



FUTURES
AND FOREX

Charles Schwab Futures and Forex LLC Futures Account Disclosures

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This Charles Schwab Futures and Forex LLC Futures Account Disclosures document should be read in conjunction with the Charles Schwab Futures and Forex LLC Futures Client Agreement (“**Client Agreement**”) and any other agreements (including, as applicable, any pre-dispute arbitration clause), disclosures, and terms and conditions governing your futures account (“**Account**”) at Charles Schwab Futures and Forex LLC (“**Schwab Futures and Forex**”). The terms and conditions set forth below incorporate and are supplemental to the Client Agreement, as amended from time to time. All terms defined herein carry the same meaning as in the Client Agreement.

MARGINS, LIMITS, AND LIQUIDATIONS

You are required to maintain at least \$1,500.00 net liquidating value at all times between your Securities Account and your futures Account at Schwab Futures and Forex. In the event the Account balance falls below the minimum net liquidating value, Schwab Futures and Forex will restrict activity in the Account and you will only be permitted to close out contract positions. Schwab Futures and Forex, without notice and in its sole discretion, reserves the right to raise your minimum Account net liquidating value at any time.

Prior to the entry of any order in your Account, your Account must have available sufficient funds to cover the margin requirement applicable to such order. If your Account contains insufficient funds to cover the margin requirement associated with the order, you will be unable to enter the order. All clients must have available in the Account(s) the margin requirement for the particular futures contract prior to the entry of an order.

Schwab Futures and Forex reserves the right to increase margin requirements at any time and without prior notice due to market conditions or as prescribed by the Exchange(s).

Schwab Futures and Forex reserves the right (but is not obligated) to close out any futures or options on futures positions, if at any time, Schwab Futures and Forex, in its sole discretion, deems necessary.

If, under any circumstance, Schwab Futures and Forex deems it necessary to close out (in part or in whole) a position in a futures or options on futures contract, you hereby agree to accept full responsibility for any losses incurred and to indemnify and hold harmless Schwab Futures and Forex.

To hold a futures or options on futures position overnight in any futures contract, clients must have available, at the close of the day’s session, the overnight margin requirement according to Schwab Futures and Forex requirements for the particular contract.

CROSS TRADE CONSENT

Schwab Futures and Forex, its officers, directors, employees, or Affiliates, or customers of Schwab Futures and Forex or of the servicing floor broker, may from time to time be on the opposite side of orders for physicals or orders for the purchase or sale of futures contracts and options contracts placed in your Account in conformity with regulations of the Commodity Futures Trading Commission and the by-laws, rules, regulations of the applicable markets (and its clearing organization, if any) on which such order is executed, and other Applicable Law.

ELECTRONIC TRADING AND ORDER ROUTING SYSTEMS DISCLOSURE STATEMENT*

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchange(s) offering the system and/or listing the contract. Before you engage in transactions using an electronic system, you should carefully review the rules and regulations of the exchange(s) offering the system and/or listing contracts you intend to trade.

DIFFERENCES AMONG ELECTRONIC TRADING SYSTEMS

Trading or routing orders through electronic systems vary widely among the different electronic systems. You should consult the rules and regulations of the exchange offering the electronic system and/or listing the contract traded or order routed to understand, among other things, in the case of trading systems, the system's order matching procedure, opening and closing procedures and prices, error trade policies, and trading limitations or requirements; and in the case of all systems, qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times, and security. In the case of internet-based systems, there may be additional types of risks related to system access, varying response times and security, as well as risks related to service providers and the receipt and monitoring of electronic mail.

RISK ASSOCIATED WITH SYSTEM FAILURE

Trading through an electronic trading or order routing system exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority.

SIMULTANEOUS OPEN OUTCRY PIT AND ELECTRONIC TRADING

Some contracts offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. You should review the rules and regulations of the exchange offering the system and/or listing the contract to determine how orders that do not designate a particular process will be executed.

LIMITATION OF LIABILITY

Exchanges offering an electronic trading or order routing system and/or listing the contract may have adopted rules to limit their liability, the liability of Futures Commission Merchants, and software and communication system vendors, and the amount of damages you may collect for system failure and delays. These limitations of liability provisions vary among the exchanges. You should consult the rules and regulations of the relevant exchanges(s) in order to understand these liability limitations.

* Each exchange's relevant rules are available upon request from the industry professional with whom you have an account. Some exchanges' relevant rules also are available on the exchange's internet home page.

