

Margin Calculation Method for Retail Investors

1. **Initial Margin (IM)**

IM is calculated by

- (a) [IM Multiplier rate * Margin from Risk-Based Margining System (SPAN)] – Net Option value
- (b) [Minimum Futures Outright Margin + Minimum Futures Spread Margin]
- (c) [IM Multiplier rate * Margin from Risk-Based Margining System (SPAN) without Long Options] – Short Option value
- (d) [Top up rate by TFEX * Margin from Risk-Based Margining System (SPAN)] – Net Option value

If (a) value is less than (b) value, use (b) value as IM required

If (a) value is greater than (b) value, make comparison between (a) value and (c) value and

If (a) value is less than (c) value, use (a) value as IM required

If (a) value is greater than (c) value, use the maximum value between (c) value and (d) value as IM required.

2. **Maintenance Margin (MM)**

MM is equal to the greater value between

- (a) [MM Multiplier * Margin from Risk-Based Margining System (SPAN)] – Net Option value, and
- (b) Risk Margin on Futures Contract

3. **Force Close Margin (FM)**

FM is equal to

[FM Multiplier rate * Margin from Risk-Based Margining System (SPAN)] – Net Option value

Note:

Following FI Club, the rates of IM, MM, and FM Multipliers for retail investor are as follows:

- IM Multiplier rate is 1.9
- MM Multiplier rate is 1.33
- FM Multiplier rate is 0.57

Top up rate by TFEX is 1.35

(You can view margin multiplier rate at www.phatrasecurities.com)