

Purpose: This document provides you with key information about this investment product. It is not marketing material. This 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. CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Please visit our website for the precise percentage of retail investor accounts that lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

CFDs are offered by IC Markets (EU) Ltd (the “Company”, “we” or “us”), registered in the Republic of Cyprus, with registration number HE 356877. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission in the Republic of Cyprus, with license number 362/18. For further information please call +357 25010480 or go to www.icmarkets.eu.

This document was last updated on 01/09/2023



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

What is this product?

Type

This investment product is a Contract for Differences (“CFD”). A CFD is an Over the Counter (“OTC”) leveraged financial instrument and its value is determined based on the value of an underlying asset. An investor makes a profit or a loss on the CFD based on the direction chosen (Buy or Sell) and the direction of the value of the underlying asset. FX is always traded in pairs. It involves simultaneously buying and selling two different currencies. An FX pair quote will show both currencies, e.g., EUR/USD, the first currency (EUR) is known as the *base* currency and the second (USD) is known as the *quote* currency. Buying (or going “long”) benefits from rising prices of the *base* currency in relation to the *quote* currency; Selling (or going “short”) benefits from falling prices of the *base* currency in relation to the *quote* currency. The CFD is settled in cash only and the investor has no rights whatsoever on the actual underlying asset.

Objectives

The objective of trading in the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying asset (whether up or down), without owning the physical/underlying asset. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be paid upfront as an initial margin, which is one of the key features of trading CFDs. In the case of currencies, the prices are determined in interbank transactions whereby banks will quote each other prices of one currency against another currency. Prices of this specific investment product may be obtained either by liquidity providers who obtain such prices from market data aggregators or directly from market data aggregators who collect data from interbank transactions producing a market price for each currency against another currency. The market for most currencies is open 24 hours a day, 5 days a week from Sunday at 23:00 CET until Friday 22:00 CET. For specific trading hours please check the following website www.icmarkets.eu.

To purchase a CFD, the investor must have sufficient margin in its account. The required margin for CFDs on Major Currency Pairs is 3,33% (but for Non-Major Currency Pairs it must be 5%) (Note: during periods of high market volatility, certain currency pairs might be subject to a higher required margin). This means that, to open a transaction of €10.000 (deal size), the investor will need to have a minimum margin of €333,33 in its account for Major Pairs (or a minimum margin of €500 for Minor pairs). This represents a max leverage of 1:30 for CFDs on Major Currency Pairs (or 1:20 for Non-Major Currency Pairs). Margin requirements may be decreased at the investor’s request, subject to the fulfilment of certain criteria, whereas margin requirements may be increased at the Company’s discretion in cases of extreme market volatility. The profit or loss is determined according to the following formula:

- **For Buy (Long) positions:** Deal size (in units of base currency) x [Close Bid – Open Ask] = P/L (in units of the quote currency)
- **For Sell (Short) positions:** Deal size (in units of base currency) x [Close Ask – Open Bid] = P/L (in units of the quote currency)

The P/L from the closed positions is then converted into the currency in which the investor's account is denominated, if different (from the quote currency). If applicable the conversion is carried out at the exchange rate between the currency in which P/L is generated and the currency in which the investor's account is denominated (at the time the position is closed). The P/L is also affected by the fees charged by IC Markets (EU) Ltd, as detailed below.

The P/L is calculated by, and shown on, the trading platform on a continuous basis, and losses on the positions will affect the investor's margin. Should the investor's margin reach 0 (zero), all investor's positions will automatically close which means that the investor will realize the losses. Therefore, it is important to maintain such a level of margin to support the investor's open positions.

Intended Retail Investor

CFDs are intended for investors who have knowledge of or are experienced with, trading in leveraged products. Clients need to understand how prices of CFDs are derived, the key concepts of margin and leverage, the risk/reward profile of the specific financial instruments compared to traditional trading (without leverage) and have the appropriate financial means to bear losses of the entire amount invested.

