

**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**](http://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**](mailto: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**](http://www.zedcapital.com/).

**10. Contact**

**Compliance Department**  
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