

INSTANT TRADING EU LTD

Key Information Document

CFD on Forex

PURPOSE: This document provides you (the “client”) 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 help you compare it with other products. CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **72.54%** of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

PRODUCT NAME: CFD on a Forex

The said product is provided by Instant Trading EU Ltd (the “Company”) a Cyprus Investment Firm (the “CIF”) regulated by Cyprus Securities and Exchange Commission (the “CySEC” or “Commission”) with license number 266/15.

Date: 11th of November 2019 | Web: www.instaforex.eu | Email: support@instaforex.eu

Phone: +35725654112 | Address: Spetson 23a, 4000, Limassol, Cyprus

If you have any questions for this document, use the above information to get support on your inquiry.

! You are about to purchase a product that is not simple and may be difficult to understand. This Product may not be suitable for all investors. Please ensure that you fully understand the risks involved. !

WHAT IS THIS PRODUCT?

Type

An Over the Counter (“OTC”) Derivative Contract for Difference (“CFD”) - Forex CFD

Objectives

A Forex CFD is not a listed instrument but is traded as an over the counter contract between you and Instant Trading EU Ltd.

A Forex CFD enables you to have exposure to price movements on the underlying currency pair (the base currency and the quote currency). A Forex CFD is an agreement between you and Instant Trading EU Ltd to exchange the difference in price of the underlying over a period of time. The difference to be exchanged is determined by the change in the exchange rate between two currencies. Thus if the exchange rate of the base currency rises you receive cash in the settlement currency from Instant Trading EU Ltd and vice versa. A Forex CFD can be bought long or sold short to suit your view of market direction in the future.

A Forex CFD is a leveraged product that requires you to deposit a smaller amount of cash as margin than the notional value of the position. For retail investors, the European Securities and Markets Authority (ESMA) mandates a minimum initial margin depending on the currency pair of 3.33% or 5% of the notional value of the Forex CFD, and requires Instant Trading EU Ltd to liquidate open positions if the qualifying equity (CFD cash and unrealized CFD P&L) in your CFD account falls below 50% of the initial margin requirements for all CFD positions. In addition, Instant Trading EU Ltd establishes house-margin requirements based on historic volatility of the underlying and other factors and will apply the house-margin requirement if it is higher than the ESMA requirement

Intended Retail Investor

Trading in this product will not be appropriate for everyone. This product would commonly be used by persons who want to generally gain short term exposures to financial instruments/markets; are using

instaforex.eu is a trading name and a website operated by INSTANT TRADING EU LTD (Reg no: HE 266937) a Cyprus Investment Firm supervised the Cyprus Securities and Exchange Commission (License 266/15)

(trading with) money which they can afford to lose; have a diversified investment and savings portfolio; have a high risk tolerance; and understand the impact of and risks associated with margin trading.

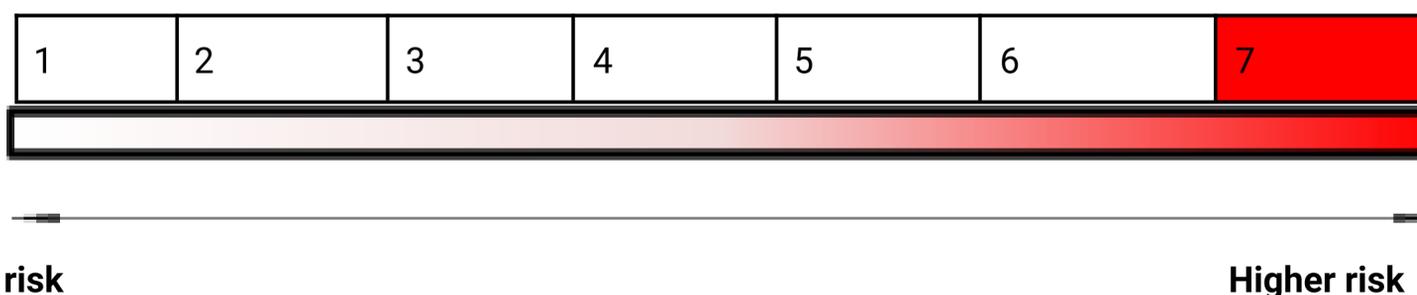
Term

The spot CFD instrument does not have any maturity date. You will need to have adequate balance in your account in order to avoid any closures on your open positions or reach a stop out.

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

Summary Risk Indicator (SRI)

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 loss money because of movements in the market.



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. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level in poor market conditions. **Be aware of currency risk. When you deal in a CFD that is denominated in a currency other than the base currency or a currency you have on a deposit in your account with us, all margins, profits, losses and financing credits and debits in relation to that CFD are calculated using the currency in which the CFD is denominated. This risk is not considered in the indicator shown above.** In some circumstances, if your account does not contain enough equity to meet applicable margin requirements your open positions will be liquidated. **The total loss you may incur may significantly exceed the initial margin requirement but cannot exceed the equity in your retail CFD account.** You may not be able to close your position easily or you may have to sell at a price that significantly impacts your realised profit/loss. Markets may fall overnight and we may not be able to close out your position at a price that would avoid losses greater than the margin originally deposited. In addition, if Instant Trading EU LTD is not able to pay you what is owed, you could lose your entire investment.

