

CPT MARKETS UK ----KEY INFORMATION DOCUMENT (“KID”)

1. 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 investing in this product and to help you compare it with other products. YOU ARE ABOUT TRADE ON A MARKET THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND

PRODUCT NAME	Foreign Exchange (“FX”) – Contract for Difference	Regulated by FCA	606110
NAME	CPT Markets UK	TEL	+44 203 988 2277
WEB	https://www.cptmarkets.co.uk	DATE OF DOCUMENT	22/03/2019

2. RISK WARNING

Forex/CFD’s are complex instruments and come with a high risk of losing money rapidly due to leverage. Between 74% - 89% of retail clients lose money when trading Forex/CFD’s. You should consider whether you understand how Forex/CFD’s work and whether you can afford to take the high risk of losing your money.

3. WHAT IS THIS PRODUCT?

Type: This document relates to products known as ‘**Contracts for Difference**’, which are also known as CFDs. A CFD allows you to obtain an indirect exposure to an underlying asset such as a security, commodity, or currency. This means you will never own the underlying asset, but you will make gains or suffer losses as a result of price movements in the underlying asset to which you have indirect exposure. This document provides key information on CFDs where the underlying investment option that you choose is an FX pair.

Objectives: The objective of trading Forex is to speculate on price movements between two currencies. Your return depends on movements in the price of the instrument and size of your position. All forex trades involve two currencies and are quoted as the base and secondary (example **EUR/USD**- EUR is the base and USD is the quote).

If you believe that the price of the base is going to decrease against the quote currency then you could sell (known as going short). If you believe that the base will get stronger against the quote currency then you could buy (known as going long). The difference between the price at which you enter the trade and when you exit will equal the profit or loss minus any relevant costs. CFD’s are generally used for short term trading, often intra-day, so this product has no maturity date or cancellation period. Failure to deposit additional funds in order to meet the margin requirement as a result of negative price movement may result in open positions being auto closed at the margin level of 50%.

Intended Retail Investor: Small to large scale investors who have knowledge of, or are experienced with, leveraged products who are looking to gain a short-term exposure to financial instruments and will understand how CFD’s are derived plus the key concepts of margin, leverage, and risk/reward. Investors who also have the appropriate financial means and the ability to bear losses.

4. WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

The diagram shows a horizontal scale from 1 to 7. The number 7 is highlighted in a yellow box. Below the scale, a double-headed arrow points from 'Lower Risk' on the left to 'Higher Risk' on the right. A yellow warning triangle with an exclamation mark is positioned to the left of the text. The text reads: 'The risk indicator assumes that the product is speculative and leveraged, and you may lose all your money. The product does not have a maturity date. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts how much you get back in cases of illiquid indices.'

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. We have classified this product as **7 out of 7** which is the highest risk class. This is because there is a very high chance that you could lose your initial investment. **Be aware of currency risk. You may receive payments in a different currency, so the final return you will get will depend on the exchange rate between the two currencies. For example, maintaining a trading account in Euro’s are subject to foreign exchange risks and may be affected in fluctuations of the underlying currencies. This risk is not considered in the indicator shown.**

FX trading requires you to maintain a certain level of funds in your account to keep your positions open which is called **margin**. You will be able to open a position by depositing only a small portion of the notional value of the position which creates a leveraged position. **Leverage** can significantly magnify your gains and losses.

5. GENERAL CFD RISKS RECAP

- 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 <https://www.cptmarkets.co.uk>. You cannot transfer your open positions/trades to any other firm.
- You do not own the underlying asset. Through your trade with us, you receive by us the exposure to the performance of the underlying asset, but you do not receive any ownership or other rights to such underlying asset.
- CFDs are leveraged products. You only need a small margin for getting exposure to the underlying asset. Leverage can magnify both your profits as well as losses.
- Statistically, because of leverage, a significant part of clients lose because leverage amplifies losses, leading to margin calls and closures of clients open positions. We operate a Negative Balance Protection i.e. you cannot lose more than the Equity of your trading account, however you risk losing the capital invested with us.
- 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 of your trading account is denominated and the currency of the underlying instrument you trade, your final return maybe exposed to exchange rate risk between two currencies.

