

RHF–RHS Day Trading Risk Disclosure



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This Day Trading Risk Disclosure Statement applies to all margin accounts (Robinhood Instant or Gold). Cash accounts are not subject to day trading rules. Robinhood Financial LLC and Robinhood Securities, LLC (collectively, “Robinhood”) DO NOT PROMOTE DAY TRADING. Investors should consider their investment objectives and risks carefully before investing. If a customer engages in day trading, the following rules apply.

Day Trading Rules

Definition

FINRA rules define a day trade as the purchase and sale, or the sale and purchase, of the same security or option contract on the same trading day in a margin account.

You’ll be considered a “Pattern Day –Trader” if you execute 4 or more day trades within 5 trading days, provided that the number of day trades represents more than 6% of your total trades within your margin account for that same 5 trading day period.

Minimum Account Equity

If the trading activity in your account results in a “Pattern Day–Trader” designation, you must close the business day with at least \$25,000 in portfolio value (minus any cryptocurrencies) in order to maintain day trading privileges for the following trading day. Please note that even if you meet the \$25,000 minimum equity requirement, your account will still be marked as a Pattern Day Trader until 90 days have passed since your last day–trade.

If you are marked as a Pattern Day–Trader, and you do not maintain the minimum \$25,000 requirement, you will not be able to continue day trading without further restrictions being imposed on your account.

For example, if you execute a day trade while you are day trade restricted (i.e., have less than \$25,000 in your account), you will only be permitted to close positions until the portfolio value (minus cryptocurrencies) satisfies the minimum \$25,000 requirement or 90 days have passed since your last day trade.

Day–Trading Buying Power

If your account is a Pattern Day–Trader account, and you meet the \$25,000 requirement, you may be eligible to use “Day–Trade Buying Power”. “Day–Trading Buying Power” means the equity in a customer’s account at the close of business of the previous day, less any maintenance margin



requirement as established by Robinhood or FINRA (“Maintenance Margin Requirement”), multiplied by up to four for equity trades.

Trading in excess of your Day-Trading Buying Power will result in a day-trading call which must be met promptly. Until you satisfy the day-trading call, or the call expires, you won’t be permitted to place further day trades regardless of your account equity.

Violations of these rules may result in a 90-day restriction being placed on your account. As a consequence of this restriction, you may not be able to open new positions.

Please click [here](#) to read FINRA’s investor guidance, which provides information about day trading margin requirements.