

DESCRIPTION



CPA-Hybrid

2023

How does CPA-Hybrid work?

> CONCEPT

Experience gained by TeleTrade over a 25-year period, including in the creation of affiliate programmes, has demonstrated that the traditional CPA model is no longer useful given modern market conditions, technological advancements, and developments in algorithmic trading. The company has decided to abandon the CPA Flat model and build a transparent, revenue-generating affiliate programme for agents.

THE FOLLOWING STATEMENTS FORM THE FOUNDATION OF THE PROGRAMME'S CONCEPT:

- The spread and commissions earned on transactions starting with the initial client deposit are **paid to the agent at a rate of 100% of the broker's income**
- If the client continues to work with the company, i.e., makes trades and builds up their investment portfolio, TeleTrade **begins to make money after the agent feed have been paid**

With this idea for creating an affiliate programme, the business is shielded from dishonest agents, and the payment plan is made clear to agents. The agent is aware of the source of their actual reward.



> CPA-HYBRID DESCRIPTION

The TeleTrade CPA-Hybrid programme appears quite complicated and confusing at first, but if you take the time to get to know it, it is completely transparent to agents. Moreover, the company provides agents with advanced payment statistics in the Affiliate Programme section of the Personal Area.

THE PAYMENT STRUCTURE OF THE CPA-HYBRID AGENCY SCHEME IS DIVIDED INTO THREE PARTS:

CPL - is the payment for a verified client

CPA - is a payment for client activity

Rebate - is the payment of part of the spread and commissions

Let's take a closer look at each of these payments.



How does CPA-Hybrid work

CPL - is the payment for a verified client

A client is considered verified after registering with the company, verifying their identity, depositing an amount of at least 50 USD on their trading account, and carrying out at least one trade.

The CPL payment to the agent's account is made on the day after the first trade is completed. The client's country of registration, specifically the country's membership in a particular group, determines the payment amount.

Group 1 - 20 USD

Group 2 - 10 USD

Group 3 - 5 USD

A list of country groups can be found at
<https://teletradepartners.com/country>

CPA - is a payment for client activity

Payments on the CPA part of the agency programme depend on client activity and amount to 90% of the spread and commissions paid by the client during the trading activity.

Weekly payments are made to the agent in accordance with the client's transactions from the prior week. Depending on the client's country of registration, payments are cumulative and equal 100% of the client's initial deposit, yet they cannot exceed the maximum amount.

Group 1 - **500 USD**

Group 2 - **400 USD**

Group 3 - **300 USD**

A list of country groups can be found at
<https://teletradepartners.com/country>

Rebate

The company always pays the agent 10% of the spreads and commissions for trades made by the agent's clients, regardless of whether the CPL or CPA components of the affiliate programme are satisfied. These payments are not limited in amount or time. In other words, an agent will be paid for their client so long as the client is active.

As a result, the company gives the CPA-Hybrid agent 100% of the client's initial deposit and 10% of the spread and commissions going forward.

[How does CPA-Hybrid work](#)

> EXAMPLE OF PAYMENTS

The agent's client from the United Arab Emirates (UAE) registered in Personal Area on 01.05.2023 and deposited 700 USD to their trading account.

EXPECTED PAYMENTS:

CPL - **20 USD**

CPA - **500 USD**

Rebate - **10 %**

--- 01.05.2023 ---

The client opened the first trade.

On 02.05.2023, **20 USD** on the CPL part was paid to the agent's account.

Report in the Personal Area

Client	Net Initial Deposit	CPA Expected	Total Spread and Comm.	CPL Paid	CPA Paid	10% Paid	Total Paid
1 Client 1 № 123456789 Account 123456	700 USD	500 USD	0 USD	20 USD	0 USD	0 USD	20 USD

How does CPA-Hybrid work

--- Week 01.05.2023 to 07.05.2023 ---

The client actively traded and paid a total of 100 USD in spreads and commissions.

On 06.05.2023 (Saturday), **90 USD** on the CPA part was paid to the agent's account.

The balance of CPA payments is 410 USD.

During the week, the agent was paid 10% of the spread and commissions, for a total payment of **10 USD**.

