

We are pleased to announce that we have signed up to the FX Global Code of Conduct (the 'code') which establishes a common set of guidelines for good practice in the FX markets.

Below is a 'full disclosure' statement that shows: how the fundamentals of our business model promote a culture of putting our clients first, our commitment to take all sufficient steps to obtain the fairest possible results for our clients, and how we go beyond the requirements of the 'code' for all the asset classes we offer, not just FX.

FULL DISCLOSURE

How much market risk exposure does IG take in relation to the total notional exposure traded by your clients?

On average, we take market risk exposure of between 0% to 1% of the notional exposure traded by our clients. This highlights how we do not benefit from clients losing, or, indeed, why we are not exposed to our clients winning. The small amount of market risk we take is to facilitate automatic client execution, and to improve the 'likelihood of execution' of our clients' orders.

Does IG pass retail client money to hedging brokers?

We do not use retail client funds, or assets, for any business activities – including as margin for our hedging trades with brokers. Client money is held in segregated accounts at regulated banks under trustee arrangements. [Find out more about how we handle client funds.](#)

Does IG take proprietary positions?

No. We do not actively trade to make money from financial markets.

In determining when IG hedges its market risk exposure, do you take into account the profitability, or otherwise, of your clients who have traded a particular market?

No. We will constantly interact with the underlying market to ensure the market risk we are running is extremely small (between 0% and 1% of the notional exposure traded by our clients). The profitability of clients is never a factor in the decision on when to hedge, and what exposure limits to maintain on any of the 15,000+ markets we offer.

What is IG's current assets under administration?

£1.8bn. As mentioned, we segregate money received from retail clients. The amount of money, and assets, our 185,000 clients hold with us is a sign of the trust they have in us and the robustness of our financial position.

Does IG share client p&I with hedging counterparties or any other third parties?

No.

What hedging counterparties does IG use to minimise market risk exposure?

ABSA	Investec
Arden Partners Plc	J & E Davy
Bank of America	JP Morgan
Barclays	KCG Europe Ltd
BMO Capital Markets Ltd	Liberum Capital Ltd
Canaccord Genuity Ltd	Macquarie
Cantor Fitzgerald Europe	Morgan Stanley
Cenkos Securities Plc	Nplus1 Singer Capital Markets Ltd
Citadel	Numis Securities Ltd
Citibank	Panmure Gordon (UK) Ltd
Citigroup	Peel Hunt LLP
Commerzbank	Peregrine
Deutsche Bank	Rand Merchant Bank
EBS	Shore Capital Stockbrokers Ltd
Finncap Ltd	Stifel Nicolaus Europe Ltd
Flow Traders NV	Stockdale Securities Ltd
Goldman Sachs	Susquehanna International Securities
HSBC	UBS

What is IG's total capital ratio over the past three years?

2015: 27.9%

2016: 28.5%

2017: 26.7%

The figures above show our financial strength – one of the reasons our clients see us as such a strong, stable and trusted broker.

What regulatory licences does IG hold?

