

## KEY INFORMATION DOCUMENT CFD ON FX MINOR PAIRS

### Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### Product

Name of Product	CFD on FX Minor pair
Name of PRIIP Manufacturer	IC Markets (EU) Ltd
Website of Manufacturer	<a href="http://www.icmarkets.eu">www.icmarkets.eu</a>
Contact Details of the Manufacturer	+357 25 761455 <a href="mailto:compliance@icmarkets.eu">compliance@icmarkets.eu</a>
Date of production of the KIID	31 January 2019



**You are about to purchase a product that is not simple and may be difficult to understand.**

### What is this Product?

A contract for difference ("CFD") is a popular form of derivative trading. The price of the CFD is derived from the price of the underlying FX Minor pair. FX Minor pairs are FX Major pairs that do not include the USD currency. CFD trading allows a trader to speculate on rising or falling prices in an underlying FX Minor pair. Even though you will never own the underlying asset, your return or loss depends on movements in the price of the underlying and the size of your position. IC Markets offers trading opportunities on a wide range of FX Minor pairs such as AUD/CAD, AUD/CHF, AUD/JPY, AUD/NZD, CAD/JPY, CAD/CHF, CHF/JPY, EUR/AUD, EUR/CHF, EUR/CAD, EUR/GBP, EUR/JPY, EUR/NZD, GBP/AUD, GBP/CAD, GBP/CHF, GBP/JPY, GBP/NZD, NZD/CAD, NZD/CHF and NZD/JPY. All FX Minor CFDs trades involve two currencies (e.g. EUR/CAD) except USD currency as mentioned above. The first currency of the pair (e.g. EUR) is called the base currency, while the second currency (e.g. CAD) is called the Quote currency. The price quoted on the platform, represents the price that one Euro is worth in Canada dollars. For any CFD two prices are quoted: (a) the higher price ('Ask'), at which the investor can buy ('go long') and (b) the lower price ('Bid'), at which the investor can sell ('go short'). The difference between the two is the spread. The leverage embedded within CFDs has the potential to magnify your profits or losses. When you enter into any order to Buy or Sell a CFD on one of our trading platforms, you trade with us as our counterparty. We are your Principal to each trade that you enter. Therefore, if your trade is profitable, we lose. If your trade is loss making, we earn a profit. Our profits or losses may be reduced by the level of hedging we may undertake to contain our trading risk. CFD transactions with IC Markets are not undertaken on a recognized exchange/regulated market, rather they are undertaken over the counter (OTC).

### Objective

The objective of the CFD is to allow an investor to gain exposure to the movement in the value of the underlying FX Minor pair (whether up or down), without the actual need to buy or sell the respective underlying FX Minor pair. One of the key features of trading CFDs is that the exposure is leveraged, since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin.

If you believe that the value of an FX Minor pair is going to increase, you would buy a number of CFDs with the intention to later sell them when they are at a higher value. The difference between the buy price and your sell price, minus any relevant costs (see below for costs), equates to your profit. On the other hand, if you think that the price of an FX Minor pair is going to decrease, you would sell a number of CFDs with the intention to later buy them back at a lower value. However, if the FX Minor pair moves in the opposite direction and your position is closed, you would owe us the amount of any loss you have incurred (subject to our negative balance protection).

CFDs on FX Minor pairs traded with IC Markets do not have a pre-defined maturity date and are therefore open-ended. There is no recommended holding period and it is up to the discretion of each trader to determine the most appropriate holding period based on their own individual strategy and objectives. Finally, trading on margin can increase any losses or gains you make.

### Indented Retail Investor

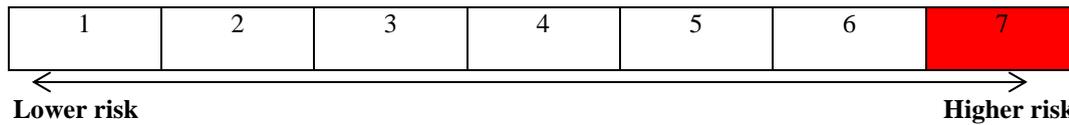
Trading CFDs on FX Minor pairs is not appropriate for everyone. These products are most commonly intended for traders who have knowledge and/or experience to understand the characteristics of CFDs and risks associated with trading on margin; want to generally gain short term exposures to financial instruments/markets; are trading with money they can afford to lose; and have a high-risk tolerance.

IC Markets (EU) Ltd is a Cyprus Investment Firm, regulated by Cyprus Securities and Exchange Commission (CySEC), License No: 362/18 and Registration Number: HE356877. Registered Office Address: 141 Omonias Avenue, The Maritime Centre, Block B, 1<sup>st</sup> Floor, 3045 Limassol, Cyprus

## What are the risks and what I could get in return?

### Risk Indicator

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are unable to pay you.



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**Trading risks** are magnified by leverage. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. As a result, Margin calls may be made quickly or frequently, and in the event of default, your positions may be closed out. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

CFDs are complex financial instruments and are traded Over the Counter ("OTC"). You can only exit a position by trading with us, during the trading hours of the underlying instrument as stated on our Website. You cannot transfer your open positions/trades to any other firm. You do not owe the underlying asset. Through your trade with us, you receive by us exposure to the performance of the underlying asset, but you do not receive any ownership or other rights to such underlying asset.

