



Interactive Brokers Central Europe Zrt.

## **ANNOUNCEMENT**

**MULTI CURRENCY ACCOUNT FOREIGN EXCHANGE RESTRICTIONS**

Valid from: 8 March 2021

Interactive Brokers Central Europe Zrt. ("IBCE") supports a limited number of deposit currencies. The following ten cash deposit currencies, the "Allowed Deposit Currencies" are:

- EUR, USD, GBP, CHF, DKK, NOK, SEK, HUF, CZK, PLN

You will be required to nominate a base currency from the Allowed Deposit Currencies. In accordance with the client asset protection rules in Hungary, we protect your funds at credit institutions in the Allowed Deposit Currencies.

#### IBCE Initiated Foreign Exchange Conversions

If you have a Cash account, (one without investment loan permissions) when you transact in currencies other than the Allowed Deposit Currencies, IBCE will convert the currency value of the transaction into your nominated base currency.

For example: An IBCE client with a Cash account places an order for a CAD denominated security. Our system will check if the client has sufficient equivalent available funds in the Allowed Deposit Currencies, and if it does, the order will be sent to the exchange.

- On trade date, IBCE will automatically convert an equivalent amount of CAD from the nominated base currency, leaving no residual CAD cash balance in the account at day's end.
- Similarly, at a later date, if the same client wishes to sell their CAD denominated security, IBCE will automatically convert the CAD proceeds to the nominated base currency to make settlement, once again leaving no residual CAD cash balances in the account at day's end.
- The same process occurs when cash flows are generated from positions (e.g. dividends, interest). All conversions take place when the cash is deposited to or withdrawn from the account, not when it is accrued.

For investment loan accounts transactions that result in net positive cash balances in currencies other than the Allowed Deposit Currencies, the same auto conversion process will occur. Transactions that result in negative cash balances will be allowed in the transaction currency. (see below)

#### Client Initiated Foreign Exchange Conversions

Clients are permitted to do FX spot transactions if they are in connection with an investment service. FX spot transactions that are purely speculative in nature and are not connected to a prior investment service transaction are disallowed.

FX transactions that are connected to an investment service:

- For an investment loan account, the client can enter transactions that create cash debits (loans) in any currency. IBCE will not auto-convert your transaction but will create an investment loan in the currency of the trade. It will be the client's discretion when to initiate an FX conversion to pay the investment loan in part or in full.
- For all accounts (cash and investment loan), any positive cash that is generated as the result of a trade or cash flows from a position you hold (e.g. dividends interest) will not be auto-converted if it is in the Allowed Deposit Currencies. It will be the client's discretion to initiate

an FX conversion to your nominated base currency if you wish to do so. Typically, this would be initiated when the client wants to withdraw funds.