

INFORMATION DOCUMENT – FOREIGN EXCHANGE CFDs

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.

CFD's are offered by Colmex Pro Limited (the "Company", "we" or "us"), registered in the Republic of Cyprus, with registration number HE260064. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission in the Republic of Cyprus, with license number CIF123/10. For further information please call +35725030036 or go to www.colmexpro.com.



This document was last updated on 15th of October 2023.

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

What is this product?

Type

This investment product is a Contract for Differences ("CFD"). A CFD is an Over the Counter ("OTC") leveraged financial instrument and its value is determined based on the value of an underlying asset. The investor makes a profit or a loss on the CFD based on the direction chosen (Buy or Sell) and the direction of the value of the underlying asset. The CFD is settled in cash only and the investor has no rights whatsoever on the actual underlying asset.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying market (whether up or down), without actually needing to buy or sell the underlying market. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin and is one of the key features of trading CFDs. In the case of CFDs on currencies, the prices are based on the exchange-quoted share price. Prices of this specific investment product may be obtained either by liquidity providers who obtain such prices from the market data aggregators or directly from the relevant exchanges. The market for currencies is open 24/5, opening at 21:00 Sunday and closing at 20:00 Friday (GMT). For specific trading timetable please check the CFDs Contract Specifications on our [website](#).

In order to purchase the specific CFD, the investor must have sufficient margin in his account. The required margin for CFDs on currencies varies between 0.5% and 5%. This means that in order to open a transaction of \$10,000 (deal size) with 5% required margin, the investor will need to have a minimum margin of \$500 in his account.

The profit or loss is determined according to the following formula:

For Buy (Long) positions: Deal size (in units of base asset) x [Close Bid – Open Ask] = P/L

For Sell (Short) positions: Deal size (in units of base asset) x [Open Bid – Close Ask] = P/L

The P/L from the closed positions is then converted into the base currency of the investor's account, if different. This is done on the basis of the relevant Mid rate of the two currencies at the time the position is closed.

The P/L is calculated by, and shown on, the trading platform on a continuous basis, and losses on the positions will affect the investor's margin.

Intended Retail Investor

CFDs are intended for investors who wish to make directional transactions and take advantage of short term price movements on the underlying share and have the ability to sustain the risk of loss of their entire investment amount within a short period of time. Those investors have knowledge of, or are experienced with, leveraged products and have a full understanding on how the prices of CFDs are derived as well as the key concepts of margin and leverage.

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 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

Tel: + (357) 25 03 00 36
 Fax: + (357) 25 03 00 37

Makariou III & Sissifou 11,
 Apostoloi Petrou & Pavlou, 3021,
 Limassol, Cyprus

Email: support@colmexpro.com
 Web: www.colmexpro.com

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.

This risk indicator assumes that you keep the product for up to 24 hours. You may not be able to end the product easily or you may have to end at a price that significantly impacts the return on your investment. CFDs may be affected by slippage or the inability to end the product at a desired price due to unavailability of such price in the market. CFDs are OTC products and cannot be sold on any exchange, MTFs or other trading venue. There is no capital protection against market risk, credit risk or liquidity risk.

The prices of the underlying share may fluctuate significantly in a short period of time. If the change in price is against the direction chosen by the investor, then the investor can experience significant losses over a short period of time up to a maximum of the amount held in the investor's account. However, the investor will never owe to the Company any amount in excess of the available funds in the account in light of the contractual "Negative Balance Protection". Market conditions may mean that your CFD trade is closed at a less favorable price, which could significantly impact how much you get back.

This product does not include any protection from future market performance so you could lose some or all of your investment.

Performance scenarios (assuming no Overnight Financing effects):

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. 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 hold the CFD. 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.

Below are examples of performance scenario of a deal in CFD based on NZDUSD.