Performance scenarios

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.

The scenarios shown in table 2 indicate how your investment could perform based on historical data. The performance scenarios are estimations of future performance based on past data of the product. This is NOT an exact indicator, performance may vary depending on how the market performs and how long you hold the CFD. The stress scenario illustrates an extreme unfavourable scenario based on historical data. Maximum loss would be the loss of the entire investment. Performance results are net of all product costs, yet it does not account for personal taxation costs.

The performance and risks associated with this product depend on a number of factors some of which are determined by the client such as account leverage, utilization leverage and holding period.

The assumptions used in the performance analysis are described below:

CFD on EURUSD	Table 1
Investment	€1000
Holding Period	1 Day
Notional Trade Value	€30000
Leverage	30
Margin Requirement	€1000
Margin Used	€1000

Client fully utilizes available margin on trading platform

Scenarios				Table 2	
Long Performance Scenario					
Favourable	Balance	€1178.9	Moderate	Balance	€988.62
	Return	+18%		Return	-1%
	Profit/Loss	+ €178.9		Profit/Loss	-€11.38
Unfavourable	Balance	€828.26	Stress	Balance	€795.28
	Return	-17%		Return	-20%
	Profit/Loss	-€171.74		Profit/Loss	-204.72
Short Performance Scenario					
Favourable	Balance	€1197.9	Moderate	Balance	€999.47
	Return	+20%		Return	-0%
	Profit/Loss	+€197.9		Profit/Loss	-€0.53
Unfavourable	Balance	€846.23	Stress	Balance	€780.68
	Return	-15%		Return	-22%
	Profit/Loss	-€153.77		Profit/Loss	-€219.32

The above performance scenarios have been calculated using the methodology provided by ESMA.

What happens if the Instant Trading EU LTD is unable to pay out?

All client money held by the Company are held in segregated bank accounts, separately from the Company's own funds, and safeguarded with highly-rated credit institutions in Europe. The Company performs, on a daily basis, internal and external reconciliations as required by the CySEC and prescribed by the rules of MiFID II for the Company to ensure that it maintains adequate amounts in its client money accounts to cover all client funds.

In the unlikely event that the Company will be unable to pay you out, the client can contact the Investor Compensation Fund (the "ICF"). The ICF is the Cyprus' statutory fund of last resort for customers of Cyprus Investment Firms ("CIFs"). This means that the ICF can pay compensation up to €20,000 per eligible client, if the Company is unable to fulfil its financial obligations. The actual level of compensation that will be paid out by the ICF will be based on your claim. The ICF is an independent body, set up under the Investment Services and Activities and Regulated Markets Law of 2007, which the Company is part of, as it is authorised and regulated by the CySEC (License Number: 266/15).

What are the costs?

The Reduction in Yield (“RIY”) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amount shown here are cumulative costs of the product itself for an estimated holding period of 4 Weeks. The figures assume you invest €2,000 for a €40,000 notional value. The figures are estimates and may change in the future.

Costs Over Time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Estimated Holding Period	4 Weeks
Investment	€2,000
Notional Amount	€40,000
Total Costs	-€112.68
Impact on Return	-5.63%

Composition of Costs

The table below shows:

- The impact each year of the different types of costs.
- What the different cost categories mean.

One-off costs	Entry costs	0.01%	Brokerage Commissions. This is the most you will pay, and you could pay less.
	Exit costs	0.01%	Brokerage Commissions. This is the most you will pay, and you could pay less.
Ongoing Costs	Swaps	0.0115%	Financing costs. Paid on the notional amount based on overnight deposit benchmark. Every Wednesday this cost multiplies by 3.
	Other on-going costs		Not Applicable

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

Recommended (required minimum) holding period: None

There is no recommended holding period or minimum holding period. There are no consequences of you choosing to close your position other than ending your exposure to the underlying at that time.

Early termination may occur in the event your account has insufficient funds to support the margin requirement for your position, as a consequence of certain corporate actions, or if Instant Trading EU LTD for other reasons decides to discontinue the CFD, or if Instant Trading EU LTD were to become insolvent.

How can I complain?

You should submit a complaint through the Complaints Portal on the Company’s website [here](#). A copy of the Company’s complaint procedure can be found [here](#).

If you are not satisfied with the Company's final decision then you can submit a complaint to the Financial Ombudsman at <http://www.financialombudsman.gov.cy>.

Other relevant information

Additional important documents such as Terms and Conditions, Order Execution Policy, Privacy Policy, Risk Disclosure, Pillar III Disclosures etc. are included [here](#). These are important documents for you to read and understand prior to opening an account and start trading with the Company.