UNIFORM NOTIFICATION REGARDING ACCESS TO MARKET DATA

As a market user you may obtain access to Market Data available through an electronic trading system, software, or device that is provided or made available to you by a broker or an affiliate of such. Market Data may include, with respect to products of an exchange ("Exchange") or the products of third party participating exchanges that are traded on or through the Exchange's electronic trading platform ("Participating Exchange"), but is not limited to, "real time" or delayed market prices, opening and closing prices and ranges, high-low prices, settlement prices, estimated and actual volume information, bids or offers, and the applicable sizes and numbers of such bids or offers.

You are hereby notified that Market Data constitutes valuable confidential information that is the exclusive proprietary property of the applicable Exchange, and is not within the public domain. Such Market Data may only be used for your firm's internal use. You may not, without the written authorization of the applicable Exchange, redistribute, sell, license, retransmit, or otherwise provide Market Data, internally or externally and in any format by electronic or other means, including, but not limited to the internet. Further, you may not, without the written authorization of the applicable Exchange, use Exchange Market Data for purposes of determining any price, including any settlement price, for any futures product, options on futures product, or other derivatives instrument traded on any exchange other than an Exchange or a Participating Exchange; or in constructing or calculating the value of any index or indexed product. Additionally, you agree you will not, and will not permit any other individual or entity to, (i) use Exchange Market Data in any way so as to compete with an Exchange or to assist or allow a third party to compete with an Exchange; or (ii) use that portion of Exchange Market Data which relates to any product of a Participating Exchange in any way so as to compete with that Participating Exchange or to assist or allow a third party to compete with such Participating Exchange.

You must provide upon request of the broker through which your firm has obtained access to Market Data, or the applicable Exchange, information demonstrating your firm's use of the Market Data in accordance with this Notification. Each applicable Exchange reserves the right to terminate a market user's access to Market Data for any reason. You also agree that you will cooperate with an Exchange and permit an Exchange reasonable access to your premises should an Exchange wish to conduct an audit or review connected to the distribution of Market Data.

NEITHER AN EXCHANGE, NOR ANY PARTICIPATING EXCHANGE, NOR THE BROKER, NOR THEIR RESPECTIVE MEMBERS, SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS, GUARANTEE THE TIMELINESS, SEQUENCE, ACCURACY, OR COMPLETENESS OF THE DESIGNATED MARKET DATA, MARKET INFORMATION, OR OTHER INFORMATION FURNISHED NOR THAT THE MARKET DATA HAVE BEEN VERIFIED. YOU AGREE THAT THE MARKET DATA AND OTHER INFORMATION PROVIDED IS FOR INFORMATION PURPOSES ONLY AND IS NOT INTENDED AS AN OFFER OR SOLICITATION WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY OR COMMODITY.

NEITHER AN EXCHANGE, NOR ANY PARTICIPATING EXCHANGE, NOR THE BROKER NOR THEIR RESPECTIVE MEMBERS, SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS, SHALL BE LIABLE TO YOU OR TO ANY OTHER PERSON, FIRM, OR CORPORATION WHATSOEVER FOR ANY LOSSES, DAMAGES, CLAIMS, PENALTIES, COSTS, OR EXPENSES (INCLUDING LOST PROFITS) ARISING OUT OF OR RELATING TO THE MARKET DATA IN ANY WAY, INCLUDING BUT NOT LIMITED TO ANY DELAY, INACCURACIES, ERRORS OR OMISSIONS IN THE MARKET DATA OR IN THE TRANSMISSION THEREOF, OR FOR NONPERFORMANCE, DISCONTINUANCE, TERMINATION OR INTERRUPTION OF SERVICE, OR FOR ANY DAMAGES ARISING THEREFROM OR OCCASIONED THEREBY, DUE TO ANY CAUSE WHATSOEVER, WHETHER OR NOT RESULTING FROM NEGLIGENCE ON THEIR PART. IF THE FOREGOING DISCLAIMER AND WAIVER OF LIABILITY SHOULD BE DEEMED INVALID OR INEFFECTIVE, NEITHER AN EXCHANGE, NOR ANY PARTICIPATING EXCHANGE, NOR THE BROKER, NOR THEIR RESPECTIVE SHAREHOLDERS, MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS SHALL BE LIABLE IN ANY EVENT, INCLUDING THEIR OWN NEGLIGENCE, BEYOND THE ACTUAL AMOUNT OF LOSS OR DAMAGE, OR THE AMOUNT OF THE MONTHLY FEE PAID BY YOU TO BROKER, WHICHEVER IS LESS. YOU AGREE THAT NEITHER AN EXCHANGE, NOR ANY PARTICIPATING EXCHANGE, NOR THE BROKER NOR THEIR RESPECTIVE SHAREHOLDERS, MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS, SHALL BE LIABLE TO YOU OR TO ANY OTHER PERSON, FIRM OR CORPORATION WHATSOEVER FOR ANY INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST PROFITS, COSTS OF DELAY, OR COSTS OF LOST OR DAMAGED DATA.