Week report

Client	Net Initial Deposit	CPA Expected	Total Spread and Comm.	CPL Paid	CPA Paid	10% Paid	Total Paid
1 Client 1 № 123456789 Account 123456	700 USD	500 USD	100 USD	0 USD	90 USD	10 USD	100 USD

Full client report

Client	Net Initial Deposit	CPA Expected	Total Spread and Comm.	CPL Paid	CPA Paid	10% Paid	Total Paid
1 Client 1 № 123456789 Account 123456	700 USD	500 USD	100 USD	20 USD	90 USD	10 USD	120 USD

--- Week 08.05.2023 to 14.05.2023 ---

The client actively traded and paid a total of 200 USD in spreads and commissions.

On 13.05.2023 (Saturday), **180 USD** on the CPA part was paid to the agent's account.

The balance of CPA payments is 230 USD.

During the week, the agent was paid 10% of the spread and commissions, for a total payment of **20 USD**.

Week report

Client	Net Initial Deposit	CPA Expected	Total Spread and Comm.	CPL Paid	CPA Paid	10% Paid	Total Paid
1 Client 1 № 123456789 Account 123456	700 USD	500 USD	200 USD	0 USD	180 USD	20 USD	200 USD

Full client report

Client	Net Initial Deposit	CPA Expected	Total Spread and Comm.	CPL Paid	CPA Paid	10% Paid	Total Paid
1 Client 1 № 123456789 Account 123456	700 USD	500 USD	300 USD	20 USD	270 USD	30 USD	320 USD

--- Week 15.05.2023 to 21.05.2023 ---

The client actively traded and paid a total of 300 USD in spreads and commissions.

On 20.05.2023 (Saturday), **230 USD** on the CPA part was paid to the agent's account.

The balance of CPA payments is 0 USD. The CPA commission has been paid in full.

During the week, the agent was paid 10% of the spread and commissions, for a total payment of **30 USD**.

Week report

Client	Net Initial Deposit	CPA Expected	Total Spread and Comm.	CPL Paid	CPA Paid	10% Paid	Total Paid
1 Client 1 № 123456789 Account 123456	700 USD	500 USD	300 USD	0 USD	230 USD	30 USD	260 USD

Full client report

Client	Net Initial Deposit	CPA Expected	Total Spread and Comm.	CPL Paid	CPA Paid	10% Paid	Total Paid
1 Client 1 № 123456789 Account 123456	700 USD	500 USD	600 USD	20 USD	500 USD	60 USD	580 USD

--- Week 22.05.2023 to 28.05.2023 ---

The client actively traded and paid a total of 200 USD in spreads and commissions.

There are no CPA payments on the part of the CPA, as they are all paid out.

During the week, the agent was paid 10% of the spread and commissions, for a total payment of **20 USD**.

Week report

Client	Net Initial Deposit	CPA Expected	Total Spread and Comm.	CPL Paid	CPA Paid	10% Paid	Total Paid
1 Client 1 № 123456789 Account 123456	700 USD	500 USD	200 USD	0 USD	0 USD	20 USD	20 USD

Full client report

Client	Net Initial Deposit	CPA Expected	Total Spread and Comm.	CPL Paid	CPA Paid	10% Paid	Total Paid
1 Client 1 № 123456789 Account 123456	700 USD	500 USD	800 USD	20 USD	500 USD	80 USD	600 USD

Thus, TeleTrade pays the client 100% of the spread and commissions earned on the client's initial deposit. After the CPA part is paid, the company continues to pay the agent's remuneration in the form of a 10% spread and commissions.