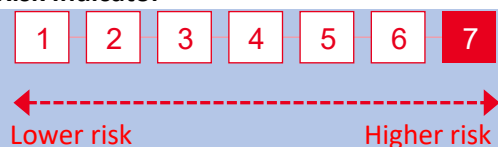
Term

The product does not have a pre-defined maturity date and is therefore open-ended. There is no recommended holding period, and it is down to the discretion of individual investors to determine the most appropriate holding period based on their own individual trading strategy and objectives. Please consult the Company's website for trading hours.

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

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 not able to pay you.

Risk Indicator



The risk indicator assumes that you may not be able to buy or sell your CFD at the price you wanted to due to the volatility of the market or you may have to buy or sell your CFD at a price that significantly impacts how much you will get in return.

We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level.

CFDs are leveraged products that, due to underlying market movement, can generate losses rapidly. You may not be able to close your position easily or you may have to close at a price that significantly impacts the return on your investment. CFDs may be affected by slippage or the inability to close the position at a desired price due to the unavailability of such a price in the market. CFDs are OTC products and cannot be sold on any exchange, MTFs or other trading venue. There is no capital protection against market risk, credit risk or liquidity risk.

Market conditions may cause, in a short period of time, significant price fluctuation of your position in CFDs on FX. If the change in price is against the direction you chose, you may experience significant losses over a short period of time up to a maximum of the amount held as margin in your investor's account. However, you will never owe to the Company any amount in excess of the available funds in your account considering the contractual "Negative Balance Protection". Market conditions may mean that your CFD trade is closed at a less favourable price, which could significantly impact how much you get back.

This product does not include any protection from future market performance so you could lose some or all your investment.

Currency Risk: It is possible to buy or sell CFDs in a currency different from the currency of your account. As such you may receive payments in different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator above.

Performance Scenarios (assuming no Overnight Financing effects)

The scenarios shown below illustrate how your investment could perform. You can compare them with the scenarios of other products. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios presented are

an estimate of future performance based on evidence from the past on how the value of this investment varies in the context of certain assumptions and are not an exact indicator. What you get will vary depending on how the market performs and how long you hold the CFD. The figures shown include all the costs of the product itself applicable to Standard accounts. Commissions applied to other types of accounts may impact returns. If you have third parties advising you about this product, these figures do not include any cost that you pay to them. The stress scenario shows what you might get back in extreme market circumstances, and it does not consider the situation where we are not able to pay you.

Below are examples of performance scenarios of a deal in CFD based on EUR/USD.

CFDs on FX - EURUSD		
Account Balance	\$ 8,000.00	USD
Lots traded	1.5	
Contracts (Lot size)	100,000	
Opening Price	1.1665	
Notional Value of the trade	\$ 174,975.00	USD
Leverage	1:30	
Margin %	3.33%	
Margin Required	\$ 5,832.50	USD

Profit/Loss Calculations								
Scenarios	Favourable	Moderate	Unfavourable	Stress	Favourable	Moderate	Unfavourable	Stress
Direction	Long				Short			
Opening Price	1.16650	1.16650	1.16650	1.16650	1.16650	1.16650	1.16650	1.16650
Closing Price	1.16860	1.16662	1.16417	1.15483	1.16440	1.16638	1.16883	1.17817
Price change	0.00210	0.00012	-0.00233	-0.01167	-0.00210	-0.00012	0.00233	0.01167
Profit/Loss (USD)	315.00	18.00	-349.50	-1750.50	315.00	18.00	-349.50	-1750.50
Change in Equity %	3.94%	0.22%	-4.37%	-21.88%	3.94%	0.23%	-4.37%	-21.88%
Return on Notional Value %	0.18%	0.01%	-0.20%	-1.00%	0.18%	0.01%	-0.20%	-1.00%

*** Note that due to the company's Negative Protection Balance policy, Clients will not lose more than they have deposited.**

(!) Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

What happens if IC Markets (EU) Ltd is unable to pay out?

