

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 CFDs on FX (Contracts for Difference).

Product manufacturer Ultima Markets Cyprus Limited ("the Company"), authorised and regulated by the Cyprus Securities and Exchange Commission ("CySEC") in Cyprus, with CIF License Number 426/23.

Further information You can find more information about the Company's CFDs products in our CFD product guide. You can contact us using the details on our website www.ultimamarkets.eu or by calling +357 – 25747775. The Company's customer support team is available via phone, email or live chat.

This document was last updated in 10/04/2023.

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

It may not be suitable for all investors. Please make sure that you truly understand the risks involved.

What is this product?

Type

This document relates to products known as 'contracts for difference', which are also known as CFDs. There are many types of CFDs; this product allows clients to speculate on the increases and decreases in the prices of currencies. The Clients may open a long position (buy) if they think the price of the asset will increase or a short position (sell) if they believe that the price will fall.

A FX pair quote will show both currencies e.g. EUR/GBP, the first currency (EUR) is known as the base currency and the second (GBP) is known as the variable currency.

Our CFDs on FX are traded over-the-counter (OTC) (i.e. outside a trading venue such as a regulated market). You can visit our Company's website www.ultimamarkets.eu for information on the underlying assets available to trade at the Company.

Objectives

The objective of the CFD on FX is to allow an investor to gain leveraged exposure to the movement of the underlying FX (whether up or down), without the need to actually buy or sell the underlying FX. The exposure is leveraged, since opening the CFD trade only requires a small proportion of the contract size to be deposited as initial margin, and is one of the key features of trading CFDs.

Trading a CFD on FX allows an investor to speculate on the movement of the currency without ever holding/owning the underlying currency for any period. The spread, financing (swap), and the price movement all determine the trade's profit or loss.

For example, if you believe the value of a currency is going to increase, you could buy one or more contracts of that currency (this is also known as "going long", with the intention to later sell them (and subsequently close the trade) when they are at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs (detailed below).

If you think the value of a currency is going to decrease, you could sell a number of CFD contracts (this is also known as "going short") at a specific value, expecting to later buy them back at a lower price than you previously agreed to sell them for.

However, in either circumstance if the currency moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed below), your account would be debited for the loss of the trade plus any relevant costs.

Intended Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

- (i) have a high risk tolerance;
- (ii) are trading with money they can afford to lose;
- (iii) have experience with, and are comfortable trading on financial markets and, separately, understand the impact of and risks associated with margin trading; and
- (iv) want to gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio.

Term

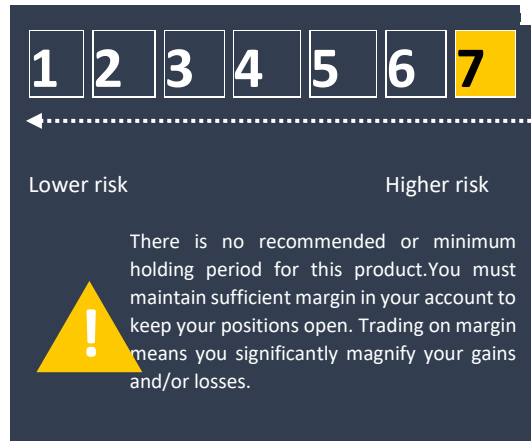
FX CFDs have no maturity date or recommended holding period. You decide when to open and close your positions. The Company may close your position without seeking your prior consent if you do not maintain sufficient margin in your account.

With respect to retail CFD accounts, the Company will automatically close one or more of your open positions when the sum of funds in your account and the unrealised net profits of all open CFDs connected to that account falls to less than half of the total initial margin protection for all those open CFDs. For more information on how Margin Calls and Margin Close-Out Protection work, please review our Order Execution Policy.

The Company's Margin Requirements can vary and can be increased temporarily to mitigate risks prior to major market events or in increasingly volatile markets. Current margin requirements can be viewed by clicking [here](#).

