



PAMM Account
Terms & Conditions

This Agreement outlines the particular terms governing your usage of the PAMM functionality within the QF Markets platform. These terms are supplementary to the General Terms and Conditions of the Company, which encompass all our services, not exclusively PAMM activities. Any capitalized terms within this Agreement carry the same definitions as provided in the General Terms and Conditions. In the event of any conflict or variance between a term in this Agreement and one in the General Terms and Conditions, this Agreement shall take precedence.

Introduction

These Terms and Conditions ("Agreement") govern the relationship between QFMarkets ("Company"), the PAMM Account Manager ("Manager" or "Money Manager") and the PAMM Account Investor ("Investor"), in connection with the Manager's provision of trading services through the Percentage Allocation Management Module ("PAMM") system.

PAMM (Percentage Allocation Management Module) is a trading model in which one trader makes money for accounts owned by other people. Owners of these accounts (Investors) invest - deposit - their money into this trader (Money Manager) with the expectation of getting a share of profit from the trading activity of the latter.

Usually, a Money Manager is an experienced trader who is capable of executing successful trading strategies, but in order to get a substantial profit, their strategy requires more capital to operate with. Investors collectively have such amounts of capital but have not enough time or trading experience to multiply their money.

PAMM platform allows Investors to have a source of a passive income generated by a Money Manager, while the latter gets more trading freedom in return. Also, Money Managers may charge various fees and commissions for Investors as a pay for the work.



Appointment and Authorization

By entering into this Agreement, the Manager is appointed by the Company to manage PAMM accounts on behalf of Investors.

The Manager agrees to act honestly, fairly, and in the best interests of the Investors.

Money Manager Role in PAMM Trading

1. Registration and Setup

- Money Managers, also known as MM, can register for a PAMM account either through the registration form on the PAMM Manager Company's webpage or by requesting the Company to create one through the ticketing system.

2. Attracting Investors

- Money Managers attract investors by showcasing their trading success on their social media platforms or through private Join Links.
- They may utilize Agent (IB) services in the PAMM portal to expand their investor base.

3. Trading Process

- Money Managers trade with investors' funds on the MT5 platform, executing trading strategies requiring more equity.

4. Managing Investments

- Money Managers manage investments by confirming, delaying, or rejecting requests from investors.
- Admin may impose restrictions on managing investments.

5. Fee Collection

- Money Managers receive various fees from investors for generating profits, which are automatically calculated and distributed by PAMM.

Investors Role in PAMM Trading

Any client has the opportunity to allocate a portion of their MT5 balance into one or more active PAMM accounts, thus becoming a PAMM Investor. Investors are attracted to this scheme because Money Managers can generate passive income for them.

PAMM workflow from the perspective of an Investor:

1. Choosing a Money Manager

- Investors can select a Money Manager from the registration page.

2. Creating an Investment

- Investors initiate the investment process.

3. Monitoring the Investment

- Investors have the option to check information on their investment, including how the Money Manager performs, via Reports.

4. Managing the Investment

- Investors may choose to make withdrawals or further deposits, depending on their preferences.

5. Receiving Profit

- Investors receive profit based on their share in the PAMM account.

6. Closing the Investment

- Investors have the option to close their investment when desired.

Investors may adopt different strategies:

They can wait until the Money Manager generates sufficient profit and then withdraw their entire share from the PAMM account by closing the investment.

Alternatively, if allowed by the configuration, they can make intermediate deposits or withdrawals, periodically withdrawing accumulated profit or reinvesting into the PAMM account to allow the manager to trade larger volumes.

Rights and Responsibilities

The Manager is granted the authority to trade on behalf of Investors in accordance with the agreed terms.

In managing PAMM accounts, the Manager is obligated to exercise due diligence, skill, and care.

It is important to note that the Company does not guarantee profits and past trading success does not ensure future results.

The Manager, Investor, and Partners acknowledge and assume responsibility for potential financial losses stemming from various risks, including:

- Manager's lack of necessary qualifications or expertise.
- Potential failure to prioritize Investors' interests or engage in fraudulent activities.
- Risk of losing control over the PAMM Account.
- Possibility of third-party access to account management.
- Misunderstanding or misinterpretation of Regulations by the Manager, Investor, or Partner.
- Untimely submission of complaints by the Manager to the Company regarding Investor's Investment Account operations.
- Risks associated with unforeseen delays in transfers, execution of deposit/withdrawal requests, or PAMM Account closure/liquidation.
- Potential liquidation of a PAMM Account.

