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Demystifying Investing in Global Markets for Indian Residents

September 18, 2017

 **InteractiveBrokers**

Agenda

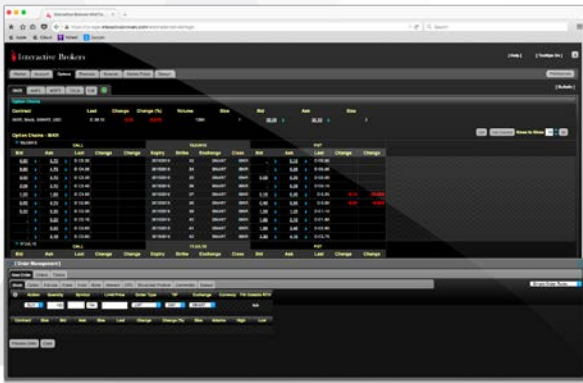
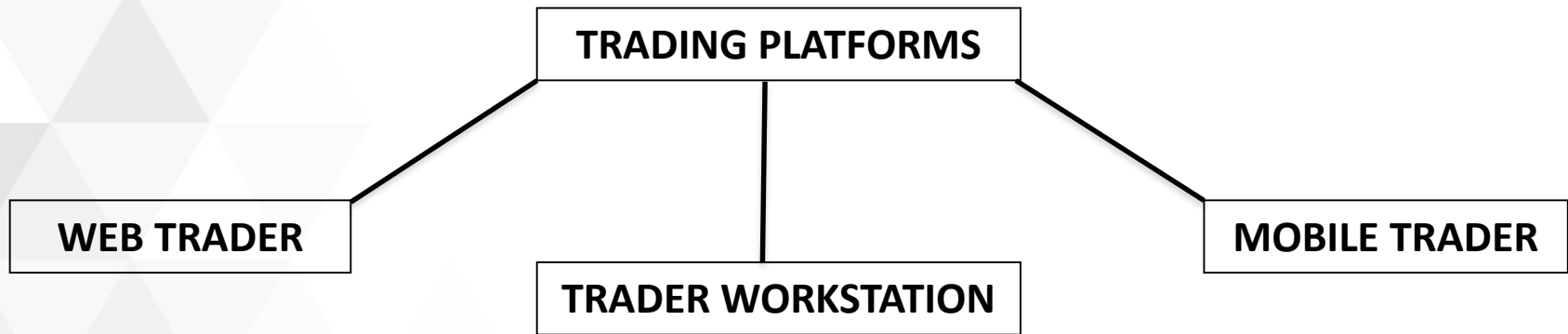
- An overview of Interactive Brokers
 - Introduction to Interactive Brokers
 - Trading Technology available
 - Pricing
- The Reserve Bank of India's liberalized remittance scheme
- Filling up an A2 form for remitting money outside of India
- Understanding the dual account structure for trading the Indian and global markets
- A walk through of the Trader Workstation

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Introduction to Interactive Brokers

- Founded **over 40 years ago** and is currently headquartered in Greenwich, Connecticut in the USA.
- Member on over **100 markets** across **25 countries**.
- Over **US\$ 6 billion** in equity capital with a **BBB+** rating from S&P and with a stable outlook.
- We have reported consistently positive earnings for over 20 consecutive years.
- IB Group affiliates are regulated by SEC, FINRA, NYSE, FCA and other regulatory agencies around the world.
- Offices in USA, Switzerland, Canada, Hong Kong, UK, Australia, Hungary, Russia, Japan, India, China and Estonia.

Trading Technology



Pricing – Global Markets

FLAT **US\$ 0.005** PER SHARE FOR US EQUITIES

FLAT BROKERAGE OF **0.10%** OF TRADE VALUE FOR EQUITIES IN AUSTRIA, BELGIUM, FRANCE, GERMANY (EX SWB), ITALY, NETHERLANDS, POLAND, SPAIN ETC.



LOW COST & BEST EXECUTION*

FLAT BROKERAGE OF **0.08%** OF TRADE VALUE FOR EQUITIES IN JAPAN, HK, SHANGHAI CROSS CONNECT, AUSTRALIA AND SINGAPORE.

