the corresponding Opening Order has been excellent.

Close Stop loss for a bid is the Order "to sell", and for offer – the Order "to buy".

Close Take Profit for a position on purchase is the Order "to sell", and for a position on sale – the Order "to buy".

Execution of any Limit orders is carried out, when (and if) market price will be made or will cross the price specified in the Order.

Accuracy of Orders execution. As a rule, the Limit orders are executed at the price specified in the order. Change Order Price (in case if it does not coincide with the Market price) cannot initiate execution.

During the Extreme Situation in the market the Market price search becomes complicated because of fast changes in charts, and in the some (exclusively seldom) cases in general becomes impossible within several minutes. In this case, as soon as it will be possible to receive the Market price, the Application will be executed. It is obvious, that the given price can differ from originally placed in an order.

During the market closing (a break "for the night" on a session markets and in the round-the-clock markets – in the days off) execution of Limit orders is not probably.

Limit orders which are not cancelled and have been not executed before the termination of submission of quotations, are executed right after renewal of trading session. Time of trading sessions is presented on a Company's web site a in section "Trade Condition".

Phone applications receiving

Introduction

The client has an opportunity for communication with the operator of the Company to use telecommunication on allocated this purpose telephones.

Having contacted the operator of the Company, the Client should pass an authorization process, having named an Account number (coincides with number of the contract) and a login for an input in the terminal. After acknowledgment by the operator of authorization, the Client can expose Applications, change and cancel Warrants, etc. the Sample of telephone transaction between Clients and the operator is presented on following page.

Sample of telephone transaction

Authorization
(Account number and login)

Order (opening position)

Client

1. Position 234564, EUR/USD, 1 lot,
2. Close
3. Ok

Operator

1. 1.2990
2. position 234564, EUR/USD, 1 lot, close for 1.2990, ok?
3. Closed

Order (position closing)
<number> <instrument> <volume>

Client

1. receive please, buy stop EUR/USD, 1 lot for 1.2975
2. ok

Operator

1. buy stop, EUR/USD 1 lot for 1.2975. ok?
2. Order 274421

Limited order
<type of order> <instrument> <volume> <bid/offer> <price>

Client

1. order 274421 buy stop EUR/USD 1 lot for 1.2975, change open price on 1.2965
2. ok

Operator

1. order 274421 buy stop EUR/USD 1 lot for 1.2975, change open price on 1.2965, ok?
2. Changed

Change or removal Limited order
order <order number > change price on <price> *or* order <order number > cancel

Client	**Operator**
1. order 274421 buy stop EUR/USD, 1 lot, price 1,2975 change open price on 1,2965 2. Ок	1. order 274421 buy stop EUR/USD, 1 lot, change open price on 1,2965. Ок? 2. Changed

The client is responsible for correctness of transferred instructions. All instructions received by phone have the same force as the Applications transferred through the terminal by means of the Internet and are carried out by the same rules.

Authorization/recording

For authorization in the terminal, the Client uses issued to login and passwords (investor and master). Immediately after registration of Trading account before deposit funds to Trading Account Client is obliged to change master password and investor password. In case of failure by the Client of changing the master password and the investor password immediately after registration of Trading account, the Company is not liable for the unauthorized withdrawal funds from the Trading Account and/or unauthorized Trading Operations. For authorization by telecommunication the Client uses a login or account number. In case Client transferred his identification information (account number, passwords, login, etc.) to the third person, the responsibility for transactions fulfillment on behalf of the Client, and also all financial result of these Transactions lays down on the Client.

In the terminal the mechanism of recording Client and the Company actions ("Magazine" link in the terminal) is stipulated. While telecommunication use, negotiations between the Client and the operator are saved on the magnetic carrier. The given

recording mechanism gives an opportunity to solve disputable situations in case of their occurrence.

Split

In case of Open Position under the CFD-contract on shares, with the split made, on the Client account the changes pass automatically to the terminal.

For example: the client buys AAA shares (the following is written on the terminal):

16.10.2004 – 1000 AAA shares were bought for 75,02.

23.0.2004 – 0 split is appointed.

Last quotation on 23.0.2004 – 6,0.

After the split the Client's terminal will show: 16.10.2004 1700 shares of 44,13.75,02/1,70=44,13 and 1000*1,70 = 1700 are bought.

Thus, margin requirements is unchanged the same as Variation margin and the income from Transaction.

While Split or integration there can be situations (as in an example) in which on the Client's Account Open Position size won't be multiple to one lot.

Such Position is served according to the Regulations, but can be closed only so that the Closed part of the Position was not less than one lot and (simultaneously) remained part was multiple to one lot. If it is not possible, the Position can be closed only entirely.