The PAMM Account manager and their Investors are financially liable for any losses incurred on a PAMM Account. Their liability is proportionate to their share in the PAMM Account.

Under no circumstances does the Company bear responsibility for the consequences of such risks.

In the event that the Company identifies abusive trading, the Company reserves the right to cancel Managers' trades.

The following strategies are not allowed:

- Utilizing (Credit) Bonus to do Bonus arbitrage by hedging trades in two different accounts to blow one account and maximize the other account.

- Exploiting GAP trading strategy and Negative Balance Protection by two opposite side trades in two accounts resulting in one account going into deep negative and one in huge profit and then requesting for Negative Balance Correction in the Negative balance account.
- Using hedging techniques to churn the accounts for generating referral commissions on client accounts and in your own trading account.
- Engaging in external hedging by consistently trading the same symbol in the same direction. If the same symbol is traded in the same direction, no profit withdrawal will be allowed.
- The use of the same IP address by different clients to trade is strictly prohibited.
- Any other kind of abuse not mentioned above including but not limited to acting in bad faith towards the Company.

Money Managers Rights

The Manager is strictly prohibited from withdrawing funds invested by Investors from the PAMM Account under any circumstances.

Under no circumstances does the Manager possess the authority to influence any PAMM account calculations, profit distribution, fund deposits/withdrawals, or impose penalties. These processes are entirely autonomous and are conducted automatically by the Company.

The Manager has the option to request a change in the Rollover period, provided valid reasons are provided. However, the Company reserves the right to reject such requests at its discretion without providing an explanation.

The Manager is obligated to demonstrate due diligence, skill, and care in the management of PAMM accounts.

Money Manager's Offer

The Manager's Offer pertains to the proposal extended by the Manager to prospective Investors, inviting them to open Investment Accounts within the Manager's PAMM Account. Each Offer encompasses a series of parameters utilized by the Company to determine the Manager's Revenue, and it also outlines additional conditions for opening Investment Accounts within the PAMM Account.

The acceptance or rejection of the Offer by the Investor is a voluntary decision, entirely at the discretion of the Client. Such action does not establish contractual obligations between the Manager and the Investor and under no circumstances, results in the formation of a contract.

Manager's Offer Parameters

- Name: The name of the Offer that will be visible to Investors.
- Public: If checked, Investors will see this offer among other offers of the Money Manager, as well as will be able to select it to join the PAMM account. Basically, determines the public status of the offer. Inactive Offers are not selectable by new Investors when joining a PAMM account but can still be joined privately via a Join Link. The existing investor will stay on the offer, even if it has been deactivated (made private).
- Description: Some description of the Offer to be visible for Investors while self-registration of the Investment or as a part of statistics information in Ratings Module.

Configuration

- Trading Interval: Timeframe after which performance and management fees may apply are paid out to the money manager. Possible values: - N days - N weeks - N months - On rollover.
- Minimum Deposit: The minimum amount of money that can be deposited into a PAMM account at a time.
- Minimum Withdrawal: The minimum amount of money that can be withdrawn from a PAMM account at a time. Does not apply to investment closure.
- Minimum Initial Investment: The minimum amount of initial investment to join the PAMM account.

Fees:

- Performance Fee: The fee charged by the Manager based on performance.

A percentage of profit gained by the money manager in the investor account is transferred to MM's own funds. Performance fee is paid to the money manager either in the end of the trading interval or in case of withdrawal by the investor. In case of losses in the investor account during the current trading interval no performance fee is paid to the money manager. These losses are transferred to the next trading interval so the money manager must recover these losses in order to receive any performance fee. Performance fees may depend on the total amount of funds of each investor.

The performance fee is calculated based on the equity of the managed account and may include different brackets based on equity, each with its corresponding fee percentage. This structure is designed to encourage managers to achieve higher performance in the accounts they manage.

For example:

- For account equity from \$0 to \$50,000, the performance fee is 20%.
- For account equity from \$50,001 to \$100,000, the performance fee is 15%.
- And so on, with the percentage decreasing as the account equity increases.

- **Agent Chain:** The Agent Chain refers to a hierarchical network of agents who refer investors to PAMM managers through the PAMM portal. The primary agent is the initial point of contact, directly referring clients to the PAMM manager. Secondary agents are referred by the primary agent and also bring in clients. Tertiary agents, in turn, are referred by secondary agents. Each level of the chain may receive compensation from both the PAMM manager and higher-level agents for the clients they refer. This structure aims to expand the client base of the PAMM manager through a network of incentivized agents.
- **Agent Commission rate (%):** Percent of fees paid by the Investor to be shared with the Investor's Agent in the PAMM portal and transferred to the MetaTrader account of the latter.