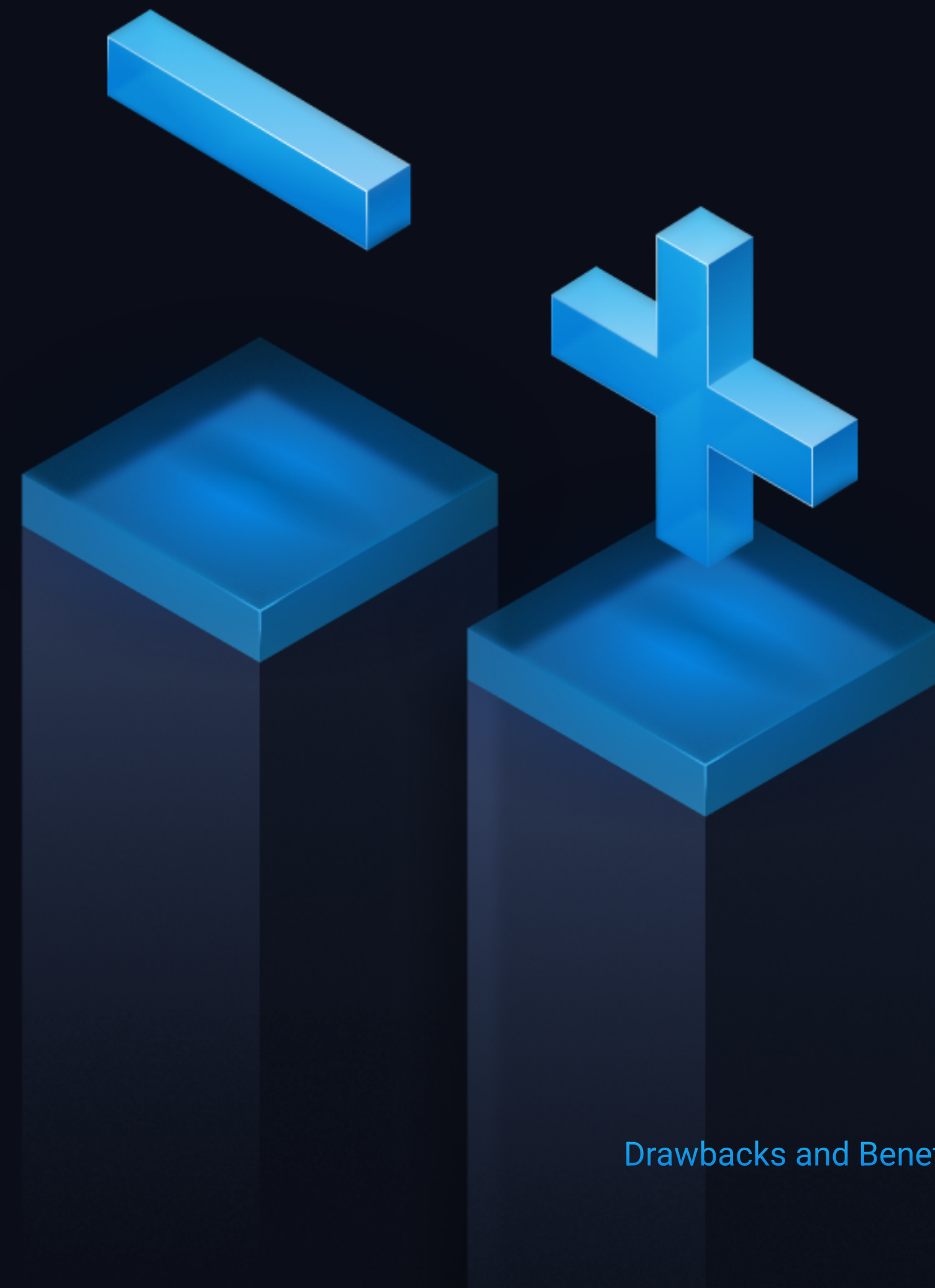
Drawbacks and Benefits

The CPA-Hybrid affiliate programme has a number of drawbacks as well as benefits for agents.

Comparing CPA-Hybrid to traditional CPA Flat, the primary drawback is that because the CPA-Hybrid programme's mechanics are based on market realities, it is more challenging to earn the majority of the rewards for client activity. Additionally, the lack of strict requirements on agents, agent clients, deadlines, etc., the specifics of which are described in the history of CPA schemes, makes up for the complex conditions.

The second drawback of CPA-Hybrid, compared to classic CPA Flat, is the complexity of the bounty mechanics.

Due to the lack of a settlement date and payout frequency, TeleTrade has made up for its shortcomings.



CPA-HYBRID TELETRADE

Terms on client trading activity
(client turnover)

Less favourable terms

The payment mechanics for the agent depend solely on the client's actual commission.

Available tools for clients

No restrictions

It's irrelevant what tools the client trades as the company's payment mechanics depend on the spread and commissions to determine the agent's payment.

Payment limit for a client

Payments are unlimited

Once paid for activity, the agent receives 10% of the spread and commissions from each client's trade as long as the client is active.

Restrictions on payments

No

Without any time limits or reporting requirements, rewards are given based on each client's activity.

Requirements for the number
of clients

No

Payments are made for each client.

Other restrictions

No

CPA-Hybrid's payment mechanism protects the company from unscrupulous agents.