CONFLICT OF INTEREST DISCLOSURE

You should be aware that your Futures Commission Merchant ("FCM") or one or more of its Affiliates may own stock or have some other form of ownership interest in, and/or sit on a Board of Directors on one or more U.S. or foreign Exchanges and clearing houses that you may trade on or that may clear your trades. As a result, you should be aware that your FCM or its Affiliate might receive financial benefits related to its ownership interest when trades are executed on such an Exchange or cleared at such a clearing house.

In addition, futures Exchanges from time to time have in place other arrangements that may provide members with volume or market making discounts or credits, may call for participating members to prepay fees based on volume thresholds or may provide other incentive or arrangements that are intended to encourage market participants to trade on or direct trades to that Exchange. Your FCM, or one or more of its Affiliates, may participate in and obtain financial benefits from such an incentive program.

You should contact your FCM directly if you would like to know whether it has an ownership interest in a particular Exchange or clearing house, or whether it participates in any incentive program on a particular Exchange or clearing house. You may also contact any particular futures Exchange directly to ask if it has any such incentive program for member firms.

In addition, when firms provide execution services to customers, either in conjunction with clearing services or in an execution only capacity, they may, in some circumstances, direct orders to unaffiliated market makers, other executing firms, individual floor brokers, or floor brokerage groups for execution. When such unaffiliated parties are used, they may, where permitted under Applicable Law, agree to price concessions, volume discounts or refunds, rebates, or similar payments in return for receiving such business. Likewise, on occasion and in accordance with Applicable Law, in connection with Exchanges that permit pre-execution discussions and "off-floor" transactions such as block trading, exchanges of physicals, swaps or options for futures, or equivalent transactions, a counterparty solicited to trade opposite customers of an executing firm may make payments described above and/or pay a commission to the executing firm in connection with that transaction. This could be viewed as an apparent conflict of interest. In order to determine whether transactions executed for your Account are subject to the above circumstances, please contact your executing firm account representative.

FUTURES NEGATIVE PRICE DISCLOSURE

There are inherent risks when trading futures. One of the risks is the potential for a futures contract to trade or settle at a negative price. This can happen for many reasons, such as when there are dramatic changes in the supply of or demand for the underlying asset. If this happens, there could be an undesirable impact on your Account(s). You should keep in mind that if the market moves against your futures positions, you may lose all of the funds or assets that you have deposited into your Account and may incur additional losses beyond these amounts. You may also be asked to deposit additional margin funds into your Account on short notice. If you do not deposit the additional funds within the required time frame (as determined by Schwab Futures and Forex in its sole discretion), we may liquidate your existing positions without notice, which could result in a loss. You are liable for any deficit in your Account stemming from the market moving against your futures positions and/or liquidations due to insufficient margin in your Account.

FOREIGN TRADER DISCLOSURE STATEMENT

The products and services of Schwab Futures and Forex are only offered in jurisdictions where they may be legally offered for sale. The terms in this section apply primarily to Customers living outside the United States. The terms and conditions set forth below incorporate and are supplemental to the Schwab Futures and Forex Client Agreement, as amended from time to time. Where there may be a conflict of terms, these terms applicable to customers living outside the United States shall control.

FEES

Fees vary based on factors set forth on the Pricing & Commissions page on our website.

RESIDENCY STATUS

If applicable, you agree to complete Substitute Form W-8BEN or other applicable forms to open your Account. You also agree to notify Schwab Futures and Forex in the event your residency status changes.

ACCOUNT CONTROL CERTIFICATIONS

You acknowledge that your Account may be subject to U.S. economic sanctions and embargo laws, including, but not limited to, the Trading With the Enemy Act, the International Emergency Act and similar laws, violations of which may be subject to U.S. civil and criminal penalties. You specifically represent and warrant that you have not been designated by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) as a Specially Designated National or blocked person, that you have no reason to believe that you would be considered a blocked person by OFAC, and that you are not acting as agent of any such person. You further represent and warrant that you are not employed by, acting as agent of or partially owned or controlled by a government, a government controlled entity or a government corporation except as you have indicated in your Account opening documentation with Schwab Futures and Forex.