Share Distribution Configuration for PAMM Manager Accounts

Partially Close Positions before Executing Withdrawal Requests

- This option allows for the partial closure of positions in the PAMM account before processing withdrawal requests.
- When deposit operations are taken into account, positions are partially closed based on the share by which the resulting equity of the PAMM account drops.
- For example, if the current account equity is \$10,000 and after processing deposit and withdrawal requests it would drop to \$9,000, each position is closed by 10%.
- If the amount of deposits exceeds the amount of withdrawals, no action is taken on the positions.

Calculate Individually Each Position's Partial Close Volume Taking Participant Investors' Shares into Consideration

- Appears only if the Partially close positions before executing withdrawal requests option is ON.
- This option works in conjunction with the "Distribute profits from trades opened after the first deposit" option.
- It calculates the partial close volume for each position individually, considering the shares of participant investors.
- For example, if investor A participates in positions X and Y while investor B participates in positions Y and Z, withdrawals by investor B will influence positions Y and Z only.
- PAMM account's position will be partially closed only if the Investor who is withdrawing money has a share in this particular position.

Automatically Withdraw Fees

- This option enables the automatic withdrawal of fees accrued by the PAMM manager.

- Fees are withdrawn from the PAMM account without requiring manual intervention, streamlining the fee management process.

Rollover Procedures

Rollover Definition

- Rollover is the main system process in PAMM, acting to synchronize data between PAMM and MetaTrader. Rollovers run periodically according to the timer or on the Money Manager's command, with each PAMM account undergoing rollover individually.

Rollover Process

a. Rollover Triggers

- Rollovers can be triggered automatically at scheduled intervals or manually by the manager.

b. Rollover Steps

- Applying confirmed balance operations, including investor registrations.
- Distributing profits and losses between Investors according to MM Configurations.
- Charging fees, if the rollover happens at the end of a Trading interval.
- Recalculating Investors' shares according to MM's trade results.
- Checking for discrepancies between PAMM accounts and corresponding MT5 trading accounts.

c. Registering the ID of successful rollover

Note Regarding Charging Fees

- Fee-based agent commission and platform fee are deducted from the MM's trading account in the PAMM portal, along with performance, and other fees may apply, if the "Automatically withdraw fees" option is enabled.
- In certain cases, high fees combined with a lack of equity due to floating losses on open positions may lead to negative equity upon rollover. In such instances, PAMM cancels the rollover to prevent financial losses for the broker and trading issues for investors.
- The administrator is notified via email in such cases and may take action, such as adjusting the manager's trading strategy or choosing to proceed with the rollover despite the negative equity.

- PAMM offers the option for the administrator to manually launch a fee-free version of rollover with the "Disable fee payments" checkbox. Alternatively, they may change the configuration setting to skip fee payments if insufficient equity is detected.
- Performance fee payments will be attempted on the next rollover, even if the previous one was fee-free.

Trading Interval

Trading interval is a period of time by the end of which investors pay fees that may apply using the PAMM services and Performance fees to Money Managers. First trading interval starts for an investor from the moment of their first deposit request.

Money Managers can set different periods for Trading Intervals separately for each offer:

- Days
- Weeks
- Months
- Calendar Months
- On rollover

If an investor joins in the middle of a calendar interval, the fees are paid by the end of the interval. The fee's amount is calculated proportionally to the time the investor has spent in the interval. Same applies if an investment is being closed in the middle of an interval.

Intervals' durations (UTC+0):

- Days
00:00 - 24:00
- Weeks
Sun 00:00 - Sat 24:00
- Calendar Month(s)
Calendar month(s) with fixed start-end dates, e.g.: Jan, 1 00:00 - Feb, 1 00:00, etc.
- Months
30 days From the day of the start of the interval (including the full first day).

Funds Management Overview and Transaction Process

Definition of Deposit and Withdrawal

- Deposit: Transfer from the Investor's Owner account (MetaTrader) to the Investment account (PAMM).
- Withdrawal: Transfer from the Investment account (PAMM) to the Owner account (MetaTrader).

Deposit/Withdrawal Flow within PAMM

- Investor or Money Manager initiates a deposit/withdrawal request for their investment.
- The respective Money Manager confirms the request.
- Upon rollover, money is transferred within MetaTrader.