GBP **6** FOR UP TO GBP 50,000 TRADE VALUE. FOR TRADES GREATER THAN GBP 50,000, GBP 6 + 0.05% OF INCREMENTAL TRADE VALUE

Pricing – Indian Markets

Product	Standard	Minimum per order	Maximum per order
Stocks ¹	1 bps	INR 6	INR 20
Options ²			
Futures ³			

1. Up to per order value of INR 1,000,000 for stocks. Portions of order above INR 1,000,000 will be charged 2 bps.
2. For first 100 lots of futures and options. Portion of order above 100 lots will be charged at INR 5 per lot.
3. The maximum per order for NRI's will be INR 150.



The Reserve Bank of India's liberalized remittance scheme

- RBI's LRS was – launched on February 4th 2004.
- The LRS was launched to facilitate resident individuals to remit funds abroad for permitted current or capital account transactions or a combination of both.
- Under the LRS, Authorized Dealers may freely allow remittances by resident individuals up to US\$ 250,000 per financial year.
- The LRS is not available to corporates, partnership firms, HUF's, Trusts and etc.
- The LRS is available to all resident individuals including minors.
- All other transactions which are otherwise not permissible under FEMA and those in the nature of margins or margin calls to overseas exchanges / overseas counterparty are not allowed under the LRS.

A2 form for remitting money outside of India under the RBI's LRS

- When you want to remit funds abroad under the RBI's LRS, you would need to fill up an A2 form.
- Money can be remitted abroad only through an authorized dealer such as a bank in India.
- To initiate the remittance you need to start by providing details of the remitter, pan number for remittances over US\$ 25,000 and the details of the bank branch that you are authorizing to debit your local savings account.
- For remitting money to invest in stocks listed on a recognized stock exchange outside of India, you would need to select point B and provide details of the beneficiary.
- The details of the beneficiary can be obtained when you complete an online application with Interactive Brokers LLC for trading global markets.
- Next, you would need to specify whether this remittance falls under the LRS or not, select Yes.
- Next, you need to enter the purpose code for remitting the funds, select the purpose code for investing in listed equities outside of India (Purpose code S0001).
- Sign the declaration that you are within the RBI's prescribed limit under the LRS of US\$ 250,000 per financial year per individual and submit this to your bank.
- The bank will debit your account for INR, convert it to US\$ or another currency such as EUR or JPY and remit the funds abroad.

Dual account structure

- Interactive Brokers Group offers a dual account structure for Indian residents.
- This account structure allows Indian resident to open one account with Interactive Brokers LLC and another account with Interactive Brokers (India) Pvt Ltd.
- The account with IB LLC is to invest in stocks and ETF's listed on 100 markets across 25 countries and the account with IB India is to trade on the National Stock Exchange of India.
- These two accounts are not cross marginable that means that they are funded separately and are treated as completely separate accounts and no money or assets can be transferred between these two accounts.
- The advantage of opening a dual account is that you would have a single user name and password to access both the accounts i.e. ease of access.
- You can easily toggle between the two accounts on the trading platform as well as the back office tool called account management for downloading reports and etc.

Introduction to the Trader Workstation

- Downloading the TWS
- Logging in to the TWS
- Adding symbols and creating watch lists
- Placing a trade on the TWS
- Monitoring a trade
- The account window of the TWS
- The trade log window of the TWS

Thank You!

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Disclosures

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There is a substantial risk of loss in foreign exchange trading. The settlement date of foreign exchange trades can vary due to time zone differences and bank holidays. When trading across foreign exchange markets, this may necessitate borrowing funds to settle foreign exchange trades. The interest rate on borrowed funds must be considered when computing the cost of trades across multiple markets.

The Order types available through Interactive Brokers LLC's Trader Workstation are designed to help you limit your loss and/or lock in a profit. Market conditions and other factors may affect execution. In general, orders guarantee a fill or guarantee a price, but not both. In extreme market conditions, an order may either be executed at a different price than anticipated or may not be filled in the marketplace.

There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations.

Interactive Brokers LLC is a member of [NYSE FINRA SIPC](#)

Interactive Brokers LLC is registered with HKSFCA and is a participant of the Sydney Futures Exchange (SFE)

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