

## Coverage client's orders on the Forex Liquidity Providers

### Description of process of client's transmission and broker's benefits

In recent years the market situation has changed as well as the client. There are no abrupt changes in exchange rates. All brokers offer high leverage which increases risks for the broker. Also on the broker risks affect the ever-growing competitive offers that generate different client earnings with client's no-risk schemes such as: "bonus hunting", "swap hunting", "arbitration" and others. The percentage of clients who earns in the Forex market has grown. Naturally, the broker who do care about their reputation and has no adequate financial reserves has to pass the high-risk customers to larger players (liquidity providers). Liquidity providers have an access to the liquidity of the banks and do can not afford to pay a large income of his client.

The first advantage of transmission of client's requests to liquidity provider is descension of broker's risks. If the client gets profit the broker does not worry about where to get money to pay client's profit as a broker has a profit on the account at the account of liquidity provider.

The second advantage is the income from client's trading. Broker's income that transmits his clients is formed by markup. Thus, the broker receives income from customer trading in any case, even if the client get profit.

The third advantage is that the client does not feel negative interference of broker in his trading and thus has no problems with the execution of orders. This increases customer loyalty to the broker.

The fourth advantage is that the liquidity provider provides with quotes feed and broker can extend the range of trading instruments offered to its clients through quotation source of provider and to refuse in part or entirely on third-party providers to save the money on it.

If risk descension and retention of a major customer is all logical and understandable, then look at how the broker earns in transmitting of his customers to liquidity provider.

### Example of Broker's profit

1. Broker registers a coverage account at liquidity provider (LP) which will receive transmitted client's orders. Broker tops up the coverage account to start service work.

2. We offer a liquidity provider with the average five-digit spread of 6 points (0.6 in case of four-digits). The prices at the time of the transaction on the account liquidity provider are

**ASK 1.31590**

**BID 1.31584**

Broker's average spread is 20 five-digit points (2 in case of four-digit). The prices which the client sees the Broker's terminal are

**ASK 1.31597**

**BID 1.31577**

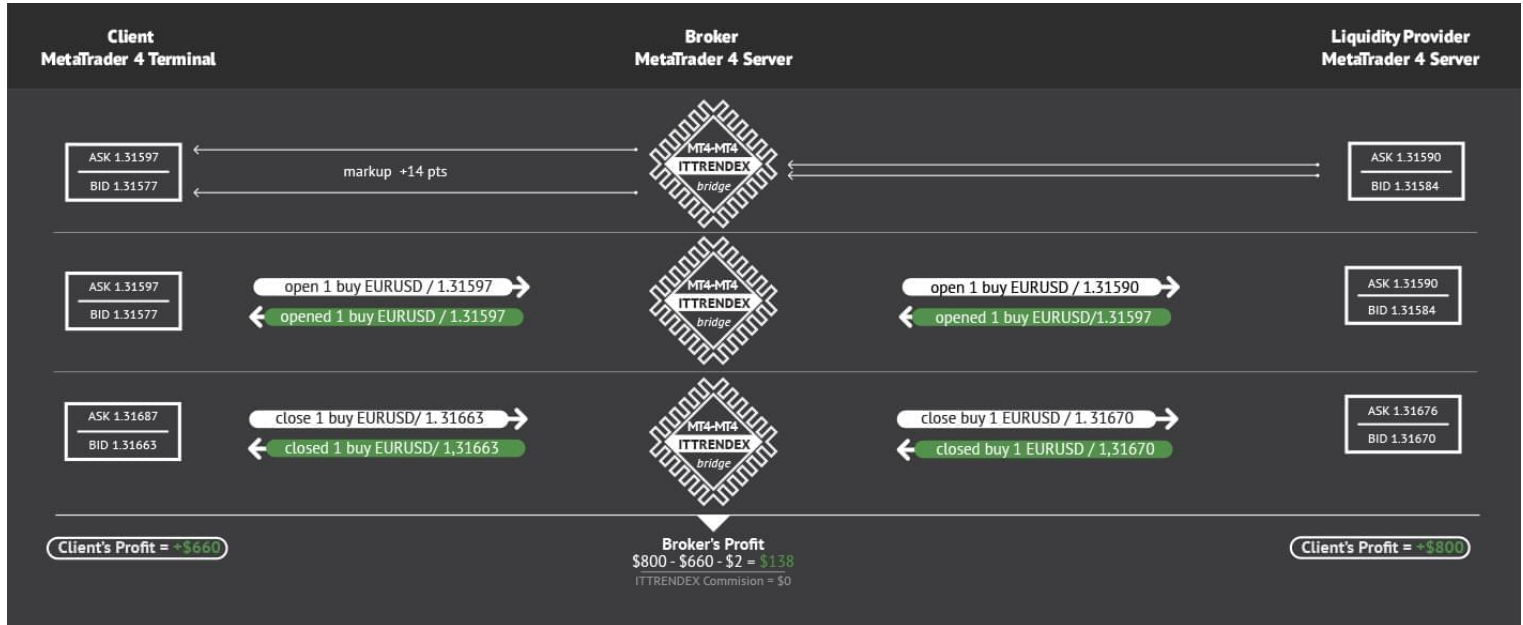
As you can see the broker provides the client with a spread wider than it is in the coverage account at LP. Execution on the server of LP happens at the best price.