CFD on NZDUSD (held intraday)							
Share NZDUSD opening price:	(P)				0.06167		
Trade size (per CFD):	(TS)				0.3 Lot		
Margin %:	(M)				3.33%		
Leverage:	(L)				1:30		
Margin Requirement (\$):	MR = P x TS x M				\$616.67		
Notional value of the trade (\$):	TN = MR x L				\$18,500		
BUY/LONG Performance Scenario	Closing Price (inc. spread)	Price change	Profit/Loss	SELL/SHORT Performance Scenario	Closing price(inc. spread)	Price change	Profit/Loss
Favourable	0.63517	3%	555	Favourable	0.59817	-3%	555
Moderate	0.62592	1.5%	277.5	Moderate	0.60742	-1.5%	277.5
Unfavourable	0.59817	-3%	-555	Unfavourable	0.63517	3%	-555
Stress	0.57967	-6%	-1,110	Stress	0.65367	6%	-1,110

* Note that due to the company's Negative Protection Balance policy, Clients will not lose more than they have deposited.

What happens if Colmex Pro 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 reputable and regulated credit institutions in Europe and Third Countries. The Company performs, on a regular basis, internal and external reconciliations as required by 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 Colmex Pro is unable to pay you out, Retail Clients may contact the Investor Compensation Fund (the Fund). The Fund is a Cyprus statutory fund of the last resort for customers of Cyprus Investment Firms. This means that the Fund 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. Further information on the ICF can be found [here](#).

What are the costs?

The below table portrays an illustration of types of costs along with their meaning:

Tel: + (357) 25 03 00 36
Fax: + (357) 25 03 00 37

Makariou III & Sissifou 11,
Apostoloi Petrou & Pavlou, 3021,
Limassol, Cyprus

Email: support@colmexpro.com
Web: www.colmexpro.com

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 trade.
One-off costs	Currency Conversion	Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
Ongoing costs	Daily holding Cost/Swap/Rollover	A fee is charged to your account for every night that your position is held. This means the longer you hold a position, the more it costs. Swaps can be viewed on the trading platform and the Company's website.

Further information on the Company's costs is available in the CFDs Contract Specifications.

For the purpose of the example, we will assume a transaction of 1 Lots in NZDUSD with a 1 tick spread. A tick in NZDUSD is the 5th decimal digit in price.

The amount of \$1 will be deducted from the P/L upon opening the transaction and therefore immediately after opening the transaction the P/L of that transaction will be -\$1.

In addition to the above, ColmexPro charges Overnight Financing ("OF/SWAP") for deals that remain open at the end of the daily trading session. This OF may be subject to credit or debit, the rates can be found following this [link](#). If the calculated OF Percentage is positive, it means that an applicable amount will be added (credited) to the investor's account. A negative OF Percentage means that an applicable amount will be subtracted (debited) from the investor's account. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the prevailing exchange rates.

Calculation Formula:

$$\text{OF(SWAP)} = (\text{Price} * \text{Lot size} * \text{Amount in lot} * \% \text{ Swap value}) / \text{Annual days number}$$

Where:

Price – current price (00:00 GMT)

Lot size – depending on the contract

Amount in lot – position size

% Swap value – according to the Company's CFDs Contract Specifications

Annual days number – 365

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, you can cash out the CFD at any point you wish during regular market hours. There is no cancellation period and therefore no penalties or cancellation fees.

How can I complain?

If you wish to make a complaint or grievance you should submit the Client Complaint Reporting Form which must be sent to the Customer Support Department via email at support@colmexpro.com. For more information, please see the Company's Complaints handling procedure. If you do not feel that your complaint has been resolved satisfactorily, you may refer your complaint to the Financial Ombudsman of the Republic of Cyprus. See <http://www.financialombudsman.gov.cy> for further information.

Other relevant information

The Company executes Client orders according to its Best Execution Policy and takes all sufficient steps to obtain, when executing orders, the best possible result for its Clients. However, under certain circumstances i.e., in case there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. The Terms & Conditions as well as all related Policies and other Disclosure Documents of our website contain important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account. This key information document does not contain all information relating to the product. For other information about the product and the legally binding terms and conditions of the product, please refer to the Legal Documentation available on the [website](#).



Tel: + (357) 25 03 00 36
Fax: + (357) 25 03 00 37



Makariou III & Sissifou 11,
Apostoloi Petrou & Pavlou, 3021,
Limassol, Cyprus



Email: support@colmexpro.com
Web: www.colmexpro.com