



IB
BROKERS

Investing in Global Markets through Interactive Brokers for Indian residents

February 18, 2020



Agenda

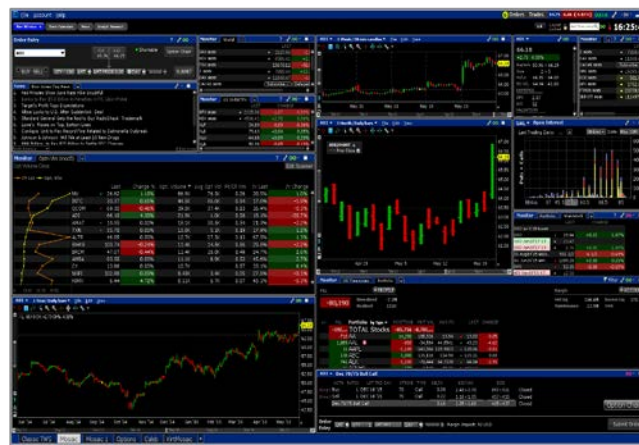
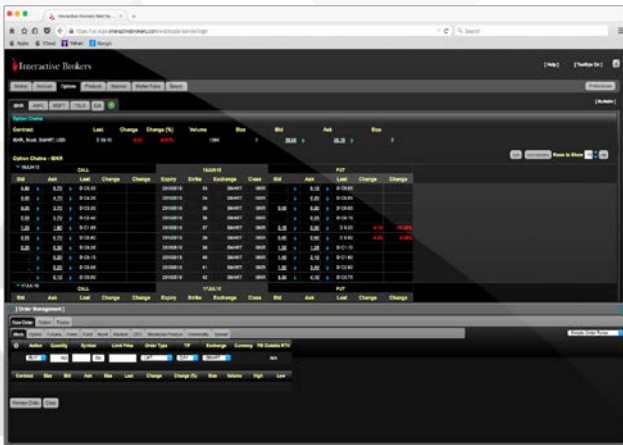
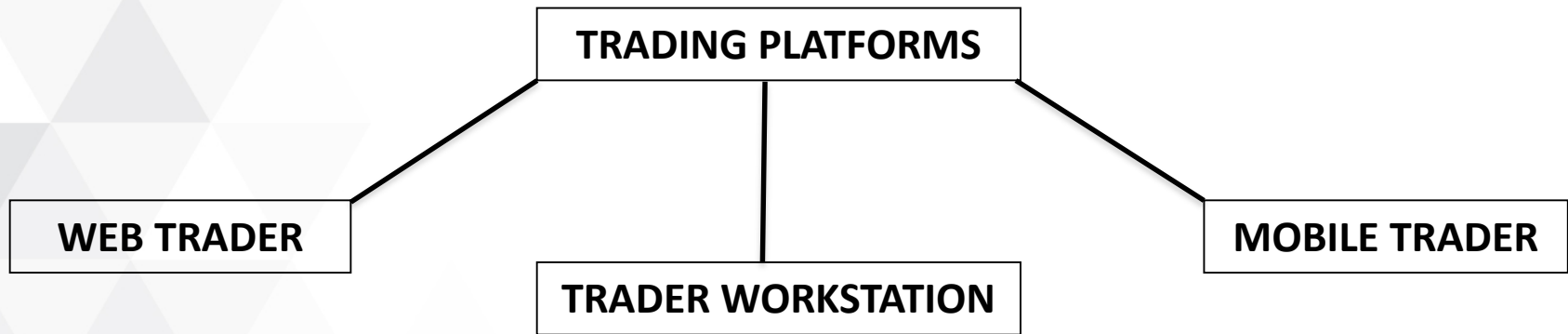
- An overview of Interactive Brokers
 - Introduction to Interactive Brokers
 - Trading Technology available
 - Pricing
- The Reserve Bank of India's liberalized remittance scheme
- Filling up an A2 form for remitting money outside of India
- Overview of Client Portal and Funding Process
- Understanding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

