

ARBITRAGE POLICY

Effective Date: 09 October 2025

Version: 1.0

1. Introduction

This Arbitrage Policy sets out how **Zed Capital International Ltd** (“Zed Capital”, “the Company”) identifies, prevents, and manages trading behaviours that may be unfair, abusive, or manipulative (collectively, “arbitrage”). The objective is to preserve a fair, transparent, and orderly trading environment in line with the standards of the **Financial Services Commission (FSC), Mauritius**.

2. Scope

This Policy applies to:

- All clients trading via Zed Capital platforms (including **MetaTrader 5** desktop/web/mobile);
- Any third-party systems connected to the Company’s execution infrastructure; and
- Company staff involved in risk, trade surveillance, and compliance.

This Policy forms part of the **Client Agreement** and **Terms & Conditions** available at www.zedcapital.com.

3. Definition of Arbitrage

For this Policy, “arbitrage” includes any strategy intended to exploit price, execution, or timing discrepancies arising from technical, market, or operational inefficiencies. Prohibited practices include (without limitation):

- **Latency Arbitrage** (exploiting data/price update delays);
- **Price Feed Manipulation** (trading on erroneous, stale, or off-market quotes);
- **Cross-Platform/Triangular Arbitrage** (simultaneous trades exploiting temporary inconsistencies);
- **Bonus/Credit Abuse** (using promotions solely to generate risk-free gains);

- **Multi-Account Hedging/Coordination** (related accounts guaranteeing profits regardless of direction);
- Any conduct inconsistent with fair market behaviour under applicable laws and the FSC **Code of Business Conduct**.

4. Company Rights & Remedies

Where arbitrage or prohibited behaviour is suspected or confirmed, Zed Capital may at its sole discretion:

- Cancel or adjust affected trades;
- Remove profits attributable to arbitrage;
- Suspend or terminate accounts without prior notice;
- Cancel bonuses/credits and restrict platform access;
- Notify relevant authorities, including the FSC, where required.

All actions are documented and executed per internal procedures and applicable regulations.

5. Monitoring & Detection

The Company uses automated and manual surveillance, including:

- Real-time latency and pricing-differential analysis;
- Comparisons against liquidity-provider tick data;
- Pattern detection across related accounts;
- Reviews of **MT5 Server Audit Logs** and bridge analytics.

Risk Management and Compliance jointly evaluate flagged activity and determine responses based on evidence and intent.

6. Client Responsibilities

Clients must:

- Refrain from exploiting pricing/system inefficiencies;
- Ensure any EAs/algorithms comply with this Policy;
- Safeguard credentials from third-party misuse;

- Acknowledge that latency arbitrage, quote manipulation, and coordinated multi-account strategies are prohibited.
Breaches may trigger disciplinary or contractual consequences.

7. Manifest Error & Price Disputes

If a trade executes at a **manifestly incorrect** price, the Company may:

1. Adjust the price to the prevailing market level at execution time; or
2. Cancel the trade and remove associated P/L.
Price/execution complaints must be submitted in writing within **two (2) business days** of execution to compliance@zedcapital.com. Submissions after this period may not be considered.

8. Disciplinary Measures

Breaches may result in:

- Permanent account closure;
- Confiscation of profits from arbitrage;
- Regulatory notification;
- Exclusion from promotions/programs.

Company decisions under this Policy are **final and binding**.

9. Review & Amendment

This Policy is reviewed at least annually and whenever regulations, technology or risk assessments are required. Updates will be published on www.zedcapital.com.

10. Contact

Compliance Department

Zed Capital International Ltd

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✉ compliance@zedcapital.com

🌐 <https://www.zedcapital.com>