3. The client opens a BUY position with 1 lot for the ASK price 1.31597. On the liquidity provider's side the order is opened at a price of 1.31590, ie the price is better than client's price on 7 points.

4. When client closes the order there will be the same. Client closes at a BID price 1.31663 and on the liquidity provider's side order closes at a price of 1.31670 which is 7 points better than the client's price again.

As a result if the client gets profit at broker, the broker receives profit on the liquidity provider's account but more than 14 points due to expanded markup.

If the figures, if the customer has earned \$660 then Broker earned \$800. In case of payout to the customers the Broker gives to client his earnings of \$660 and gets a rest of profit of \$140 with which he pays \$2 (= \$138) commission to LP.



## Scheme of work

1. You choose a suitable liquidity provider from our list.
2. You contact us any convenient way for you by following [contacts](#) and we discuss all the details.
3. We generate a suitable conditions of the Agreement for you.
4. After signing the contract you will get registered coverage accounts at LP which is necessary to start transmitting client's orders.
5. The ITTrendex company provides with the licensed copy of the Bridge MT4 plugin for your MetaTrader 4 trading server and produces pre-installation and configuration of client's transmission system. The company also provides with tools to transfer the trading history of accounts and accounts with open positions.
6. We do tests of transmitting system together.
7. After successful tests you begin to transmit your client's orders and the liquidity provider will provide with reports of coverage account. Also you will be able to connect to your account to view all movements on the coverage account real-time.

## Liquidity providers

Name of liquidity provider	License type	Demands
Mayzus Investment Company Ltd.	The company is licensed by the Cyprus Securities and Exchange Commission (CySEC) under license number 093/08.	European license required

### Liquidity provider details

Spread	from 0.4 points (avg. 0.7 points)
Quantity of digits	4/5
Execution	Instant/Market Execution
Instruments	currencies, indices, commodities, oil
Leverage	up to 1:300
Execution time	up to 0,8 sec.
The minimum amount of deposit to coverage account	100\$
Methods of deposit to coverage account of LP	bank wire transfer
Methods of withdrawal from coverage account of LP	bank wire transfer (up to 3-5 working days), Mayzus Financial Service transfer (instantly)
Commission of liquidity provider	\$10 per million per one side, which is equal to \$2 per lot (\$1 for opening, \$1 for closing)
Commission of ITTrendex	\$1000 per month for technical support

Tifia Investment Limited	The company is registered as a provider of financial services in New Zealand with the license FSPR FSP310606.	Any license required
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### Characteristics of client's transmission at Forex

Spread	from 0.4 points (avg. 0.9 points)
Quantity of digits	4/5
Execution	Instant/Market Execution
Instruments	currencies, indices, commodities, oil
Leverage	up to 1:300
Execution time	up to 1 sec.
The minimum amount of deposit to coverage account	100\$
Methods of deposit to coverage account of LP	bank wire transfer
Methods of withdrawal from coverage account of LP	bank wire transfer
Commission of liquidity provider	\$10 per million per one side, which is equal to \$2 per lot (\$1 for opening, \$1 for closing)
Commission of ITTrendex	\$1000 per month for technical support

TopFX	One of the largest liquidity providers in the Forex market	No license required
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Name of liquidity provider	License type	Demands
<b>Characteristics of client's transmission at Forex</b>		
Spread	from 0.3 points	
Quantity of digits	4/5	
Execution	Market Execution	
Instruments	currencies, metals, CFD	
Leverage	1:100 for Forex; 1:50 for Metals	
Execution time	up to 0.8 sec.	
The minimum amount of deposit to coverage account	No limits	
Methods of deposit to coverage account of LP	bank wire transfer	
Methods of withdrawal from coverage account of LP	bank wire transfer	
Commission of liquidity provider	from \$8 per million per one side (minimum \$1000 per month)	
Commission of ITTrendex	no commission	

AMB Prime	Offers liquidity provision and Prime Brokerage services for banks, brokerages and professional traders alike.	No license required
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## Characteristics of client's transmission at Forex

Spread	from 0.2 points
Quantity of digits	4/5
Execution	Market Execution
Instruments	currencies, CFD, commodities, oil - FIX API
Leverage	1:100 for Forex; 1:50 for Metals; 1:25 for CFD
Execution time	up to 0.15 sec.
The minimum amount of deposit to coverage account	No limits
Methods of deposit to coverage account of LP	bank wire transfer
Methods of withdrawal from coverage account of LP	bank wire transfer
Commission of liquidity provider	from \$8 per million per one side (minimum \$1000 per month)
Commission of ITTrendex	no commission

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## Documents needed to start working with liquidity provider

Document name	Description
Certificate Of Incorporation	Document, confirming the country and number of registration

