

Colmex Pro Limited

Key Information Document

CFD on Forex

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CFDs on Forex - Key Information Document

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 on a CURRENCY PAIR ('Forex' or 'FX').

Product manufacturer Colmex Pro Ltd ('the Company'), licensed by the Cyprus Securities and Exchange Commission ('CYSEC') under license no 123/10.

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

What is this product?

Type

Contracts for Difference ('CFDs') where the underlying asset is a FX pair, such as: GBP/USD or EUR/USD. The first currency listed in an FX pair is called the base currency, whereas the second currency is called the quote currency. The price of a FX pair is how much one unit of the base currency is worth in the quote currency.

A CFD is a leveraged product. The leverage has the effect of magnifying both profits and losses.

Objectives

The objective of trading CFDs on FX is to speculate on currency fluctuations, where your return depends on fluctuations in foreign exchange rates.

An investor has the choice to buy (open a 'long position') CFDs on Forex pairs to benefit from rising prices of the base currency against the quote currency, or to sell (open a 'short position') the CFDs to benefit from falling prices.

Intended retail investor

Investor's knowledge and experience : Experienced investor, who understands the main characteristics, including the risks, of the product, underlying asset and leverage, and has a minimum trading experience in similar products (e.g. CFDs, other derivatives products) of 1 year where at least 40 transactions were executed or have work experience in a role that is relevant to trading CFDs or similar products.

Investor's financial situation: Ability to bear **100%** capital loss.

Investor's risk tolerance/risk oriented – due to the high volatility of such products and the use of leverage, clients should have a high-risk tolerance*. They should be willing to accept total loss of invested funds in exchange for the opportunity of higher returns.

*High risk tolerance means that the clients should be able to bear losses of entire investment.

Investor's needs and objectives: Investor looking for short term investment, who seeks the potential of earning a greater return.

Term

There is no maturity date or minimum holding period. You should decide the most appropriate holding period based on your own individual trading strategy and objectives.

The Company may terminate the product unilaterally where it deems that the terms of the contract have been breached.

In addition, failure to deposit additional funds, in order to meet a margin call may result in automatically terminated positions. This may occur when and you do not maintain sufficient margin in your account.

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

Summary Risk indicator



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 of the product at a very high level, meaning that you may lose your entire investment.

This product is most appropriate for short-term* speculative trading. While you can use a different strategy and hold the product for an extended period of time, **the risk is considered to be significantly higher if the holding period is different.**

Be aware of currency risk. In case, you will receive payments in a different currency, the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

You are not required to make further payments to pay for losses. In some circumstances you may be requested to make further payments in order to meet minimum maintenance margin (margin call). In such cases, you may either deposit more funds or close some or all your positions.

The total loss you may incur is the amount you are willing to invest.

This product does not include any protection from future market performance so 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 Colmex Pro Ltd. is unable to pay you?').

Performance scenarios

The following assumptions have been used to create the scenarios:

CFD (held overnight)	
Instrument	EURUSD
Price	1.2
Trade Size	1 Lot
Commission	14.5 (per side)
Spread	0.0002
Swap	-2.2
Leverage Used	1:100
Investment	1200
Notional Value	120000

This table shows the money you could get back under different scenarios.

Long Position	Closing Price	Price Change (%)	Gross Profit/Loss	Commission & Spread	Swap	Net Profit/Loss
Stress	1.18217	-1.49%	-1783	-50	-22	-1855
Unfavourable	1.19288	-0.59%	-712	-50	-22	-784
Moderate	1.19977	-0.02%	-23	-50	-22	-95
Favourable	1.2069	0.58%	690	-50	-22	618
Short Position	Closing Price	Price Change (%)	Profit/Loss	Commission & Spread	Swap	Net Profit/Loss
Stress	1.21916	-1.60%	-1916	-50	0	-1966
Unfavourable	1.2069	-0.58%	-690	-50	0	-740
Moderate	1.19977	0.02%	23	-50	0	-27
Favourable	1.19288	0.59%	712	-50	0	662

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 illustrate how your investment could perform. You can compare them with the scenarios of other products.

This KID is not specific to a particular product. It applies to a CFD on any FX pair that we offer on our platform. Your return depends on the choice of underlying FX pair, the size of your position, the leverage used and whether you use any risk management tools we offer, such as stop loss orders.

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 keep the product.

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.

The figures shown do not include all the costs that you pay, as indicated below. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Colmex Pro Ltd. is unable to pay out?

Colmex Pro Ltd. is a member of the Investor Compensation Fund ('Fund') for customers of Cypriot Investment Firms (CIFs) and other Investment Firms (IFs) which are not credit institutions.

If we are unable to (i) either return you the funds what are owed, or (ii) to hand over the financial instruments which belong to you, you may benefit from compensation scheme provided by the Fund.

The maximum amount of compensation provided by the Fund is € 20,000 (twenty thousand Euro) or 90% of client's equity if it's lower than € 20,000.

Additional information on the Investor Compensation Fund is published on our website and can be accessed [here](#). The indicator shown above does not consider this protection.

What are the costs?

Composition of costs

The table below shows the different types of costs involved when you trade CFDs on FX pairs and the meaning of the different cost categories:

One-off costs	Commission on each trade	We charge you a fee each time you open and close a position, depending on the account type and deposit amount.
	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 trade.
Ongoing costs	Overnight holding costs (Swap)	If a trade is kept open overnight, then there is a swap fee/income calculated on that position. The cost or income is calculated as the overnight interest rate differential between the two currencies on which the position is held, depending on the type of the position (long/short).

More specific information about these costs is published on our website and can be accessed [here](#).

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

These products are most appropriate for short term investment. However, you can choose a different trading strategy as it suits you. There is no recommended holding period, no cancellation period and therefore no penalties or cancellation fees.

How can I complain?

If you wish to make a complaint you should contact the Customer Support Department at support@colmexpro.com. In case you consider that the complaint needs to be raised further, please request to receive the designated Client Complaint Form from the Customer Support Department, which should be filled in and submitted to the Compliance Department at compliance@colmexpro.com. More information about our complaint handling can be found [here](#).

If you do not feel your complaint has been resolved satisfactorily, you are able to address your complaint to the Financial Ombudsman Service. See <http://www.financialombudsman.gov.cy> for further information.

Other relevant information

The Legal Documentation section of our website contains important information regarding the products and services offered by the Company. You should ensure that you are familiar with all the terms and policies that apply to your account.

