§ 240.9 Margin requirements

(a) Margin required. A banking institution engaging, or offering to engage, in retail forex transactions must collect from each retail forex customer an amount of margin not less than:

(1) Two percent of the notional value of the retail forex transaction for major currency pairs and 5 percent of the notional value of the retail forex transaction for all other currency pairs;

(2) For short options, 2 percent for major currency pairs and 5 percent for
§ 240.10 Required reporting to customers.

(a) Monthly statements. Each banking institution must promptly furnish to each retail forex customer, as of the close of the last business day of each month or as of any regular monthly date selected, except for accounts in which there are neither open positions at the end of the statement period nor any changes to the account balance since the prior statement period, but in any event not less frequently than once every three months, a statement that clearly shows:

(1) For each retail forex customer:
   (i) The open retail forex transactions with prices at which acquired;
   (ii) The net unrealized profits or losses in all open retail forex transactions marked to the market;
   (iii) Any money, securities or other property held as margin for retail forex transactions; and

   (xii) Any other currency as determined by the Board.

(d) Margin calls; liquidation of position. For each retail forex customer, at least once per day, a banking institution shall:

(1) Mark the value of the retail forex customer’s open retail forex positions to market;
(2) Mark the value of the margin collected under this section from the retail forex customer to market;
(3) Determine whether, based on the marks in paragraphs (d)(1) and (d)(2) of this section, the banking institution has collected margin from the retail forex customer sufficient to satisfy the requirements of this section; and
(4) If, pursuant to paragraph (d)(3) of this section, the banking institution determines that it has not collected margin from the retail forex customer sufficient to satisfy the requirements of this section then, within a reasonable period of time, the banking institution shall either:
   (i) Collect margin from the retail forex customer sufficient to satisfy the requirements of this section; or
   (ii) Liquidate the retail forex customer’s retail forex transactions.