

Key Information Document – CFDs on FX

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. This Key Information Document ("KID") was last updated in September 2023.

Product: Contract for Differences (CFDs) on FX

Manufacturer of the Product: Safecap Investments Limited ("Safecap" or "Company"). Safecap is a regulated investment services firm, authorized by the Cyprus Securities and Exchange Commission ("CySEC") under license number 092/08 operating as a Cyprus Investment Firm (CIF). Further information about Safecap are as follows:

- The Company's website is: www.markets.com/en/
- Information on how to contact us can be found in the Company's website www.markets.com/en/ or by calling at +357 22222121.
- CySEC is responsible for supervising the Company in relation to this (KID)
- The Company forms part of the Markets.com Group

Alert

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

What is this product?

You are about to trade in a Contract for Difference ("CFD") with the underlying instrument being linked to a Foreign Exchange ("FX") currency.

Type - A CFD is a tradable instrument which represents a contract between two parties to exchange the difference between the current price of an underlying instrument and its price on the day the agreement expires. CFDs are leveraged products, enabling investors to make transactions with only a small margin (deposit). The underlying instrument is never actually owned by you and the profit or loss is determined by the difference between the buying and the selling price of the CFD, minus any relevant costs (detailed below).

Term - CFDs on FX generally have no expiration date and therefore it is up to you to open and close your position. CFDs in general do not have a recommended holding period and it is down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives. The CFD on FX does not have a pre-defined maturity date and is therefore open-ended. We retain the ability to unilaterally terminate any CFD contract in case of extraordinary events or for risk management purposes with immediate effect.

What is the underlying instrument? - Safecap may offer CFDs with on different underlying instruments. In this case it is a CFD linked to FX currencies. The FX currencies we currently offer as CFDs can be found in our [Website](#).

Objectives - The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying instrument (whether up or down), without owning it. This product is mainly appropriate for speculative investment purposes. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down as initial margin. You may be required to increase the margin due to market changes and that his/her position may be closed early if the margin call is not fulfilled. You should be aware that if your margin level falls below the Margin Close Out Level of 50%, you will receive a stop out or margin call and your positions will start liquidating, without notice by us to you, starting with the highest losses.

Intended retail investor - Trading in this product is highly speculative and involves a significant risk of loss. This product is for clients with a relatively short to medium term investment horizon, and is not suitable for all investors but only for those who i) understand and are willing to bear the risks involved, including the risks associated with margin trading; ii) possess necessary experience and knowledge about trading in derivatives and the underlying instruments; and iii) are financially able to bear the risk of a total loss (100%) of their invested amounts, subject to the negative balance protection mechanism offered by the Company.

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

Summary Risk Indicator (SRI)



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.

The SRI can serve as an indicator of the risk level of this product. It's a guide to the level of risk at which your investment may be exposed. 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. The risk category is not guaranteed and may shift over time. The lowest category does not mean «risk-free».

The CFDs on FX display a grade of 7 on a scale ranging from 1 to 7 (1 being the less risky category). They therefore exhibit (also because of leverage) the highest risk characteristics. This is because there is a high chance you could lose up to 100% of your trading account balance. CFD's are complex instruments and come with a high risk of losing money rapidly due to leverage. Leveraged trading magnifies the losses of price movements and failure to deposit additional funds may result in your position being closed due to

automatic Margin close-out. Please refer to the [Order Execution Policy](#) for more details. Before you commit funds, ensure that you understand how CFD's work and evaluate your ability to bear the risk of losing your money. Historic performance cannot guarantee future returns. In the unlikely scenario that we are not able to pay you, you can benefit from a consumer protection scheme. The risk indicator does not consider this possibility.

Be aware of currency risk. If your account currency is different from your product currency, the final return will depend on the exchange

rate between the two currencies and therefore you run the risk of losing money due to the currency exchange.

The tax regime of your country of residence might impact your potential returns. Some US based products may carry additional tax which is imposed on the dividends.

Performance Scenarios

The table below illustrates how your investment could perform in favourable, moderate, unfavourable and stress scenarios, assuming that you invest in CFDs on FX. The scenarios presented are an estimate of future performance based on the worst, average and best performance of the underlying product on which the CFD is based over the last 10 years. The scenarios shown are only indications, since the markets could change very differently in the future and cannot be predicted with accuracy. 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 (see below in section "What Happens if the Company is unable to pay you").

Note: The performance scenarios and Cost over time will use pricing of EURUSD as an example.

Performance Scenarios for CFDs on FX			
Recommended holding period: 1 day Notional amount: USD 10,000 Scenarios holding period: If you exit within 1 day			
Scenarios and Metrics		Long	Short
Stress Scenario*	What you might get back after costs (USD)	9866	9866
	Profit or Loss (USD)	-134	-134
	Return for RHP (%)	-1.34%	-1.34%
Unfavorable Scenario	What you might get back after costs (USD)	9940	9940
	Profit or Loss (USD)	-60	-60
	Return for RHP (%)	-0.60%	-0.60%
Moderate Scenario	What you might get back after costs (USD)	10000	10000
	Profit or Loss (USD)	0	0
	Return for RHP (%)	0.00%	0.00%
Favorable Scenario	What you might get back after costs (USD)	10056	10056
	Profit or Loss (USD)	56	56
	Return for RHP (%)	0.56%	0.56%

*The position will be automatically liquidated once the margin close out level of 50% is reached.

