Key Information Document FX Currency Pairs

EC Markets is a trading name of EC Markets Ltd
EC Markets Limited, address: suite 4B, Global Village, Jivan's Complex, Mont Fleuri, Mahe, Seychelles, is a Seychelles Investment Firm registered with the Registrar of Companies in Seychelles under number: 1-8413793, and regulated by the Seychelles Financial Services Authority ('FSA') under license number SD009.

Content

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Purpose

This document is aimed at providing you with key information regarding this specific investment product and should not be taken as marketing material. It is a legal requirement to provide this information in order to help you understand the nature, risks, costs, potential gains and losses related to this product and to enable you to compare this product against other products on offer.

Product

Name of Product : Contract for difference (“CFD “) on Forex currency pair (“FX pair “).

Provider: EC Markets Ltd (hereinafter referred to as “EC Markets”, “we” or “us”), address: suite 4B, Global Village, Jivan's Complex, Mont Fleuri, Mahe, Seychelles, is a Seychelles Investment Firm registered with the Registrar of Companies in Seychelles under number: 8413793-1, and regulated by the Seychelles Financial Services Authority ('FSA') under license number SD009. Please call +248 4224099 or go to www.ecmarkets.sc for more information.

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You are about to purchase a product that is highly sophisticated and may be difficult to understand.

What Is This Product?

Type

A contract for difference (“CFD”) is a leveraged contract entered into with EC Markets on a bilateral basis. It allows an investor to speculate on rising or falling prices in an underlying FX pair.

Forex is always traded in currency pairs (e.g. EUR/USD) and involves the simultaneous buying and selling of two different currencies. The first currency referenced in a currency pair (EUR in our example) is referred to as the “base currency”, and the second (USD) is referred to as the “quote currency”. The price of the CFD is derived from the price of the underlying FX pair, which may reference either the current (“spot”) price or a forward (“future”) price.

FX trading gives an investor the option to buy (or go “long”) the currency pair if they think the price of the base currency will rise in relation to the variable currency, or alternatively to sell (or go “short”) if they th ink that the price of the variable currency will rise in relation to the base currency. For example, if an investor is long on a EUR/USD CFD and the price of the underlying FX pair rises, the value of the CFD will increase in turn. Once the contract is over, EC Markets will pay the investor the difference between the closing value of the contract and the opening value of the contract, i.e. the investor’s profit. On the other hand, if an investor is long and the spot price of the underlying FX pair falls, the value of the CFD will decrease – so, at the end of the contract, the investor will pay EC Markets the difference between the closing value of the contract and the opening value of the contract. A CFD referencing the underlying future price works in the same way, except such contracts have a pre-defined expiry date – detailing the date upon which the contract w ill close automatically. FX CFDs must always be settled financially and cannot be settled by the physical or del iverable settlement of the currencies. The leverage embedded within all CFDs has the effect of magnify ing both profits and losses.

Objectives

CFDs are derivative financial instruments. A CFD is an agreement between two counterparties to exchange the price difference of a specific underlying instrument for the time period the deal was opened. CFDs a re leveraged products and are traded not on an exchange basis but Over-the-Counter (OTC) and there is no central clearing of the transactions. EC Markets trades on a matched principal basis. CFDs on Forex, have different underlying currency pairs. A CFD is a speculative instrument and while trading CFDs with different underlying assets, the trader does not become the owner of the underlying asset. CFD pricing reflects the pric ing of the underlying assets received by the Liquidity Providers. Long position means buying the instrument with the expectation for its value to rise. Short position suggests selling the asset expecting its value to dec rease. CFDs are speculative products which are traded with leverage and are not appropriate for all investors. CFDs, are leveraged products where most of them mature when you choose to close an existing open p osition. Positions may also be closed due to margin calls/ stop outs. Information on margin calls/ stop out per account can be accessed on the Company’s website. Moreover, in case where the Company intends to remove the availability of a CFD, it shall inform you (i.e. the Client) in order to close any open positions until a specific deadline. If the Client does not close the position by the said deadline, the Company has the right to close any open positions on his behalf. By investing in CFDs you assume a high level of risk which can result in the loss.

The Intended Retail Investor

This product is intended for investors who already have an understanding and previous experience in dealing with leveraged products. Commonly, before committing any capital investors will already understand how prices of CFDs are derived, have a clear grasp of the concepts of margin and leverage and understand the fact that all deposits to the trading account may be completely lost. They should also understand the risk/reward profile of the product when compared to that of share dealing. It is also obligatory for investors to have the appropriate financial means and ability to bear a loss of the initial amount invested.

What are the Risks and Returns?

Summary Risk Indicator

1	2	3	4	5	6	**7**

Lower risk Higher risk

The summary risk indicator is a summary of the level of risk that this product has when compared to other products. It signifies how likely it is that the product will lose money because of market movements or because we are not able to pay you.

We have classified this product to be 7 out of 7, which is the highest-possible risk class. This rates the potential losses from future performance of the product at a very high level. CFDs are leveraged products that, due to movements within the underlying market, can rapidly generate losses. Losses may amount to the total value of an initial investment. There are no means of protection of your capital against market risk, credit risk or liquidity risk.

Be aware of currency risk. It is possible to buy or sell CFDs in a currency which is different to the base currency of your account. The final sum you may receive in return depends on the exchange rate between the two currencies. This risk has not been considered in the risk indicator you can see above.

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

Conditions in the market may mean that your CFD trade on a FX currency pairs is closed at a less favourable price, which could significantly impact the level of returns you receive. We reserve the right to close your open CFD contract if you do not maintain the minimum margin that is required, if you are in debt to EC Markets, or if you contravene market regulations. This process may be automated.

Future market performance is not protected against, so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section "What happens if EC Markets Ltd is unable to pay you"). The risk indicator you can see above does not consider these protections.

Performance Scenarios

The scenarios outlined in this section are designed to show you how your investment could perform. It would be good practice to compare them with the relative scenarios of other products. These scenarios are an estimate of future performance based on past evidence on how the value of this investment may vary, and are, by no means, an exact indicator. Any returns you receive depend on how the market performs and how long you hold the CFD for. The stress scenario signifies what you may receive in extreme market circumstances and does not take into account a situation where we are not able to pay you.

The scenario is based on trading 1 Lot of the FX Pair EUR/USD that is equal to 100,000 EUR/USD assuming a 1:30 (3.33%) margin requirement.

EUR/USD (USD Base currency), 1 lot traded = EUR/USD 100,000, Margin required 1:30 = $3,885

How Long Should I Hold it and Can I Take Money Out Early?

As stated above, these products have no recommended holding period, nor cancellation period and, therefore, no cancellation fees. Opening and closing of a CFD on Forex can be done at any time during market hours. Please note that holding a CFD on Forex for a long term may incur substantial daily holding costs.

How Can I Complain If I Need to?

If you are dissatisfied with any aspect of the service provided to you by EC Markets Ltd you may, in the first instance, contact our Customer Services Team by phone: +248 4224099; by email: compliance@ecmarkets.sc; or in writing: Ec Markets Group LTD, 17th Floor, 110 Bishopsgate, London EC2N 4AY, United Kingdom.

You can also refer to the European Commission's Online Dispute Resolution Platform; however, we should inform you that it's likely that they will refer you to the FOS.

Other Relevant Information

If there is a 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. You should ensure that your Internet connection is sufficiently strong enough before trading. The Legal section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.

Our contract specifications contain additional information on trading a CFD on an underlying Precious Metals. These can be found on the trading platform and on our website: http://www.ecmarkets.sc.