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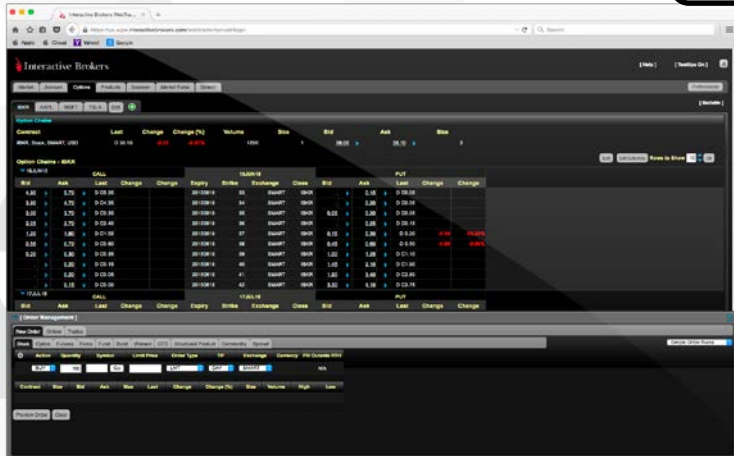
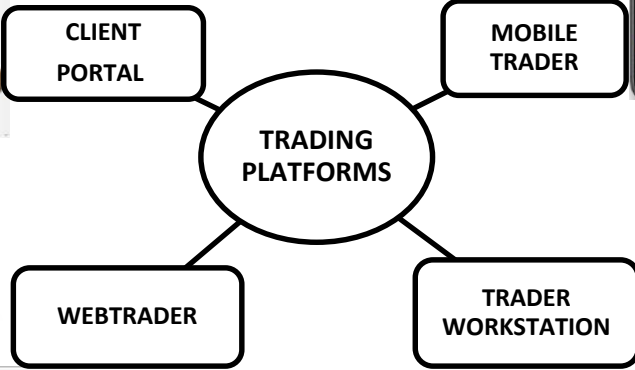
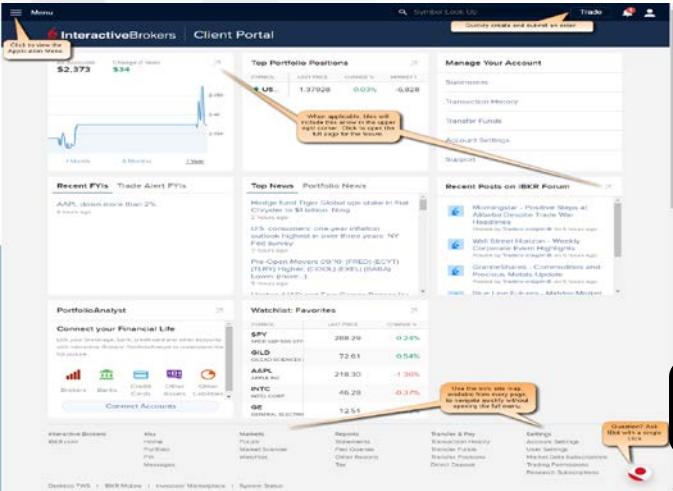
Introduction to Interactive Brokers

- Founded **over 40 years ago** and is currently headquartered in Greenwich, Connecticut in the USA.
- Member on **125 markets** across **31 countries**.
- Over **US\$ 7 billion** in equity capital with a **BBB+** rating from S&P and with a positive outlook.
- We have reported 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



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

IBKR Commissions:

<https://www.interactivebrokers.co.in/en/?f=1590>

Pricing – Indian Markets

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

1. For stocks, up to INR 10 lakh order value per order, for the portion above INR 10 lakh, you will be charged 0.02% of the incremental value if placed in the same order.
2. For futures and options, the above rate is limited to 100 lots in an order. For the portion of order above 100 lots, you will be charged INR 5 per lot if placed in the same order.
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.

Source: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10192&Mode=0>

A2 form for remitting money outside of India

- The applicant's name and Bank account number
- Currency and Amount to be transferred
- Beneficiary details:
 - Beneficiary Name and Address
 - Bank Name, Account Number and Address
 - SWIFT Code and/or ABA Routing Number.
- Purpose for the Transfer
 - Foreign Portfolio Investments:
 - S0001 : Indian Portfolio investment abroad –in equity shares
 - S0002 : Indian Portfolio investment abroad –in debt instruments
- Declaration (Under FEMA 1999)
 - Details of the remittances made, if any under LRS in the current financial year (April- March)
 - Total amount of foreign exchange within limit USD 250,000

RBI's A2 Form Format-

https://rbidocs.rbi.org.in/rdocs/content/pdfs/03MD11022016_AN.pdf

Overview of Client Portal and the Funding Process

- Logging to the Client Portal
- Homepage
- Menu Option
 - a. Transfer & Pay
 - Transfer Funds
 - Transfer Position
 - b. Reports
 - c. Settings
 - Account Settings
 - User Settings
 - d. Support
- Funding Process

Dual account structure

- Interactive Brokers Group offers a dual account structure for Indian residents.
- This account structure allows Indian residents to open one account with Interactive Brokers LLC and another account with Interactive Brokers (India) Pvt Ltd.
- The account with Interactive Brokers LLC can invest in stocks and ETF's listed on 125 markets across 31 countries and the account with IB India can trade securities listed on the National Stock Exchange of India.
- These two accounts are not cross marginable, which means that they are funded separately and are treated as completely separate accounts, where no money or assets can be transferred between the two accounts.
- The advantage of opening a dual account is that you will 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, Account Management, for downloading reports and etc.

Introduction to Fractional shares

- Buy regardless of share price
- Purchase US stocks by entering orders in dollar amounts
- Opportunity to diversify portfolio with small cash balances

<https://www.interactivebrokers.co.in/en/?f=45718>

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
- Trade through IBot

Thank You!

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Disclosures

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Options involve risk and are not suitable for all investors. For information on the uses and risks of options, you can obtain a copy of the Options Clearing Corporation risk disclosure document titled [Characteristics and Risks of Standardized Options](#) by calling (312) 542-6901.

Futures are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading futures, please read the [CFTC Risk Disclosure](#). For a copy visit [interactivebrokers.com](#).

Security futures involve a high degree of risk and are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading security futures, please read the [Security Futures Risk Disclosure Statement](#). For a copy visit [Interactivebrokers.com](#).

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.

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