

How does Margin work?



A Margin Limit will be assigned to your margin account. You can buy securities with less cash by borrowing money from SoFi HK. The money you borrow cannot exceed the margin limit, or else your account will be under Margin Call.

All the assets in your margin account will be used as collaterals, a discount rate (Margin Ratio) will be assigned to each security, the value of the discounted collaterals is called Marginable Value.

The Marginable Value could decrease because of the decline of the market value of your securities, the reduction in Margin Ratio and the suspended trading of your securities.

We may at any time amend the Margin Ratio or the Margin Limit of your account, as a result your account may be under Margin Call immediately followed by the amendment.

Any sale proceeds, dividends and funds deposit in your account will be used to repay your borrowing. You will not be able to withdraw any funds until you have repaid all your borrowing in the account. If any of these deposits is made in the currency other than the currency you are borrowing, automatic fund conversion will take place at 11:00 HKT on the next business date.

Your Chloe account(s) is a cash account and cannot be used for margin trading.

The interest of your borrowing is segregated by currency and calculated on a daily basis. The interest will be debited to your margin account at the end of the month. Any Margin Call amount will be charged at a higher interest rate.



What is Margin Call?

You must have enough cash or Marginable Value to use the margin facility. If your Marginable Value is less than the absolute amount of your borrowing, your account will be under Margin Call and you are requested to take immediate action to fulfil the Margin Call by depositing more money/securities into your accounts or sell your securities to lower your borrowing.

We may attempt (but is not obligated) to send you Margin Call notification by various communication channels, you agree that you shall be deemed properly notified of the Margin Call even if SoFi HK fails to contact you or you fail to receive the notification.

If you cannot fulfil our Margin Call, we may (but is not obligated to) force liquidate part or whole of your portfolio to reduce your borrowing. SoFi HK will have its sole discretion to decide which securities to be liquidated in your account. You are also liable to any remaining shortfall in your account.

You are advised to turn on push notification in the SoFi Hong Kong mobile application so that you can receive the Margin Call push notifications through your mobile device. A Margin Call email may also be sent to your registered email address along with the push notifications.

We offer margin trading for both the US and HK market, please make sure you have your phone or mobile device turned on to receive our Margin Call when the market(s) is opened. You should also make sure you can fulfil our Margin Call at any time even when the banks are closed. Please remember to upload/send a deposit receipt to us after you have made a deposit.

Risks

Margin trading is a high-risk product and you can lose more than you have; you are advised not to over-borrow with margin and you should consider your personal and financial circumstance before using margin.

When you open your margin account with SoFi HK, you agree SoFi HK to repledge the collaterals in your account with other banks or securities dealers (please refer to clause 2.7 in the Margin Financing Agreement). You may lose all your securities if SoFi HK is insolvent.