6. PERFORMANCE SCENARIOS

The table below shows the money you could get back under different scenarios when a client that has **\$10,000** in their trading account. The scenarios assume you choose to buy 1 CFD contract or ‘lot’ of EUR/USD. This particular CFD contract has a standard notional lot size of 100,000. This means that you will make \$10 for every point the price of the FX pair moves if you have a USD trading account. In this example the entry price is **1.1000**.

Long Performance scenario	Closing Price (inclu. spread)	Price Change (%)	Profit/Loss	Change in Equity (%)	Short Performance Scenario	Closing Price (inclu. spread)	Price Change (%)	Profit/Loss	Change in Equity (%)
Favourable	1.1150	1.36%	+\$1,500	+30%	Favourable	1.0800	1.81%	+\$2,000	40%
Moderate	1.1015	0.14%	+150	3%	Moderate	1.0990	0.09%	+\$100	2%
Unfavourable	1.0950	-0.45%	-\$500	-10%	Unfavourable	1.1167	-1.51%	-\$1,670	-33.4%
Stress	1.0700	-2.72%	-\$3,000	-60%	Stress	1.1322	-2.93%	-\$3,220	-64.4%

*The loss is restricted to your account balance as we offer negative balance equity protection.

7. REQUIRED MARGIN:

Trading 1 lot EUR/USD at the price of 1.1000, using leverage 1:30 and \$10,000 USD deposit. Margin requirements: **Volume*Contract Size*Open Price / Leverage = 1*100,000*1.1000/30 = \$3,666** Balance in account = \$10,000 - \$3,666 = \$6,334

Costs of execution must be taken into consideration when planning your trading activity.

8. WHAT ARE THE COSTS?

1) One Off Costs at the Time of Your Trade:

I. Spreads

The spreads between the buy price and the sell price is called the spread and the cost is realised each time you open and close a trade. The typical spread for this product is 1.2 pips, so for every 1 lot traded that would be a cost to you of \$12.

II. Currency conversion rates

Investing in CFDs with the underlying asset listed in a currency other than your base currency entails a currency risk, due to the fact that when the CFD is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.

iii. Commissions

This is a charge to your account when you buy or sell a CFD on an FX pair. By default commissions do not apply to our Standard account but may apply if client needs a specific setup.

2) Ongoing Charges

i. Overnight Rollover swap

We debit or credit you with overnight fees for facilitating you to maintain an Open Buy or Sell position on CFDs. These fees are ongoing as long as you have open positions and are charged 3* on a Wednesday to cover the weekend.

9. HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

There is no recommended period for holding CFDs. These products are traded during market operating hours.

10. HOW CAN I COMPLAIN?

In case a Client is dissatisfied by the services provided by the Company, the client can address any complaints to the Company's Compliance Department in writing at info@cptmarkets.co.uk or by post at the Company's Headquarters at CPT Markets UK, 30th Floor, 40 Bank Street, E14 5NR, London, United Kingdom.

After receiving our final decision for the relevant complaint, if you are still dissatisfied with our handling or findings in relation to the complaint, you may refer the matter to the Financial Ombudsman Service, Exchange Tower, Harbour Exchange, London, E14 9SR, United Kingdom (www.financial-ombudsman.org.uk for further investigation and resolution).

11. OTHER RELEVANT INFORMATION

Clients must read, understand, and acknowledge the Account Opening Agreements prior to on-boarding. These documents can be accessed at the Company's at <https://www.cptmarkets.co.uk>

12. WHAT HAPPENS IF CPT MARKETS UK IS UNABLE TO PAY OUT?

If CPT Markets UK is unable to meet its financial obligations to you, this could cause you to lose the value of any CFDs you have with CPT Markets UK. CPT Markets UK segregates your funds from its own money in accordance with the UK FCA's Client Asset rules. Should segregation fail, your investment is covered by the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to £85,000 per person, per firm. For more information on the above please visit www.fscs.org.uk.