Document name	Description
Incumbency Certificate	The document should be not older than 6 months and include current information regarding Company's directors, secretary, address, share capital and shareholders (for the companies with date of incorporation more than 12 month)
Memorandum And Articles Of Association	The document has to reflect general information, including the Company's activities
Certificate Issued By Tax Authorities	The document has to show the Company's tax identification number or document confirming that such document is not compulsory in the Client's country of incorporation (if any) (for non-Cypriot companies)
Certificate Of Registered Address	The document has to show the Company's registered address
Certificate Of Directors And Secretaries	The document must reflect the names of directors and secretaries
Certificate Of Registered Shareholders	The document shows the actual share-holders – physical persons. In cases where the registered shareholders act as nominees of the beneficial owners, please provide the copy of the trust deed/agreement concluded between the nominee shareholder and the beneficial owner, by virtue of which the registration of the shares on the nominee shareholder's name on behalf of the beneficial owner has been agreed
Resolution Of The Board Of Directors	The document should state that the Company intends to open an account with Liquidity Provider and assigning a person (s) to act as the representative of the legal person and operate the account
Signatory Card	Tthe document with signature specimen of Client's authorized representatives. A signatory card is not obligatory if there is only one individual authorized to act on behalf of the client and the sample of the individual's signature must be the same as in the passport of the latter
Power Of Attorney	The Power of Attorney to the person who can act on behalf of the Company. The document shall include: Company name, Company registered number, address, country of Incorporation, name of director(s) and the conditions of director appointment (memorandum, resolution etc); Who will act on behalf of the Company: name, surname, passport number, residential address, country of residence; Permissions: managing of account, money transfers, sign the documents etc. Whether only this person will manage this account or the director also will do that, please, appoint this; Date of issue and the date of expiry of this Power of Attorney; Signature of the director and the Company stamp; "Accepted and agreed" signature and the name of authorized delegate
Document Confirming Source Of Income	When requested please provide one of the following documents, confirming the source of Company' funds: Financial statement; Copies of bank account statement; Copies of contracts; Management account/cash flow reports; Personal declaration of the management
Passport And Confirmation Of Address	Copy of passport and confirmation of address (issued within the last 6 months) for the following physical persons: Director(s); Shareholder(s); Beneficial owner(s); Signatory(s)
Legal entity application form	Fill in the form for legal entities, acting as the clients of the Liquidity provider

## Bridge Client plugin settings

- **AllowPendingOrders** – the flag of processing of requests for the creation of pending orders;
- **AllowModifyRequests** – the flag of resolution of processing of requests for modification of orders;
- **AllowDeletePendingRequests** – the flag of processing of pending order's requests removal;
- **Dealer** – dealer login to process requests;
- **DefaultMarkup** – local markup;
- **ExternalSymbolPostfix** – postfix added to the symbol name when sending the request to the bridge;
- **Filter\_Group** – the filter of accounts by groups which should be processed;
- **Filter\_Login** – the list of accounts which should be processed;
- **Filter\_Login%lu** – the additional lists of accounts (need to change %lu by the number from 1 to the necessary number) which should be processed;
- **FilterSkip\_Login** – the list of accounts which should be skipped;
- **FilterSkip\_Login%lu** – the additional lists of accounts (need to change %lu by the number from 1 to the necessary number) which should be skipped;
- **Filter\_Symbol** – the filtration of requests handled by the symbol (default is a complete ban);
- **Filter\_TickSymbol** – the filtration of incoming quotes for throwing prices by local symbol;
- **Filter\_ZeroSpreadSymbol** – the filtration of symbols with zero spread;
- **InvertOrders** – the flag of inversion of the direction of orders which were sent to the bridge;
- **LiquidityProviderServer** – server and the port on which the bridge works;
- **LiquidityProviderClientName** – login for check the connections to the bridge;
- **LiquidityProviderPassword** – password for check the connections to the bridge;
- **LogZeroSpreadSymbolsDbg** – the flag of activation of debug logging of symbols with zero spread;
- **LogCommunicationStats** – the flag of activation of logging of querying the server side and get answers;
- **LogRequestAquiring** – the flag of activation of logging of the accepting of requests for processing;
- **LogTicksAdding** – the flag of activation of logging of thrown quotes;
- **LogTicksAddingOnTrade** – the flag of activation of logging of prices thrown when processing requests;
- **MaxZeroSpreadSlippageVolume** – the maximum volume of the order with zero spread for which acts slippage from MaxZeroSpreadSlippage setting;
- **MaxZeroSpreadSlippage** – maximum slippage when opening an order with zero spread;
- **TicksToSkipOnConfirmTickAdd** – the number of ticks that must be skipped on tick that is thrown upon confirmation request;
- **ProcessPendingsAsMarketOpen** – the flag of activation of processing of pending orders as transfer of MK\_OPEN requests on activation;
- **ProcessStopoutsAsMarketClose** – the flag of activation processing stop-outs as the transmission of requests MK\_CLOSE;
- **ProcessStopsAsMarketClose** – the flag of activation of processing of SI/TP as transfer of MK\_OPEN requests (values of SI/TP do not transfer);
- **VolumeCoeff** – the coefficient of modifying of the volume of order transmitted to LP server;
- **ZeroSpreadSlippageControl** – the flag of activation of slippage control of quotes with zero spread;