FIRM	BRANCHES	REGULATOR	LICENCE NUMBER
IG Markets Limited, London		Incorporated in England and Wales. Authorised and regulated by the Financial Conduct Authority	Registration number: 04008957. Firm Reference Number: 195355
	Germany	Subject to supervision by the Federal Financial Supervisory Authority (BaFIN)	Register Number: 121333
	Ireland	Authorised by the Central Bank of Ireland	Registration number: C109565
	Spain	Supervised by Registered with the Comisión Nacional de Mercado de Valores	Register Number: 37
	Italy	Supervised and registered in no. 72 of the Register of Community Investment Companies with Branch held by CONSOB	Register Number: 06233800967
	France	Supervised by Autorité des Marchés Financiers and Autorité de Contrôle Prudentiel et de Resolution (Banque de France)	Bank Code: 18343
	Sweden	Registered with Finansinspektionen	Register Number: 516405-3430
	Australia	Regulated by the Australian Securities and Investments Commission	Licence number: AFSL 220440
	New Zealand	Regulated by the Financial Markets Authority	Licence number: FSP No. 18923
IG Index Limited, London		Incorporated in England and Wales. Authorised and regulated by the Financial Conduct Authority. Licensed and regulated by the Gambling Commission	Registration number: 01190902. Firm Reference Number: 114059. Reference Number: 066-002628-R-103649-002
	Ireland	Authorised by the Central Bank of Ireland	Registration number: C111543
IG Bank S.A., Geneva, Switzerland		Is a licenced bank registered with the Registre du Commerce de Genève. Authorised and regulated as a bank and securities dealer by the Swiss Financial Markets Supervisory Authority	Registration number: CH-660-3073013-1
IG Asia Pte Limited, Singapore		Licensed by the Monetary Authority of Singapore. Licensed by the International Enterprise Singapore	Licence Number: CMS100049-5. Licence number : IGA/CBL/2015
IG Securities Limited, Japan		Authorised and regulated by the Japanese Financial Services Authority. Authorised and regulated by the Ministry of Energy, Trade and Industry. Ministry of Agriculture, Forestry and Fisheries	Registration Number: Chief of Kanto Local Finance Bureau (Kinsyo) 255. Registration Number: 20161108 syo 10. Registration Number: MAFF Order 28 syokusan 3988
North American Derivatives Exchange, Inc		Incorporated in Delaware. Subject to regulatory oversight by the CFTC	
IG Markets South Africa Limited		Supervised by the Financial Services Board	FSP No 41393
IG Limited		Authorised and regulated by the Dubai Financial Services Authority	Firm Reference Number: F001780

What is the maximum leverage that IG makes available to retail clients?

Indices 200:1*

FX 200:1*

Equities: 20:1

*We have a small number of clients who have shown significant evidence of wealth, to whom 250:1 is offered on major indices and FX

What percentage of equity are clients using as margin?

30%-35%. This shows that although headline leverage rates can be a driver of client decisions, ultimately clients want to manage their overall leverage and trading by holding excess cash on account. We will set, and regularly review, leverage rates that are appropriate for all the markets we offer – with particular focus on the volatility of the market and the transaction cost inherent in trading that market with us.

What percentage of client trades occur due to automatic margin close-out (COM), and execution of stop orders that IG mandate have to be attached to a position to limit client risk (guaranteed stop)?

	TOTAL	GUARANTEED STOP	COM	COMBINED
Number of trades	90,916,735	527,018.00	545,406	1,072,424.00
% of total	100.00%	0.58%	0.60%	1.18%

A large proportion of trades being processed through our automatic close out monitor (COM) can indicate that excessive leverage is being offered to our clients. The 0.6% number, above, is a sign that this is not the case.

We are proud to offer guaranteed stops that clients will only pay the extra premium for if their stop is triggered. Clients who place a guaranteed stop on their position, and go on to close that position themselves (or close using a take profit / limit order) do not have to pay any extra premium for their guaranteed stop, even though it capped the absolute limit on the loss a client could realise while that position was open.

How important to IG are long-standing clients in relation to newly on-boarded clients?

	FY17	FY17
0-6 months	£19,271,105.89	4%
7-12 months	£57,758,519.81	12%
1-3 years	£144,777,158.80	31%
3-5 years	£64,585,991	14%
5+ years	£188,249,744	40%
	£474,646,017	100%

OTC leverage only.

Our commitment to fostering long term relationships with our clients, and our clients' satisfaction with us as a broker, is shown by the importance of clients who have held accounts with us for more than five years.

As mentioned, the fact that we do not take the opposite exposure to our clients, do not benefit when our clients lose, and do not have exposure to our clients winning helps promote a culture where we are on our clients' side, and very much want them to trade profitably – something that in itself helps foster the long term-relationship that we desire.

Does IG on-board clients for whom the CFD product is inappropriate?

No. We do not allow applicants to open a CFD account with us if the product is inappropriate for them, as defined by the supervisory regulatory authority in their region.

Does IG offer an account where losses cannot exceed deposits, and the maximum risk is known on each position?

Yes. All our clients have access to a 'limited risk account' where guaranteed stop losses are required on each and every position. As a result the client knows the maximum amount they are risking on each position, regardless of what happens in the underlying market – and can never have a negative balance on their account.

The above data is from 1 June 2016 to 31 May 2017 unless otherwise stated.