KEY INFORMATION DOCUMENT – CFD on a Forex pair (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.

Product
Product name Contract for Difference ("CFD") on a Forex pair.
Product manufacturer CIX Markets (CIX) as a trading name of Credit Capital (UK) Limited ("CCC") authorised and regulated by the Financial Conduct Authority in the United Kingdom, FCA registration number 232015.
Further information You can find more information about CIX Markets products in our Market Information sheet and the education and research area of our website https://www.cixmarkets.com or by calling **+44(0)2076144688**.
This document was last updated on 1 January 2018.

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

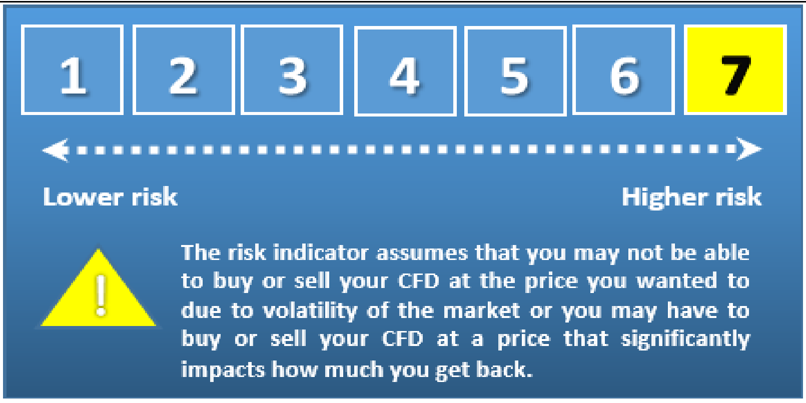
What is this Product?

Type
A Contract for Difference (CFD) on a Forex pair is a leveraged contract entered into between the client and CIX that allows the client to speculate on the price movement in an underlying Forex pair. Forex trading involves the simultaneous buying and selling of two different currencies and can be traded on the current price, "spot" or on a forward, "future" price. The price of the CFD is derived from the price of the underlying Forex pair.
The first currency referenced in a currency pair is known as the base currency and the second is known as the quote or counter currency, each currency is represented by a three-letter code
FX trading gives an investor the choice to buy the currency pair if they think the price of the base currency will rise in value against the quote currency or to sell if they think that the price of the base currency will fall in value against the base currency. As an example, if a client is long of the CIX EURUSD spot Forex contract and the price of the underlying FX pair rises, the value of the CIX EURUSD spot Forex contract will increase. When the contract is closed CIX will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if a client is long of the CIX EURUSD spot Forex contract and the price of the underlying FX pair falls, the value of the CIX EURUSD spot Forex contract will decrease. When the contract is closed the client will pay CIX the difference between the closing value of the contract and the opening value of the contract.
A CFD referencing the underlying FX future price works in exactly the same way as a spot contract except that future contracts have a pre-defined expiry date – a date upon which the contract will either be automatically closed or can be rolled over into the next period. CFDs on a Forex pair are a leveraged product which magnifies both profits and losses.

Objectives
The objective of the CFD is to allow clients to gain leveraged exposure to the movement in the value of the underlying Forex pair without actually needing to buy or sell the underlying Forex pair. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be available upfront as the initial or necessary margin. Leverage or trading on margin is one of the key features of trading CFDs.
As an example, EURUSD is trading at 1.18520 / 1.18530 if a client buys 1 standard contract of EURUSD (€100000) with a necessary margin of 0.5% the initial investment will be $592.65 (€100000*1*0.5%*1.18530).
Leverage is the ratio of the margin required to open the position against the notional trade value. 0.5% margin would be 200:1 leverage
The notional value of the contract, in this case €100000, means that for each 1 point change (0.0001) in the price of the underlying FX pair the value of the CFD changes by $10. If the client is long 1 standard contract (€100000) of EURUSD and the market increases in value, a $10 profit will be made for every 1 point increase in that market above the level the client bought the contract. If the investor is short, a $10 loss will be made for each point the market decreases in value below the level the client bought the contract.

Term
A spot or rolling spot CFD does not have a maturity date and is therefore open-ended, whereas a future CFD does have a pre-defined expiry date. For CFDs that have an expiry date; clients can roll their existing contract into the next period by closing the open position in one expiry and opening a new position in the next expiry – e.g., from a March expiry into a June expiry., this can be done via the platform. CCC retains the right to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached.

Intended retail investor
CFDs are not appropriate for everyone, they are intended for investors who have knowledge of, or are experienced in, the trading of leveraged products and have a high-risk tolerance. Investors will understand how the prices of CFDs are derived from the underlying instrument; the key concepts of margin and leverage; and the fact that losses may exceed deposits. They will understand the risks of the product compared to dealing in traditional cash (fully paid) products. Clients will also have the appropriate financial means to cover any losses in excess of the initial amount invested.



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

Risk Indicator

The summary risk indicator is a guide to the level of risk of these products 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. We have classified these products as 7 out of 7, which is the highest risk class. In some circumstances you may be required to make further payments to pay for losses.

The total loss you may incur may significantly exceed the amount invested.

