1. **The platform has the following fees**
    a. Purchase fee - Paid by the traders when opening a position. The purchase fee is distributed between the liquidity providers and $GOVI tokens holders
    b. Funding fee - Paid by traders to maintain their positions. Funding fee is distributed among the liquidity providers.
    c. Sell fee- Paid by the traders when they sell their position. Distributed to the $GOVI token holders
2. **How fees are calculated**
    a. The purchase fee is a combination of two fees:
        - One is a fixed percentage (0.3%) from the amount used in the open position
        - Second is the **buying premium** which is added in case the platform collateral ratio (ratio between the open positions value and TVL (Total value locked in the platform) is above 80%. In addition, the premium is also composed of an element gauging the recent trend in volatility: the lower the trend, the lower the element of the premium.

    b. The funding fee is calculated according to the CVI Index value over time (per day). The higher the CVI value, the lower the funding fee percentage. The funding fee rate is updated according to new values of the CVI Index.

    c. Sell fee - The amount that the trader pays to sell his position. The selling fee depends on the time that has passed from the moment the trader opened a position. If a trader tries to sell his position after 6 hours, the selling fee will be high. Fees will get lower with time and after 24 hours will be at their lowest.
3. **When and why fees are getting higher**
    The purchase fee will get higher if the collateral ratio (ratio between the open positions value and TVL(*)) is above 80%.
    The funding fee will get higher when the CVI index drops.
    The sell fee will be the highest 6 hours after opening a position and will get lower. with time.24 hours after opening the position the fees will be at their lowest
    (*) TVL - Total value locked in the platform
4. **If a user expects CVI to go up - how to behave**
    If traders expect the CVI index to go up, they should buy a CVI index (take a long position). For example , if a trader has bought a CVI position with 10 ETH , at the CVI index of 60 and afterwards, the CVI index rose up to 70, the trader earned 1.6 ETH.
5. **If a user expects CVI to drop down - how to invest**
    If users expect CVI to drop down, similar to ‘Short’ position, they should provide liquidity to the platform. If the CVI index drops, they will earn the fees paid by the traders who have opened CVI positions

6. **Why can't I sell my position immediately, why is there a blocking period?**
   If traders buy a CVI position , they can’t sell this position in the next 6 hours. Between 6 hours and 24 hours , he will be able to sell his position while paying a higher sell fee (The fee will be lower the more hours have passed). After 24 hours have passed, traders will pay a low sell fee.
   Liquidity providers can’t withdraw their liquidity for 72 hours.
   If a trader bought another position, the 6 hour lock countdown will be restarted for all his position amount. Same will happen if a liquidity provider deposits additional amounts into the liquidity pool, he will have a new 72 lock on all of his deposited liquidity.
   The rationale behind the lockup period is stability and security, and this is the reason lockup is quite common on derivatives platforms.