Limitations

- An Investor cannot make a withdrawal request if there are already approved withdrawal requests awaiting rollover, and the new request together with the approved ones would lead to Money Manager's equity drop below 0.
- Money Manager cannot approve a withdrawal request if it will lead to Money Manager's equity drop below 0.
- Upon rollover, approved requests are declined if they lead to Money Manager's equity drop below 0.

For Managers and Investors

- Deposit, withdrawal, and close account operations are not executed instantly. They must first be confirmed by the admin or money manager, or by PAMM automatically after some time.
- Confirmed requests are executed at the next rollover following the confirmation.

Note for Managers

- Balance operation requests sent by a Money Manager to make a transaction between their Owner account and their PAMM account are automatically confirmed.

Note for Investors

- During the depositing process, money is withdrawn immediately from the Investor's MT5 account. PAMM reserves it internally until the rollover and only then transfers the deposit into the Investment account. This is to prevent the Investor from, for example, falling into a sudden stop out.

Fees may apply to deposits and withdrawals as defined in the Money manager's Offer the Investment account is linked to.

Performance Fee

Performance Fee is a portion of the profit earned by the Money Manager from their Investments during the current Trading Interval. It is paid to the Money Manager either at the end of the Trading Interval or immediately after an Investor's withdrawal operation if the withdrawal amount exceeds the total deposit amount.

If there are losses in the Investor's account during the current Trading Interval, no Performance Fee is paid to the Money Manager. Such losses are carried forward to the next trading interval, and the Money Manager must recover those losses to receive Performance Fees later on. The fee calculation is based on the High-Water Mark concept but is applied to each Investment individually.

Investors can view their current interval profit values in the Web Portal, from which Performance Fees will be deducted.

The mode available for Performance Fee calculation is Equity-based Performance Fee. The fee model influences fee levels, but fees are still calculated from the trading interval's Profit.

Equity-based Performance Fee

Fees are calculated based on the Equity of the Investment account. The levels of equity/percentage pairs are defined as follows:

The Equity value is the starting amount to calculate a particular Performance Fee (including profit for the current trading interval).

The Performance Fee is the percentage of profit transferred to the Money Manager.

Below is an example of setting Performance Fee levels:

Equity (money)	Performance Fee (%)
\$0.00	50
\$1,000.00	40
\$10,000.00	30

In this example, Investors with Equity up to \$999.99 will pay 50% of profit as the Performance Fee, while those with Equity from \$1,000.00 to \$9,999.99 will pay 40%, and the rest will pay 30%.

Calculation example (according to the table above):

Equity at the end of the trading interval (profit included)	Trading interval profit	Performance fee transferred to Money Manager	Equity after Performance fees are paid out
\$3,500	\$500	40%, i.e. \$200	\$3,300
\$600	\$100	50%, i.e. \$50	\$550
\$35,000	\$5,000	30%, i.e. \$1,500	\$33,500
\$90,000	-\$10,000	0	\$90,000

Pending Performance Fees and Withdrawals

To avoid situations where an Investor withdraws funds in the middle of the trading interval, leaving pending Performance Fees unpaid, PAMM implements a mechanism of pending performance fees:

- If an Investor withdraws only a part of their funds, and the full requested amount can be withdrawn, Performance Fees are not paid out to the manager and are left in the investor account.
- If after a withdrawal the funds consist of Performance Fees only, the fees are paid to the Money Manager immediately.

Example:

- Funds = \$10,000
- Pending performance fees = \$3,000

Results:

1. If an investor tries to withdraw less than \$7,000, e.g., \$6,000:
 - Investor withdraws the full requested amount, \$6,000.
 - All the remaining funds (\$4,000) are left in the investor account.
 - No Performance Fees are paid out.
2. If an investor tries to withdraw \$7,000 or more:
 - Money Manager receives \$3,000 as Performance Fees.
 - Investor withdraws \$7,000 to their owner account.
 - Investor account is left with 0 funds.

Reporting and Transparency

The Manager commits to delivering regular and transparent reports to Investors regarding their account performance. These reports will comprehensively outline all executed trades and associated fees.

Amendments

The Company retains the right to modify these terms by furnishing written notice to the Manager and Investor.

Miscellaneous

Agreements between the Company and its Clients, concerning the execution of terms outlined in these Regulations, may be formalized via email or any other verifiable communication method.

Should any provision of these Regulations become invalid, null, or void for any reason, it will not affect the validity of the remaining provisions herein.