What happens if the Company is unable to pay out?

If we are unable to meet our financial obligations to you, you may lose the value of your investment. However, we segregate all retail client funds from our own money in accordance with regulatory requirements. In case of our financial default, you may seek compensation from the Investor Compensation Fund ("ICF") of Cyprus Investment Firms. The maximum compensation is Euro 20,000. ICF Rules apply, including with respect to your categorization and eligibility. In general, retail clients are covered by the ICF.

You can find more information in the Company's [Client Categorisation and Regulatory Protections Policy](#) available in our website.

What are the costs?

Before you begin to trade CFDs on FX you should become familiar with all costs and charges for which you will be liable. For more information on the associated costs and charges please visit our [Costs and Charges](#) document available on our website.

Costs Over Time for CFDs on FX	
The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest and how long you hold the product. The amounts shown here are illustrations based on an example notional amount of 10,000 USD which is held for a recommended holding period of 1 day and finally closed.	

If you exit your investment for the recommended holding period of 1 day		
	Long	Short
Total Costs (USD)*	-1.44	-0.75
Cost Impact **	-0.0144%	0.0075%

*The illustration assumes that the instrument's currency is equal to your account currency.

** This illustrates the effect of costs over a holding period of 1 day. This illustration presents the costs in relation to the notional of the investment.

Different costs apply based on the invested amount.

Costs Over Time for CFDs on FX

One-off Costs Upon Entry or Exit			If you close your investment	
	Commission	Not applicable	Entry	Exit
			USD 0.00	USD 0.00
			0%	0%
Entry Costs & Exit Costs	Spreads	Spread is the difference between the Bid price (selling price) and the Ask price (buying price) and reflects, in part, the spreads of the underlying exchange where the underlying instrument is traded on. Our spreads are variable or may be subject to a minimum. Please refer to our Website for more information on the spreads which we charge which may be substantial.	0.27	0.27
			0.00272%	0.00272%
	Currency conversion fees (Foreign exchange costs)	When your account currency is different than the quoted currency of the underlying asset being traded, a currency conversion fee (foreign exchange cost) in the form of a fixed percentage on the conversion rate applicable at the time will be reflected as a mark-up in your account. The currency conversion fee (Foreign exchange cost) is set at 0.6%. For more information, please refer to the Order Execution Policy .	0	0
			0%	0%
Ongoing Costs			Long	Short
Management Fees and Other Administrative or Operating Costs	Overnight Swap (Swap Fee)	We charge or credit you with Overnight Swap (Swap Fee) for facilitating you to maintain an open Buy or Sell position on CFDs. These are ongoing fees / credits for as long as you have open trades with us. The Overnight Swap (Swap Fee) is set as per the table below across all platforms. Please refer our Order Execution Policy for more information on these fees.	-1.44	-0.75
			-0.0144%	0.0075%
Transaction Costs	Transaction/Product Related Tax	Depending on the issuing country of the underlying product you are trading, an amount might have to be withheld for tax purposes. This cost is not imposed by us.	Will depend on the enforced tax treaty	
Incidental costs taken under specific conditions				
Additional Costs	%-N/A	You should be aware of the possibility of other costs associated with the deposit medium you will choose. They are not imposed by the Company and its your sole responsibility to bear these additional costs.	0%	
<ul style="list-style-type: none"> The charges you pay are used to cover the costs of our operational activities, including the costs of obtaining market / price data from the underlying exchanges, the costs of us hedging the trading you undertake with us (if we choose to do so), the staff costs, our regulatory license costs, our funding costs as well as the marketing and distribution costs. The Company does not charge any performance fees nor does it credit any interest fees. Where your trading account has remained inactive for more than 3 months (90 days), we apply an inactivity fee of USD 10 per trading account, per month, to meet the operational, administrative and compliance costs of maintaining your account. There are no changes if there is no balance in your account or if at least one trading account is active. 				

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

- The Company does not prescribe a holding period for any position whether this is a buy or sell position.
- 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 FX pair at any time during the market trading hours of each CFD.
- 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. Minimum withdrawal amounts apply, depending on the mode of remitting funds to you (between USD 5 - USD 100). We do not charge any withdrawal fees, although some banks may charge transaction fees.

How can I complain?

We apply a comprehensive complaints management policy. You are entitled to submit a complaint at any time in your trading experience with us, where you may feel that our service has not met your satisfaction. When you wish to submit a formal complaint, you can do so by completing the [Online Complaint Form](#).

If upon receipt of our final response on your complaint you are not satisfied or in case no response is received within the 3 months' timeframe, you can refer your complaint to the Financial Ombudsman of the Republic of Cyprus. For more information please visit <http://www.financialombudsman.gov.cy>. Alternatively, you may submit your complaint to the CySEC at <http://www.cysec.gov.cy/en-GB/complaints/how-to-complain/> or other competent authorities. You may refer to the relevant Cypriot Courts or Alternative Dispute Resolution (ADR) mechanisms.

Other relevant information

We recommend that you read the [Order Execution Policy](#), the [Key Investor document](#), the [Investments Services Agreement](#) and our policies forming part of our [Legal Pack](#) available on our website at all times, which sets out all details of your trading and overall relationship with us.