CFD trading requires you to maintain a certain level of funds in your account to keep your positions open. This is called margin. Trading CFDs allows you to open a position by depositing only a small portion of the notional value of the position, this creates a leveraged position. Leverage can significantly magnify your gains and losses as products that are traded on margin carry **a risk of losses in excess of your deposited funds**.

Margin is cash required as collateral to open and to maintain open positions. It is not a fee or a transaction cost. Necessary (Initial) Margin amounts are either determined by taking a percentage of the notional trade size or as a fixed amount per contract, this depends on your account type and can be viewed in the product list via the platform or the website or the relevant Market Information Sheet for your account type. Margins can be increased temporarily prior to major market events or in response to increased volatility in the markets. If the equity available on your account falls below the required margin you are required to deposit additional funds in order to meet the required margin necessary to maintain your open positions. If the effective margin as a percentage of necessary margin falls below the required thresholds set out in the Terms of Business or the Market Information Sheet then all or some of your open positions will be liquidated.

CIX takes all sufficient steps to provide clients with best execution and to fill orders at the requested rate, however there are occasions where due to volatility, liquidity, latency and other market events that orders may be subject to slippage. Slippage is more common during market hours when there is low liquidity, during the publication of economic figures or when news events occur. During events like these the size of your order, the type of order or any specific instructions can impact the execution of your order. CIX's CFDs including CFDs on Forex pairs are not listed on any exchange and pricing will vary from each CFD provider, CFDs are an "Over the Counter" product where the price and contract conditions including the execution policy are set by CIX. Our CFDs can only be closed with CIX and are not transferable to another CFD provider.

Be aware of currency risk. The contract currency of a CFD may vary from the base currency of your account. The final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

This product does not include any protection from future market performance so you could lose some or all of your investment. If CIX is unable 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 we are unable to pay you"). The indicator shown above does not consider this protection.

Performance scenarios

Each instrument has a different pip or point cost, the value risked for each change of a certain price digit. You are responsible for choosing the instrument, the size or risk of the order, when you open and close and any risk management tools like stop loss orders you use. The table shows potential profit and loss under different scenarios; each scenario represents an estimate of future performance and is not an exact indicator. Your return both negative and positive will vary depending on how the market performs and how long you hold the CFD. The stress scenario does not take into account the situation where we are not able to pay you.

The scenarios in Table 1 assume your account base currency is USD and you choose to open a position at a price of 1.18534 in a Forex CFD for 1 standard lot (a notional value of 100000 currency units). This particular pair has a pip cost of $10 per 100000 with the pip being the forth decimal, meaning the profit or loss is $10 per 0.0001 movement in the price. The table does not include overnight financing costs as the trade is opened and closed in the same day. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Table 1

Long Performance Scenario	Closing Price (inc. Spread)	Price Change pips	Profit/Loss	Short Performance Scenario	Closing Price (inc. Spread)	Price Change pips	Profit/Loss
Favourable	1.19034	50	**$500**	Favourable	1.18034	-50	**$500**
Moderate	1.18784	25	**$250**	Moderate	1.18284	-25	**$250**
Unfavourable	1.18034	-50	**$-500**	Unfavourable	1.19034	50	**$-500**
Stress	1.17434	-110	**$-1100**	Stress	1.19634	110	**$-1100**

What happens if CIX is unable to pay out?
If CIX is unable to meet its financial obligations to you, you could lose the value of your investment. CIX segregates all retail client funds from its own money in accordance with the FCA's Client Asset rules. CIX also participates in the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to £50,000 per person, per firm. See www.fscs.org.uk.

What are the costs?

This table shows the different type of costs involved when you trade a CFD on an underlying index		
One Off Costs	Spread	The difference between the buy price and the sell price is called the spread. This cost is realised each time you open and close a position.
	Currency Conversion	Items such as financing and realised profits and losses and any adjustments denominated in a currency that is not the base currency of your account will be converted to the base currency of your account.
Ongoing Costs	Financing - Spot Only	Interest is paid or earned each night you hold an open position, for Forex it is based on the two different interest rates for the currencies involved in the trade. Financing charges can add a significant extra cost or profit to your trade. The upcoming financing cost or interest rate can be viewed in the product view window of the platform. To account for holding an open position over the weekend 3 days financing costs are normally charged on a Wednesday.
For more details on our charges including spreads please refer to the Market Information sheet for your account type		

How long should I hold it and can I take money out early?
There is no recommended holding period for a CFD and it is up to the client to decide when to open and close the position based on their own trading objectives. You can close your contract at any time during market hours. There are no penalties or cancellation fees when closing a position.

How can I complain?
If you wish to make a complaint, you should contact our Compliance Team on 02076144600, by emailing compliance@cixmarkets.com or in writing to Compliance Team, City Credit Capital (UK) Limited, 12th floor, 110 Bishopsgate, London EC2N 4AY. If you are still unhappy with our efforts to settle your complaint, you are able to refer your complaint to the Financial Ombudsman Service (FOS). See www.financial-ombudsman.org.uk for further information.

Other relevant information
You should ensure you read our Terms and Conditions, the Order Execution policy, the Risk Disclosure Statement, the Appropriateness Questionnaire and our Market Information Sheet. The Market Information Sheet contains more detailed information on charges, spreads, expiries and other relevant details on all our products.