

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.

Product:

Name of product: Contract for Difference (CFD)
Name of Manufacturer: IC Markets (EU) Ltd
Competent Authority: Cyprus Securities and Exchange Commission
Firm Contact Details: Websites: www.icmarkets.eu / www.icmarkets.com/eu
 Email: support@icmarkets.eu
 Telephone Number: +357 25761455
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You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

A contract for difference (“CFD”) is a leveraged contract entered into with IC Markets (EU) Ltd on a bilateral basis, settled in cash. It allows an investor to speculate on rising or falling prices on an underlying asset. An investor has the choice to buy (or go “long”) the CFD to benefit from rising prices of that asset; or to sell (or go “short”) the CFD to benefit from falling prices of that asset. The price of the CFD on an underlying asset is derived from the price of the underlying asset’s market price, which may be either the current spot price or the future’s price.

For instance, if a client carries a “long” position and the price of the underlying asset/financial instrument rises, the value of the CFD will increase, and, as such, the client could close the position with a beneficial outcome, i.e. the difference between the “closing” and “opening” price of the CFD would be positive. Conversely, if a client carries a “long” position and the price of the underlying asset/financial instrument falls, the value of the CFD will decrease and, as such, the client could close the position with a negative outcome, i.e. the difference between the “closing” and “opening” price of the CFD would be negative. Conversely, if a client holds a short position, a profit is made in line with any decreases in that market, and a loss for any increases in the market. The leverage embedded within CFDs has the effect of magnifying both profits and losses.

CFDs leverage is customized and set by the client (limits and/or constraints may apply). At the end of the day any open positions are rolled over and charged a daily swap fee. Please note that margin trading requires extra caution, because whilst you can realize large profits if the price moves in your favour, you risk extensive losses if the price moves against you. Failure to deposit additional funds in order to meet the maintenance margin requirement as a result of a negative price movement may result in the CFD position(s) to close automatically. This will occur when your remaining account equity falls below the maintenance margin requirement.

The CFD on an underlying asset does not have a pre-defined maturity date and is therefore open-ended; by contrast, a CFD on a “future” has a pre-defined expiry date. CFD on a future at expiry cannot be rolled over and if your position is still open at expiry it will be closed automatically at the last available settlement price. IC Markets (EU) Ltd retains the right to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached.

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 put down upfront as initial margin, which is one of the key features of trading CFD’s.

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 fact that losses may exceed

deposits, 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.

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 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 of the product at a very high level. CFDs are leveraged products that due to underlying market movements can generate losses rapidly. There is no capital protection against market risk, credit risk, or liquidity risk. The CFD products that we offer are not listed on a regulated market and positions can only be closed with us and not with any other CFD provider.

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 shall also be impacted depending on the exchange rate between the two currencies. This risk is not considered in the indicator above.

Leveraged Trading magnifies the losses of price movements and failure to deposit additional funds may result in the CFD position(s) to close automatically.

You may also be subject to risks of internet failures, communications failures and delays or account password theft.

This product does not include any protection from future market performance, and 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 the Investor Compensation Fund (see the Section “[What happens if IC Markets \(EU\) Ltd is unable to pay out?](#)”).

Performance Scenarios

The scenarios shown below illustrate how your investment could perform. 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 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 stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

CFDs on Futures		Wheat Futures
Opening Price	P	740
Trade size (per CFD)	TS	40(10*4)
Margin %	M	10%
Margin required	MR= P x TS x M	2960 USD
Notional value of the trade	TN= MR/M	29600 USD

LONG Performance Scenario	Closing price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing price	Price Change	Profit/Loss h
Favourable	747.40	+7.4	+296 USD	Favourable	732.60	-7.4	+296 USD
Moderate	740.59	+0.59	+23.6 USD	Moderate	739.41	-0.59	-23.6 USD
Unfavourable	732.60	-7.4	-296 USD	Unfavourable	747.40	+7.4	-296 USD
Stress	666.00	-74	-2960 USD	Stress	814.00	+74	2960 USD

The loss is restricted to your account balance as we offer negative balance protection to all our retail clients. The figures shown above include all the costs of the product itself, as per the market condition of the asset/financial instrument, however, do not include the costs related to commissions, swaps and/or roll overs, agents, or tax.

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 account your personal tax situation, which may also affect how much you get back.

(!) 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 unlikely event that IC Markets (EU) Ltd is unable to pay out, you may lose the value of your investment. However, we segregated all retail client funds from our money as per the applicable regulatory framework. Additionally, IC Markets (EU) Ltd participates in the Investor Compensation Fund (ICF), which covers eligible investments up to €20,000 per person, per company. For more information please read our Investor Compensation Fund Protection Scheme Policy [here](#).

What are the costs?

Before you begin to trade CFDs on Futures you should familiarise yourself with all one-off and ongoing costs for which you will be liable. These charges will reduce any net profit or increase your losses. For more information please visit our website www.icmarkets.eu , www.icmarkets.com/eu .

This table shows the different types of cost categories and their meaning

One-off costs	Spread	All our platforms	The difference between the buy and the sell price is called the spread.
	Commissions	All our platforms	This is a commission charged when you buy and sell a CFD based on the notional value of the trade.
	Currency conversion	All our platforms	The fee charged for converting realised profit/loss from the instrument currency to the account currency.
Ongoing costs	Financing costs	All our platforms	The financing fees are charges which incurred when a trade is kept overnight, to reflect the cost of keeping your trade(s) open. This means the longer you hold a position the more it costs.

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

CFDs are intended for short term trading, in some cases intraday and are generally not suitable for long-term investments. There is no recommended holding period and no cancellation period. You can open and close a CFD on an underlying asset at any time during the market trading hours of each underlying asset.

How can I complain?

If you want to submit a complaint you can complete and send the Complaint Form via email to compliance@icmarkets.eu. For more information please see our [Complaints Handling Policy](#).

Other relevant information

This KID provides a summary of the information related to trading with CFDs. It is designed to inform clients, in addition to the information provided within “Trading Conditions” and “Product Outlines”, before deciding to trade. This KID should not be considered as advice.

You need to ensure that you have read and understood the Terms and Conditions of the Company as well as the other relevant legal documents and policies of the Company which can be found [here](#).