Standard CPA Flat

(other companies)

The terms are claimed to be favourable

Tools are limited

As a rule, trading turnover is only recorded for certain groups of tools, most commonly FX.

Payments are subject to conditions

The broker pays the agent a commission once the client of an agent has complied with the terms of the trading turnover. Thereafter, the agent receives no payment for the trading activity.

Yes

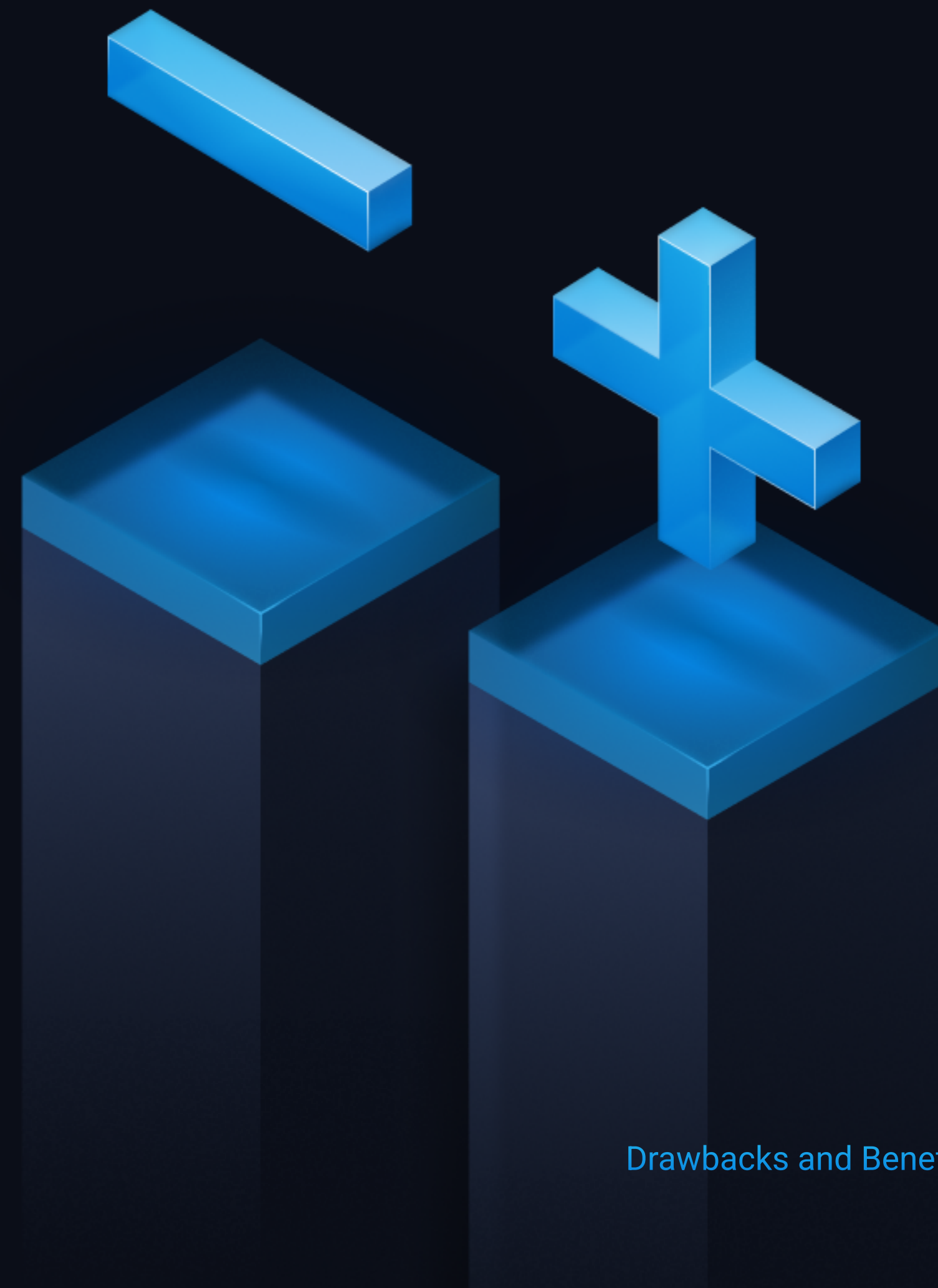
According to the agent's performance during the reporting period, the agent is typically paid under a CPA Flat scheme on a specific date.

