

Key Facts Document – Procedures to follow and further information

2. Key Facts Document – Margin Trading

Criteria	Description								
Key Features and Nature of the Product	<p>Margin Trading is where an investor borrows funds from a financial institution in order to purchase listed shares in a stock exchange.</p> <p>Purpose;</p> <p>Margin loan is obtained to purchase listed shares by accepting a portfolio of listed shares as a security</p>								
Interest Rate and Penalty, Charges, Fees and Commission	<p>The Following Rate, charges are applicable for Margin trading facility:</p> <ul style="list-style-type: none"> • Interest rate will be decided by the credit committee on timely manner based on adding a premium considering the 1 year weighted average T- Bill rate and or AWPLR • Processing Fee Structure <table border="1" data-bbox="808 890 1473 1059" style="margin-left: 40px;"> <thead> <tr> <th>Facility Limit (Rs.)</th> <th>Processing Fee</th> </tr> </thead> <tbody> <tr> <td>Below 10 Mn</td> <td>Rs.3,000/-</td> </tr> <tr> <td>10 Mn - 25 Mn</td> <td>Rs.4,000/-</td> </tr> <tr> <td>Above 25 Mn</td> <td>Rs.5,000/-</td> </tr> </tbody> </table> • Portfolio Transfer Charges to SEC (Stipulated Charges) • Rs.500/- charged Per CRIB 	Facility Limit (Rs.)	Processing Fee	Below 10 Mn	Rs.3,000/-	10 Mn - 25 Mn	Rs.4,000/-	Above 25 Mn	Rs.5,000/-
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<p>Procedure to obtain Product / Service</p>	<ul style="list-style-type: none"> • Applicant should submit, <ol style="list-style-type: none"> 1. Individuals; <ul style="list-style-type: none"> - Identification proof – (NIC/DL/PP) - Address proof (NIC/Utility bill/GS certificate/Bank statement) - Income proof – (Salary Slips/Bank Documents/other income proof documents) - Portfolio Valuation - Margin trading application and consent letters 2. Corporate customers; <ul style="list-style-type: none"> - Identification proof – (BR/Form 41 or Form 1) - Address proof – (Form 13) - Board Resolution - Income proof – (Financial Statements/Bank Documents/other income proof documents) - Portfolio Valuation - Margin trading application and consent letters
<p>Terms and Conditions</p>	<ul style="list-style-type: none"> • Margin facility Limit shall be below 90% of the initial pledged portfolio value. This shall be the maximum loan limit extendable for a borrower. Such limit can be revised based on a borrower’s request or Review based on the Market Movement considering risk weighted value of the portfolio and financial strength of the customer. • Based on the Market movement and the Portfolio movement, temporary limit enhancement can be given for a maximum period of 3 Months after evaluation of the facility. • The initial margin credit permitted to the borrower on share purchases will be 50% of the risk weighted value of the total share portfolio.

	<ul style="list-style-type: none"> • Upon granting the initial margin, the borrower can purchase shares up to 50% of the risk weighted value of the portfolio. • Should ensure a minimum Maintenance Margin of 40% at all times from the risk weighted value of the portfolio.
Applicable Legal Provision	The Securities and Exchange Commission of Sri Lanka Act, No.19 of 2021 and the subsequent amendments