In the event that IC Markets (EU) Ltd becomes insolvent and is unable to pay out to its investors, Retail Clients may be eligible for compensation of up to €20,000 by the Investor Compensation Fund set up by the Cyprus Securities and Exchange Commission. For more information, please read our Investor Compensation Fund Protection Scheme Policy [here](#).

What are the costs?

IC Markets EU Ltd charges a spread when an investor buys a CFD. A spread is the difference between the Sell ("Bid") and Buy ("Ask") the price of the CFD. The spread per each underlying asset is available on the [Trading](#) page as well as in the trading platform but each investor may have different spreads on all or some of the underlying assets based on transaction size, account type or other factors.

One-off Costs	Spread	Spread cost is realized every time you open/close a trade, it is variable, and its size (distance between Bid and Ask prices) may differ at the time of opening and closing a trade. Prices of CFDs as well as their commercial terms like the spreads may vary to reflect periods of actual or expected heightened market volatility and reduced liquidity. For details regarding the spread per each underlying asset, please refer to the Company's website .
		<p>Example:</p> <p>Assume that you have a USD trading account with IC Markets (EU) Ltd., and you enter a trade to go long (buy) 5 lots of EURUSD (1 Lot = 100,000 contracts or 100,000 EUR) with 1 point spread (as shown on the platform). One point is the one-unit change in the last decimal in which the price of a CFD is quoted (in this case the fifth decimal) i.e., the spread is 0.00001 (1 point x 0.00001).</p>

		<p>Spread cost in our example would be:</p> <p>5 (number of lots traded) x 100,000 (lot size for FX) x 0.00001 (spread) = 5.00 USD</p> <p>5 USD will be deducted from the P/L upon opening the transaction. Keep in mind that had your trading account been denominated in a currency other than USD the platform would automatically convert the opening P/L to the currency of your account.</p>
	Commission	Our platform charges a one-time fee for every executed deal. This fee is deducted from the clients' equity. The commission rate can be found on our website, as well as in the contract specifications for each symbol on the platform. Please note that this is only applicable to Raw Spread Accounts .
	Currency Conversion	This is the cost for converting realised profits and losses as well as any costs and charges that are denominated in a currency other than the base currency of your trading account.
Ongoing Costs	Swap/Rollover/Daily Holding Cost	<p>Swap is the fee for keeping the position open overnight (overnight financing fee). These Swaps may be positive or negative. The Swap rate is calculated based on the relevant interest rates for the currencies in which the underlying instrument is traded, plus a mark-up. Swap Fees are charged only on weekdays at 22:00 GMT, with a triple fee on Wednesday.</p> <p>Calculation Formula: Swap cost = Number of Lots x Swap rate(in points) x Number of nights</p> <p>Example: Symbol: EURUSD Account Currency: USD Trade size: 5 lots (500,000 contracts) Swap Long: -6.01 Number of nights: 4</p> <p>Swap cost = 5 x -6.01 x 4 = -120.20 USD</p> <p>Note: In case the quote currency is not the same as your trading account currency platform will automatically convert the swap charge to the account balance currency.</p>

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

Recommended (required minimum) holding period: None.

There is no recommended holding period or minimum holding period. There are no consequences for you choosing to close your position other than ending your exposure to the underlying at that time. Early termination may occur in the event your account has insufficient funds to support the margin requirement for your position, because of certain corporate actions, or if the Company for other reasons decides to discontinue the CFD, or if the Company were to become insolvent.

How can I complain?

If you want to submit a complaint you can complete and send the Complaint Form via email to complaints@icmarkets.eu. For more information, please see our [Complaints Handling Policy](#). If you are still dissatisfied with our handling or findings in relation to that complaint, you may refer the matter to the Financial Ombudsman Of the Republic of Cyprus, by post to the P.O. Box 25735, 1311 Nicosia or via mail to complaints@financialombudsman.gov.cy for further investigation and resolution.

Other relevant information

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. The Trading Terms & Conditions as well as all related Policies and other Disclosure Documents of our website contain important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account. This key information document does not contain all information relating to the product. For other information about the product and the legally binding terms and conditions of the product, please refer to our website at www.icmarkets.eu.