Yes

As a rule, the broker sets the requirements for the number of clients the agent must attract in order to receive payments.

Possible

Used to protect against unscrupulous agents.



Drawbacks and Benefits

History of CPA Schemes

> THE NATURE OF CPA PROGRAMMES ON THE PART OF THE BROKER

CPA programmes are payments by an advertiser to their agent for certain actions of their client. When launching affiliate programmes, the advertiser typically understands and evaluates the ratio of future client revenue to the expense of agent remuneration.

CPA programmes have been around for a while in the financial sector, and they typically involve the following: an agent is paid a high fee per client (per deposit) if they meet a predetermined trading turnover requirement.

The broker anticipates a long-term relationship with the client, which will result in the client's portfolio growing, trading turnover increasing, and, ultimately, a rise in total commissions—the financial institution's primary source of income.

For example, a broker's CPA of 500 USD x 5 lots would mean that the broker pays the agent 500 USD provided that the agent's client deposits at least 500 USD and makes a trade of 5 lots.



> CPA MATHEMATICS (CPA FLAT)

When CPA models first gained popularity in the financial sector, trading requirements for clients were quite strict (high), and the required trading turnover of 5 lots with 500 USD paid to the agent was equivalent to the broker's income from the turnover of 5 lots.

Accordingly, if the client continued to cooperate with the broker (after a turnover of 5 lots), the broker began to receive income from the client's attraction. And if a client left the broker, the broker ended up with a small loss on the client. Yet, when the model was scaled up, it was still efficient.

Since the CPA models were first introduced, the trading environment on the financial market has at least five-folded improved.



Let's compare terms and comprehend the mathematics behind traditional CPA programmes (CPA Flat), such as 500 USD for 5 lots, and how they relate to the present situation.

	Then	Now
FX brokerage income	30-50 USD per lot	7-14 USD per lot
Client commission for 5 lots	150 - 250 USD	35-70 USD
Client activity	4.5 lots per month for a 1,000 USD deposit	2.3 lots per month for a 1,000 USD deposit
Payback statistics are 500 USD	~2 months	> 12 months

These numbers make it abundantly clear that, in terms of revenue, expense, and broker risk, the outdated CPA offer format (CPA Flat) does not reflect the market's reality.



> CPA AND SCHEME DEVELOPMENT

It is clear from the statistics that classic CPA schemes (CPA Flat) are mathematically not profitable for a broker. Additionally, the expansion of dishonest agents who launder commissions by engaging affiliated clients or registering for forged or purchased documents has been facilitated by the improvement of trading conditions for clients across the industry as a whole.

IN THE END, BROKERS WERE FACED WITH A CHOICE:

Not to improve trading conditions for clients



To get out of the competition

Worsen the general conditions of the CPA scheme (e.g., CPA 500 USD, 25 lots)



Lose market share in affiliate marketing

Make surreptitious restrictions and fight unscrupulous agents



Both honest agents and actual agents' clients will suffer

Brokers, for the most part, chose the third option.



OPTIONS FOR HIDDEN RESTRICTIONS:

- Only pay out on a minimum number of new clients per month
- Payment for existing clients with as many new clients as there are new clients
- The payment is made once a month
- Restrictions on the trading tools to be offset
- The payment is linked to the clients' ROI

THESE RESTRICTIONS ARE PRIMARILY CREATED BY BROKERS TO PROTECT AGAINST FRAUDSTERS:

- Affiliated clients and forged ("purchased") documents
- Protection against fast fraud
- Auditing the agent's clients
- Some guarantee of a return on the payments to the agents



BROKERS ARE REQUIRED TO MONITOR AND EVEN RESTRICT THE ACTIVITIES OF AGENTS' CLIENTS, IN ADDITION TO THE FOLLOWING RESTRICTIONS:

- Additionally verify clients
- Analyse trade transactions
- Analyse the devices
- Delay the withdrawal of funds

Usually, the security service or anti-fraud agency will track down dishonest agents and cut off contact with them. However, the well-known CPA scheme with the lucrative name "CPA 500 USD for 5 lots" ultimately becomes a set of limitations. And within a month of working with a broker, the agent and/or their clients will need to submit to checks, follow rules, etc.





THANK YOU!