

What is unsettled P&L?

Settling P&L

Settling P&L refers to settling the total funds available in the per-market pool of funds that users can claim.

This pool is called the P&L Pool (read more here [Accounting and Settlement](#)).

A trader that has made a profitable trade and realises its profits may wish to withdraw that realised profit.

However, users can only withdraw realised profits if there is enough settled P&L available in the P&L Pool. The P&L Pool is comprised of all the accumulated realised losses of other participants in that market. It represents the total amount available for withdrawal.

For each dollar to be withdrawn from realised profits, there must also be a corresponding dollar of realised losses (which will be made available in the P&L Pool). This mechanism exists to ensure that users do not withdraw more from the platform than what actually exists.

If a user made a profitable trade and has a positive realised P&L from the position, but there isn't enough Settled P&L in the Per-Market P&L pool to pay out the user to withdraw, the user may need to wait for the pool to be replenished by settled losses.

When this occurs, the user's P&L will be considered to be unsettled P&L.

For more information on what happens when there is not enough Settled P&L, read [P&L Pool](#) .

Margining of Unsettled P&L

If positive P&L is unsettled, it may account for less initial margin for trading perpetuals than USDC. Please see the treatment of non-USD assets here [Cross-Collateral Deposits](#) .

Each market has a maximum imbalanced P&L limit. When the net user P&L in a market breaches the limit, the asset weight will be decreased. Additionally, P&L in excess of the limit is subject to deficit resolutions from the Insurance Fund (up to the market's max insurance fund limit).

Discounting the unsettled P&L lowers the maximum leverage extended for users (and only decreases a user's initial margin). These guards don't lower the maintenance margin weights and are not relevant for liquidations.

Withdrawals

Only the lesser value of your Free Collateral and Asset Balance will be available for withdrawal (without opening a borrow). Realising positive unrealised P&L (by reducing/closing positions) will allow for that P&L to be settled to your Asset Balance for withdrawal.

A suggestion for users that want to stay in their position and withdraw unrealised profits in excess of their asset balance is to reduce/close then reopen the position. Read more in [Glossary](#) .

[Accounting and Settlement P&L Pool](#)