CFTC COMMUNICATIONS

Customer acknowledges and agrees that Schwab Futures and Forex is Customer's Agent for purposes of accepting delivery and service of any communication issued by or on behalf of the CFTC to Customer as a foreign trader or broker with respect to any futures or options contracts maintained in Customer's Accounts carried by Schwab Futures and Forex. Service or delivery of any communication issued by or on behalf of the CFTC to Schwab Futures and Forex is valid and effective service or delivery to Customer unless Customer currently maintains an agency agreement with a person domiciled in the United States and provides Schwab Futures and Forex with a copy of this Agreement. CFTC regulations require that both Customer and Schwab Futures and Forex respond to special calls by CFTC seeking information regarding Customer's domestic or foreign futures and options trading. Customer, as a foreign trader or broker, is required to provide CFTC with the information specified in such a special call, and Schwab Futures and Forex will be considered Customer's Agent, and may also be required to respond to special calls (unless Customer has designated an Agent by an agreement and provided Schwab Futures and Forex with a copy). Customer may refer to the below for additional information. Customer may refer to the text of CFTC Regulation 21.03 for a complete description of special calls.

In accordance with Rules 15.05 and 21.03 of the Commodity Futures Trading Commission ("CFTC"), 17 C.F.R. §§15.05 and 21.03, we are considered to be your agent for purposes of accepting delivery and service of communications from or on behalf of the CFTC regarding any commodity futures contracts or commodity option contracts which are or have been maintained in your Account(s) with us. In the event you are acting as agent or broker for any other person(s), we are also considered to be their agent, and the agent of any person(s) for whom they may be acting as agent or broker, for purposes of accepting delivery and service of such communications. Service or delivery to us of any communication issued by or on behalf of the CFTC (including any summons, complaint, order, subpoena, special call, request for information, notice, correspondence, or other written document) will be considered valid and effective service or delivery upon you or any person for whom you may be acting, directly or indirectly, as agent or broker.

You should be aware that Rule 15.05 also provides that you may designate an agent other than Schwab Futures and Forex. Any such alternative designation of agency must be evidenced by a written agency agreement which you must furnish to us and which we, in turn, must forward to the CFTC. If you wish to designate an agent other than us, please contact us in writing. You should consult 17 C.F.R. § 15.05 for a more complete explanation of the foregoing.

Upon a determination by the CFTC that information concerning your Account(s) with us may be relevant in enabling the CFTC to determine whether the threat of a market manipulation, corner, squeeze, or other market disorder exists, the CFTC may issue a call for specific information from us or from you. In the event CFTC directs a call for information to us, we must provide the information requested within the time specified by CFTC. If CFTC directs a call for information to you through us as your agent, we must promptly transmit the call to you, and you must provide the information requested within the time specified by the CFTC. If any call by the CFTC for information regarding your Account(s) with us is not met, the CFTC has authority to restrict such account(s) to trading for liquidation only. You have the right to a hearing before the CFTC to contest any call for information concerning your account(s) with us, but your request for a hearing will not suspend the CFTC's call for information unless the CFTC modifies or withdraws the call. Please consult 17 C.F.R. §21.03 for a more complete description of the foregoing (including the type of information you may be required to provide).

Certain additional regulations may affect you. Part 17 of the CFTC Regulations, 17 C.F.R. Part 17, requires each Futures Commission Merchant ("FCM") and foreign broker to submit a report to the CFTC with respect to each account carried by such FCM or foreign broker which contains a reportable futures position. (Specific reportable position levels for all futures contracts traded on U.S. exchanges are established in Rule 15.03.) In addition, Part 18 of the CFTC Regulations, 17 C.F.R. Part 18, requires all traders (including foreign traders) who own or control a reportable futures or options position and who have received a special call from CFTC to file a Large Trader Reporting Form (Form 103) with CFTC within one day after the special call upon such trader by CFTC. Please consult 17 C.F.R. Parts 17 and 18 for more complete information with respect to the foregoing.

Investment Products: Not FDIC Insured * No Bank Guarantee * May Lose Value

Charles Schwab Futures and Forex LLC, a CFTC-registered Futures Commission Merchant and NFA Forex Dealer Member.
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