

Negative Balance Protection Policy

****Effective Date:** [5/8/2025]**

****Company:** Vestrado Ltd / Vestrado Pty Ltd**

1. Purpose

This policy outlines the conditions under which Vestrado provides Negative Balance Protection (NBP) to its clients, ensuring that clients cannot lose more than their account balance in extreme market volatility — while also preventing abuse of this feature.

2. Scope

This policy applies to ****retail clients only****, as defined by the applicable regulatory framework. It does ****not**** apply to professional or institutional clients unless otherwise stated in writing.

3. What is Negative Balance Protection?

Negative Balance Protection ensures that a client's losses ****cannot exceed the funds**** in their trading account. If the account balance becomes negative due to ****market gapping, high volatility, or slippage****, Vestrado will reset the account balance to zero.

4. Conditions for Coverage

Negative Balance Protection is offered under the following conditions:

- * Applies only to ****real cash deposits****. Bonus funds, promotions, or internal transfers are excluded.
- * Applies to ****unexpected market volatility****, gapping, or technical execution delays ****not caused by client-side abuse****.

- * Applies ****once per trading account**** in a rolling 30-day period unless approved by the risk team.
- * NBP does not cover losses caused by ****execution manipulation****, ****EA/script abuse****, or ****intentional risky trading behavior****.

5. Exclusions

Vestrado reserves the right to revoke or deny NBP coverage in cases including but not limited to:

- * Intentional abuse of the NBP policy (e.g., opening trades expecting account reset).
- * Hedging between multiple accounts with the purpose of draining one account to benefit from NBP.
- * High-frequency trading or arbitrage designed to exploit latency or price feed delays.
- * Use of trading bots/EAs that breach fair usage or execution speed thresholds.
- * Trading during major economic news without stop loss or proper risk management.
- * Internal or third-party account-to-account hedging that forces negative balance artificially.

6. Detection & Enforcement

Vestrado employs automated and manual monitoring tools to detect potential abuse. In cases of confirmed abuse:

- * The account may be suspended or closed.
- * Any profits from abusive behavior may be reversed.
- * Repeat violations may lead to permanent bans or legal action.

7. Client Responsibility

Clients are responsible for:

- * Maintaining adequate margin levels at all times.
- * Using reasonable risk management practices (e.g., stop loss, proper lot sizing).
- * Avoiding risky behavior intended to trigger NBP coverage.

8. Company Rights

Vestrado reserves the right to:

- * Modify or disable NBP at any time for specific clients or account types.
- * Enforce clawback of NBP coverage if abuse is discovered after issuance.
- * Reclassify clients as professional if their trading behavior consistently breaches retail norms.

9. Dispute Resolution

If a client believes NBP was wrongly denied, they may submit a written appeal to:

*compliance@vestrado.com** within **48 hours** of the incident.

All decisions by the Compliance & Risk team are final.