Be aware of **currency risk**. You may receive payments in a different currency; therefore, the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Market conditions may mean that your CFD trade on an FX Minor pair is opened and closed at a less favorable price, which could significantly impact how much you get back. We may close your open CFD contract **if you do not maintain the minimum margin** that is required, or if you contravene market regulations. For more information on Margin we encourage you to review our Margin Information.

Prices of CFDs as well as their commercial terms like the spreads and overnight fees maybe varied to reflect periods of actual or expected heightened market volatility.

Depending on the currency your trading account is denominated and the currency of the underlying instrument you trade, your final return maybe exposed to the exchange rate risk between the two currencies. The tax legislation of your home Member State may have an impact on your return.

**Technical Risks.** Since trading of the product depends on technology i.e. PC, mobile phone, internet etc., you are exposed to electronic disruptions, leading to delays in the opening and closing of a transaction, for which IC Markets shall not be held liable. This product does not include any protection from future market performance so you could lose some or all of your trading balance. For more information on the Risks associated with trading the product, please see our Risk disclosure document.

### Performance scenarios

The below scenarios illustrate potential profit and loss under different scenarios. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies. In any case, your profit or loss depends on how the market behaves and how long you hold the CFD. The stress scenario shows what you might get back during extreme market circumstances, when the market is very volatile.

The following assumptions have been used to create the scenarios found in table 1 below:

CFD on an FX Minor pair (held intraday)		
EUR/CAD pair opening price:	(P)	1.18092
Trade size (per CFD):	(TS)	1 LOT (100,000 Units for EUR/CAD)

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Margin %:	(M)	1%
Leverage:	(L)	1:100
Margin Requirement (\$)	MR = P x TS x M	\$1,180.92
Notional value of the trade (\$):	TN = MR x L	\$118,092

**Table 1:**

BUY/LONG Performance Scenario	Closing Price (inc. spread)	Price change	Profit/Loss	SELL/SHORT Performance Scenario	Closing price(inc. spread)	Price change	Profit/Loss
Favourable	1.20454	2%	\$2,362	Favourable	1.15730	-2%	\$2,362
Moderate	1.18682	0.5%	\$590	Moderate	1.17502	-0.5%	\$590
Unfavourable	1.15730	-2%	\$-2,362	Unfavourable	1.20454	2%	\$-2,362
Stress	1.12187	-5%	\$-5,905	Stress	1.23997	5%	\$-5,905

The figures shown above indicate intraday trading; thus, do not include the cost of positions held open overnight. If you have been sold this product by someone else or have a third party advising you about this product, these figures do not include any cost that you pay to them. The figures do not take into consideration personal tax situation, which may affect how much you get back.

#### What happens if IC Markets is unable to pay out?

If IC Markets or its liquidity provider is unable to meet its financial obligations to you, this could cause you to lose the value of any position's you have with IC Markets. However, in such cases, you may be eligible for Compensation under the Investors' Compensation Fund (ICF), which covers eligible investments up to EUR 20,000 per person, per firm. If you wish you may get more information on the ICF. IC Markets segregates your funds from its own money in accordance with the Cyprus CySEC Client Asset rules. The indicator shown above does not consider this protection.

#### What are the costs for CFDs FX Minor pair positions?

Before you trade CFDs on FX Minor pairs, you should familiarize yourself with all the below costs for which you will be liable, and which are capable of reducing your net profits or increase your losses. For more information on costs please view our General Fees Document. The below table portrays an illustration of types of costs along with their meaning:

One off cost	Spread	The difference between the buy price and the sell price is called the spread. This cost is realized each time you open and close a trade.
	Currency Conversion	Any cash, realized profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
Ongoing costs	Daily holding Cost/Swap/Rollover	A fee is charged to your account for every night that your position is held. This means the longer you hold a position, the more it costs. On Wednesdays, Swap is charged 3 times. Swap can be viewed on the trading platform.

#### How long should I hold it, and can I take money out early?

There is no recommended holding period. You can open and close a CFD on an FX Minor pair at any time during market hours. However, you can only exit an open trade by entering into an opposite trade, only with us, during the trading hours of the market of the underlying instrument being made available by us on our Website. You can request to withdraw your money at any time. We will process all withdrawal requests within 24 hours irrespective of payment method.

#### How can I complain?

The Company has established and maintains a Complaints Handling Procedure. If you wish to submit a complaint you can submit the online form via the following link or send an email to [complaints@icmarkets.eu](mailto:complaints@icmarkets.eu). If you do not feel your complaint has been resolved satisfactorily and you are categorized as a Retail Client, you are able to additionally refer your complaint to the Financial Ombudsman Service (FOS). See [www.financial-ombudsman.gov.cy](http://www.financial-ombudsman.gov.cy) for further information.

#### Other relevant information

The information contained in this information document should be read in conjunction with other legal documentation will in particular the contractual information available at [www.icmarkets.eu](http://www.icmarkets.eu) under the legal tab.