

COSTS AND ASSOCIATED CHARGES DISCLOSURE

Entity: Black Pearl Securities Ltd (Trading as BP Prime) | FRN: 688456 | Company No: 08823678

Registered Office: 28 King Street, London, EC2V 8EH, United Kingdom

Regulatory Framework: FCA Conduct of Business Sourcebook (COBS 6.1ZA) & Consumer Duty (PRIN 2A)

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1. Introduction & Regulatory Purpose

Under the Financial Conduct Authority (FCA) Conduct of Business Sourcebook (COBS 6.1ZA) and the Consumer Duty (PRIN 2A), Black Pearl Securities Ltd ('BP Prime', 'the Firm', 'we', 'us') is required to provide retail and professional clients with clear, transparent, and aggregated information regarding all costs, fees, and charges associated with our investment services and financial instruments prior to trading (ex-ante), as well as periodically on an ongoing basis (ex-post).

This document details all direct and indirect costs applicable to trading Contracts for Difference (CFDs) and Spot Foreign Exchange (FX) with BP Prime across the MetaTrader 4 (MT4), MetaTrader 5 (MT5), and direct FIX API platforms. Clients must review and understand these charges before entering into transactions.

2. Operating Model & Classification of Costs

BP Prime operates strictly as a Straight-Through Processing (STP) / Matched Principal Broker. All client orders are routed and matched back-to-back with external, independent liquidity providers. BP Prime does not run a proprietary dealing book or trade against client positions.

Costs associated with trading CFDs with BP Prime are grouped into:

1. Transaction & Product Costs (Spreads, Commissions, Financing/Swaps);
2. Account & Ancillary Service Charges (Currency Conversion, Inactivity, Administration).

3. Core Trading Costs Breakdown

3.1 The Spread (Implicit Trading Cost)

The spread is the difference between the Bid (selling) price and the Ask (buying) price quoted on the trading platform:

$\text{Spread} = \text{Ask Price} - \text{Bid Price}$

- **Spread Structure:** Depending on your account type (e.g., Standard vs. Raw / ECN), the quoted spread represents either a variable raw market spread sourced directly from our liquidity panel, or the raw market spread plus an embedded commercial mark-up added by the Firm.
- **Timing of Charge:** The spread is incurred immediately upon entering the trade. Long (buy) trades open at the Ask price and are marked-to-market at the lower Bid price.

3.2 Commission (Explicit Transaction Cost)

Where an account operates on a raw spread or institutional pricing tier, trades are subject to an explicit commission fee per lot traded:

- **Calculation Basis:** Charged per standard contract lot (100,000 units of the base currency for FX) on an open and close (round turn) basis.
- **Deduction:** Commission is deducted directly from account equity at order execution.

- Example: Where an account is subject to £3.00 per lot per side (£6.00 round turn), a 1.0 lot trade will incur a total commission charge of £6.00.

3.3 Overnight Financing / Swaps (Holding Cost)

CFDs are leveraged derivative instruments. Open positions held past the daily market cut-off (typically 22:00 UK time / 17:00 EST) are rolled over into the next trading day and incur an overnight financing cost (Swap):

- Long Positions (Buy): Incur financing reflecting the cost of borrowing the capital required to hold the notional asset overnight.
- Short Positions (Sell): May be credited or debited interest depending on benchmark interbank interest rate differentials and administrative mark-ups.
- Triple Swap Days (Wednesday Rollover): Due to spot FX T+2 settlement, positions held past Wednesday evening incorporate financing costs for the weekend.
- Platform Visibility: Live daily swap rates for every instrument are published in the contract specifications window in your MT4 and MT5 terminals.

3.4 Currency Conversion Margin

When trading an instrument denominated in a currency different from your account's base currency (e.g., trading EUR/USD or US 500 on a GBP account), all realised profits, losses, swaps, and commissions are converted automatically at the prevailing interbank exchange rate plus a transparent margin (typically up to 0.5% over the live mid-market rate).

4. Account Administration & Ancillary Fees

Fee Category	Description	Applicable Amount
Account Opening Fee	Setting up a retail or professional trading account	£0.00 (Free)
Deposit Fees	Incoming funds via UK Bank Transfer or approved gateway	£0.00 (Free)
Withdrawal Fees	Standard withdrawal back to originating bank account	£0.00 (Free)
Inactivity / Dormancy Fee	Applied if no trading activity occurs for >12 months (never takes balance negative)	£15.00 / month
Market Data Feeds	Live Level 1 pricing on standard FX, commodities, and index CFDs	£0.00 (Free)

5. Third-Party Payments & Inducements (FCA COBS 2.3A)

- Payment for Order Flow (PFOF): BP Prime strictly prohibits and never accepts payments for order flow from liquidity providers, market makers, or execution venues.
- Introducing Brokers (IBs): Where a client is introduced by an authorised third party, BP Prime may pay that third party a portion of the standard spread or commission generated. Such arrangements will never increase the spread or fees you pay beyond our standard published schedule unless an explicit customised schedule has been agreed with you in advance.

6. Cumulative Effect of Costs on Returns (Worked Scenarios)

Under FCA rules, the following representative examples illustrate how transactional spreads, commissions, and financing cumulatively impact gross trading returns.

Scenario A: Intraday Trade (EUR/USD, 1.0 Standard Lot)

Parameters: 1.0 Lot = 100,000 EUR | Account Base: GBP | Entry: 1.08500 | Exit: 1.08800 (+30 pips) | Gross Profit: £240.00 | Duration: 4 Hours

Cost Component	Pricing Basis	Amount (USD)	Amount (GBP)	% Notional
Spread (Entry/Exit)	1.0 Pip Spread	\$10.00	£8.00	0.009%
Commission	Raw ECN Rate	\$6.00	£4.80	0.005%
Overnight Financing	Closed intraday	\$0.00	£0.00	0.000%
Currency Conversion	Realised profit conversion (0.5%)	\$1.50	£1.20	0.001%
TOTAL AGGREGATED COSTS	Cumulative Deductions	\$17.50	£14.00	0.015%

Net Realised Return: Gross Profit (£240.00) Less Total Costs (£14.00) = £226.00 (5.83% Impact on Gross Return)

Scenario B: Multi-Day Position Held Overnight (FTSE 100 CFD, 5 Contracts)

Parameters: 5 Contracts (£5.00/pt) | Underlying: 8,200.00 | Notional: £41,000.00 | Duration: 5 Days (incl. weekend triple swap) | Price Move: Unchanged

Cost Component	Pricing Basis	Total Cost (£)	% Position Notional
Spread	1.0 Point on Open/Close	£5.00	0.012%
Commission	Standard Account (Spread-only)	£0.00	0.000%
Overnight Financing (Swaps)	7 Days Rollover (SONIA + 3.0%)	£39.32	0.096%
TOTAL AGGREGATED COSTS	Holding Cost for 5 Business Days	£44.32	0.108%

7. Ex-Post Reporting & Contact Details

In accordance with FCA COBS 6.1ZA, BP Prime provides each active client with:

1. Real-Time Daily Statements: Itemising trades, realised spreads, commissions, swaps, and conversions at daily close;
2. Annual Ex-Post Statement: Detailing the aggregated costs incurred during the preceding 12 months in cash terms and as a percentage of capital.

For inquiries regarding fee schedules or to request a personalised cost calculation:

- Compliance Department: compliance@bpprime.com
- Client Support Team: support@bpprime.com | +44 (0) 20 3745 7101
- Registered Office: Black Pearl Securities Ltd, 28 King Street, London, EC2V 8EH, United Kingdom