Introducing Broker (IB) Agreement

INTRODUCING BROKER TERMS AND CONDITIONS:

1. Definitions:

1.1 "**Broker**" – Refers to the company offering the trading platform and financial services, including forex trading, CFDs, and other derivatives. Example:

Broker: **SecureFx Capital Ltd** , a financial services company registred by Saint Lucia, providing clients with access to the global forex markets."

1.2 "**Introducing Broker (IB)**" – Refers to the individual or entity that introduces Clients to the Broker. The IB is compensated based on the trading volume or other agreed compensation structures.

1.3 "Client(s)" – Any individual or company that opens an account with the Broker, following an introduction by the IB.

2. Appointment of the IB:

2.1 Appointment:

The IB is appointed to introduce potential clients to the Broker, but does not have any authority to make trading decisions for the Clients.

2.2 Marketing and Advertising:

The IB may use a variety of marketing techniques, such as digital marketing, social media ads, webinars, and referral programs. Example:

"The IB may create blog posts, videos, and social media ads that feature SecureFx Capital Ltd's services. However, the IB agrees not to make misleading claims, such as guaranteeing profits or suggesting that forex trading is risk-free."

Example Clause for Compliance:

"The IB must include a risk disclaimer in all advertising materials: 'Trading in forex involves significant risk and may not be suitable for all investors. Please trade responsibly.'"

2.3 No Authority to Bind Broker:

The IB cannot represent the Broker in any legal or financial decisions. Example:

"The IB does not have the authority to sign contracts, provide client support, or authorize transactions on behalf of SecureFx Capital Ltd. The IB is a marketing partner only."

3. Broker's Responsibilities:

3.1 Client Account Setup:

Once a Client is introduced by the IB, the Broker will handle the account opening process, including compliance checks. Example:

"Upon receiving a referral from the IB, SecureFx Capital Ltd will send an email invitation to the Client to open a trading account. The Client will need to submit KYC documents before their account is activated."

3.2 Trade Execution and Platform Access:

The Broker is responsible for the technical side, including platform access and trade execution. Example:

"SecureFx Capital Ltd will provide the Client with access to a proprietary trading platform, where they can execute buy and sell orders. The Broker will ensure the platform operates 24/5, excluding scheduled maintenance times."

Example Clause for Broker's Responsibility:

"The Broker will execute trades on behalf of Clients introduced by the IB, but reserves the right to cancel any trades found to be in violation of the Broker's terms (e.g., trades made using illegal methods or market manipulation)."

3.3 Client Deposits and Withdrawals:

The Broker will handle all financial transactions, such as deposits and withdrawals. Example:

"SecureFx Capital Ltd will process Client deposits within 1-2 business days. Withdrawals will be processed within 1-2 business days, depending on the Client's chosen withdrawal method."

4. IB's Responsibilities:

4.1 Client Introduction:

The IB introduces Clients, but does not execute or manage trades. Example:

"The IB's only role is to provide potential Clients with information about SecureFx Capital Ltd's offerings, collect their contact details, and refer them to the Broker's account-opening process."

4.2 Marketing and Advertising:

The IB is responsible for the costs and expenses associated with marketing. Example:

"The IB will fund their own advertising campaigns to promote SecureFx Capital Ltd's services. The Broker will provide the IB with marketing materials, including banners, logos, and promotional content."

Example Clause for Marketing Compliance:

"The IB agrees not to use misleading or deceptive tactics in advertising. The IB is prohibited from claiming unrealistic profits, such as 'guaranteed returns' or '100% win rates in forex trading'."

4.3 Client Education:

The IB may provide educational resources, but cannot provide personalized financial advice. Example:

"The IB may offer free webinars or resources to educate Clients about forex trading. However, the IB must include the following disclaimer: 'This educational material is for informational purposes only and should not be construed as financial advice.'"

5. Compensation and Payment Terms:

5.1 Commission Structure:

The IB will receive commissions based on the trading volume or spreads from Clients they introduce. Example:

"The IB will receive 10% of the spread earned by the Broker on each trade executed by the Client for the first 6 months of the Client's account life."

Alternative Compensation Model (For Rebates):

"The IB will receive $5 per lot traded by any Client introduced. This payment will be made monthly , or until the Client closes the trades in their account, whichever comes first."

5.2 Payment Schedule:

Commissions are paid as per IB account balance of based on the IB's referrals.

5.3 Minimum Payment Threshold:

The IB needs to meet a minimum threshold before payments are made. Example:

"Commissions will only be paid if the IB's earned commission exceeds $100. If the IB's balance is below this amount, payments will carry over to the next month."

5.4 Commission Adjustments:

Commissions may be adjusted or withheld under certain conditions. Example:

"Commissions will not be paid on trades that result in chargebacks or refunds. If a Client cancels their account within 30 days of opening, commissions related to that account will be reversed."

6. Compliance and Regulatory Requirements:

6.1 Legal Compliance:

Both parties must comply with all local and international regulations. Example:

"The Broker and IB must adhere to all regulatory guidelines set forth by the Financial Conduct Authority (FCA) in the UK, or any other relevant regulatory body governing their respective operations."

Example Compliance Clause for Advertising:

"The IB shall ensure that all marketing materials contain the required risk disclaimers: 'CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 75% of retail investor accounts lose money when trading CFDs with this provider.'"

6.2 KYC/AML Compliance:

The Broker is responsible for implementing KYC/AML procedures, and the IB must cooperate. Example:

"The Broker will conduct KYC and AML checks on Clients introduced by the IB before activating their accounts. The IB agrees to provide necessary documentation or information to facilitate these checks."

7. Confidentiality:

7.1 Confidential Information:

Both parties agree to protect each other's confidential information. Example:

"All information about Clients, trade data, and commission structures is deemed confidential and should not be shared without prior written consent, unless required by law."

Example Confidentiality Clause:

"The IB agrees to destroy any copies of Client data or Broker documents within 15 days of termination of this Agreement."

8. Indemnification and Liability:

8.1 Indemnification by the IB:

The IB agrees to hold the Broker harmless from any legal claims arising from the IB's actions. Example:

"The IB will indemnify and hold the Broker harmless from any claims, damages, or losses incurred as a result of the IB's advertising practices, including false claims of returns or profits."

8.2 Indemnification by the Broker:

The Broker agrees to hold the IB harmless from claims arising from the Broker's services. Example:

"The Broker will indemnify the IB for any losses related to system outages, order execution errors, or other issues arising from the Broker's platform."

9. Dispute Resolution:

9.1 Arbitration:

Disputes will be resolved through arbitration rather than court. Example:

"Any disputes arising from this Agreement shall be resolved through binding arbitration in Saint Lucia, under the rules of the Saint Lucia."

9.2 Jurisdiction:

Disputes will be governed by the law of the Broker's jurisdiction. Example:

"This Agreement will be governed by the laws of the Saint Lucia, and the courts of Saint Lucia shall have exclusive jurisdiction to resolve any disputes."

10. Miscellaneous:

10.1 Amendments:

Amendments to this Agreement must be in writing. Example:

"This Agreement may only be amended or modified through a written agreement, signed Digitally by both parties."

10.2 Force Majeure:

Neither party will be liable for performance failures caused by external factors. Example:

"Neither party will be held responsible for failures in performance due to factors such as natural disasters, government regulations, or strikes."