ESMA_QA_1979

Submission Date
09/11/2018

Status: Answer Published

Additional Information

Level 1 Regulation
Markets in Financial Instruments Regulation (MiFIR) Regulation (EU) No 600/2014 - Investor Protection and Intermediaries

Topic
Product intervention

Additional Legal Reference
ESMA Decision 2018/795; ESMA Decision 2019/796

Subject Matter
Payments

Question
What is considered “payments for the purpose of entering into a CFD”?

ESMA Answer

09-11-2018

Original language

[ESMA 35-36-1262 Q&As on product intervention Q&A nr 5.2]

The definition of initial margin in the CFD Decision refers to payments for the purpose of entering into a CFD, excluding commission, transaction fees, and any other related costs. Payment for the purpose of entering into a CFD is limited to cash.

“Payments“ do not include firms crediting cash to the client’s account based on collateralised cash from other assets, held by the retail client being used as collateral, whether such assets are within or separate to the CFD trading account.