Futures

While trading with CFD on futures contracts you should remember that futures have their expiry dates. The trading is possible only with the nearest term futures contracts. At the expiry of the contract, all open positions in CFD on futures, if not been closed by the Client before, go to the next term of the contract. Trading with CFD on futures contracts goes according to the rules described above.

Position transfer on next day

If at 23:59 in the trading terminal Client's Account has an Open Position on any currency pair, thus on the given Account will be added (or cut off) some sum, defined according "to the swap table".

In case when the Client has any opened positions on a share or futures when CFD session closing from the Client's Account

commission fee will be cut off. Size of commission fee defines with the trading conditions.

Changes

Modification and additions in the present Regulations the Company makes unilaterally.

Client is recommended to visit on a regular basis the Company's web site or sites of its representations, especially at reception Corresponding messages from employees of the Company through the terminal, or to address for corresponding consultations to financial advisers of the Company.

Glossary

Ask – The price for buying a specific financial instrument.

Balance – the value of Client's account without Open positions.

Bid – the price for selling specific financial instrument.

Variation Margin – Trading account Margin which includes current Losses on all opened positions calculated at current market prices.

Closed Position – Exposures in Foreign Currencies that no longer exist. The process to close a position is to sell or buy a certain

amount of currency to offset an equal amount of the open position.

Order – An instruction to execute a trade at specified rate.

Indicative prices (quote) – the prices, delivered to the Client through the terminal or by means of telecommunication, and employees for informing on a current condition of the market. Indicative prices are the prices on which transactions have already been lead by market participants, and also the prices declared by such participants. It is important not to confuse them with the Market price. Change of the price (in case if it does not coincide with the Market price) cannot initiate Limit orders execution.

Instant Execution – executing Market orders without initial request for quotes by direct Client instruction to Buy/Sell instrument at the price specified in the Market Order Window.

Instrument – currency pairs, CFD–contracts or other assets.

Client – a person which signed a contract with the Company on a service requirements receiving while trade.

Company - Company Teletrade D.J.

Personal page - web-interface allowing to use services provided by TeleTRADE D.J., as well as a source of notices. A Personal page contains

personal confidential information that is available only for individual user and protected by authentication settings (login and password). Personal page is located at: https://my.teletrade-dj.com as well as accessed through website of TeleTRADE D.J.

Lot –means standard amount of Instrument which can be purchased/sold according to instructions.

Margin/marginal requirements/cover – The required equity that an investor must deposit to collateralize a position.

Initial Margin – The minimum funds necessary to open Position.

Necessary Margin – funds necessary to maintain the total Open Position.

Unable to quote – please try later – a terminal window message telling Client's order was rejected. The order can be rejected in case of it's submission without carrying out of transactions.

Requirement – look margin requirement.

Open Position – means aggregate risk disclosure, arising from purchase or sell of lots in accordance with Client instructions pending for subsequent counter-transaction to close/settle such market trades/disclosures. An active trade with corresponding

unrealized P&L, which has not been offset by an equal and opposite deal.

Limit order – An order with restrictions on the maximum price to be paid or the minimum price to be received.

Leverage – Ratio of the value of transaction and Initial Margin, required for the transaction.

Margin Call – A request from a broker or dealer for additional funds or other collateral to guarantee performance on a position that has moved against the customer.

Cover – look margin.

Compulsory closing – closing of the Position without coordination with the Client, owing to reduction of marginal requirements below the value of supporting margin.

Slippage – a situation at which the Limit order is executed at the price distinct from price specified by the Client in the Order.

Regulations – given rules.

Market price – means quotation o the Spot Currency bid and ask prices given to Teletrade by a Broker at the current/given moment of time. A price which is used fox expiration of client's order.

Pips – The smallest unit of price for any foreign currency.

Available Funds/Equity – means any cash in the Account which is not subject to any liens or actual liabilities, less the necessary margin and gross floating loss calculated on the Client's prevailing position at the current spot market price.

Deal/Trade operation – bid or offer placed by a Client.

System time – time in a trade terminal.

Spread – The difference between the bid and offer prices. It can change depending on the market situation and is fixed by a Company.

Account – Clients transaction account with a margin Leverage.

Terminal – a program, trade terminal presented by a Company. The terminal is used by the Client for placing Orders with the purpose of fulfillment of Transactions, for realization of the analysis of a situation in the market, and also for recording operations.

Price Changed – a message in a terminal window telling the operation can be executed in a view of Market conditions. Such situation takes place very seldom for example when it's an extreme situation on a market.

Extreme situation – a situation when it's hard to catch a price. It can be: moderate trade, low liquidity, central banks

intervention, pivotal data issue, ets. Which can lead to a pivotal

and sharp moves on a charts.