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. CFDs are leveraged products that, due to underlying market movement, can generate losses rapidly. This is because there is a very high chance that you could lose all invested funds.

Be aware of currency risk. You will receive payments in a different currency, so 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.

Market conditions may mean that your CFD trade is closed at a less favourable price, which could significantly impact how much you get back. We may close your open CFD contract if you do not maintain the minimum margin that is required.

This product does not include any protection from future market performance so you could lose some or all of your investment. If the Company is not able 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 the Company is unable to pay you'). The indicator shown above does not consider this protection. It is possible to lose the entire balance of your account. Retail clients are not subject to additional financial obligations if a negative balance occurs on the trading account.

In addition to market risk, there are also other risks associated with this product, including but not limited to: credit risk, foreign exchange risk, leverage risk, market disruption risk, online trading platform risk, IT risk, and liquidity risk.

You should be aware of all the risks associated with CFDs, and seek independent advice if you require further clarification. Please ensure you fully understand the risks and take appropriate care to manage them. More information on the risks involved can be found in the 'Risk Disclosure Statement' available on [here](#).

Performance Scenarios

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. The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back.

This table shows potential profit and loss under different scenarios. The scenarios assume you choose to open 10 contracts (1 contract = 1 lot = 100000) of EURUSD. This particular FX has a pip cost of \$10 per 1 contract meaning in this case you will make or lose \$10 for every pip the price moves. A pip on this instrument is the last digit before the decimal place. The Entry Margin Requirement for the position is €3333,3 and therefore the Liquidation Margin Requirement is €1666.

The below table does not include overnight holding costs (discussed further below).

Instrument:		EURUSD		Open Rate:		1.00		Account Denomination:		USD	
LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss				
Stress	0.9420	-5.80%	-5800	Stress	1.0600	6.00%	-6000				
Unfavourable	0.9860	-1.40%	-1400	Unfavourable	1.0120	1.20%	-1200				
Moderate	0.9970	-0.30%	-300	Moderate	1.0030	0.30%	-300				
Favourable	1.0060	0.60%	600	Favourable	0.9870	-1.30%	1300				

What happens if the company is unable to pay out?

If the Company is unable to meet its financial obligations to you, this could cause you to lose the value of any CFDs you have with the Company. However, the Company is a member of the Investor Compensation Fund (ICF) for the clients of CIFs, which secures the claims of the covered Clients against Cyprus Investment Firms, members of the ICF, through the payment of compensation, is €20,000 or the 90% of the cumulative covered claims of the covered investor, whichever is lower. The coverage applies to the total amount of claims by an applicant against an ICF member, irrespective of the number of accounts, the currency and the place of provision of the service. For more information, please refer to the [Company's Investor Compensation Fund document](#).

What are the costs?

This table shows the different types of costs involved when you trade FX CFD products

One off costs	Spread	The spread is the difference between the buy (ask) and sell (bid) price quoted. Spreads are variable in size. The spread seen on the platform is derived from the market spread plus a Company's mark-up.
	Currency Conversion	Any credits, realised profits 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 at the prevailing market buy or sell price.
Ongoing costs	Overnight financing costs	<p>This is the interest paid for holding a position past 5PM EST and is based on the size of the position. Both long ('buy) and short ('sell) positions are subject to daily swap. For FX CFDs the formula for financing cost is as follows:</p> <p>A Client has a long position of 100000 EUR against USD open for Wednesday and his account is denominated in USD. The swap rates are 0.1 points for short position and -7.1 for long position. Over the weekend swap is tripled; Therefore, the calculation will be as follows: Swap = $((0.00001 * 100,000 * -7.1) * 3 = -21.3$ USD</p> <p>The calculation form for swaps is as follows: Swap: Pointsize * Lot size * SwapRate * Number of nights</p>

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

This product generally has no fixed term and will expire when you choose to exit the product or in the event you do not have available margin. You should monitor the product to determine when the appropriate time is to exit. **You can close your contract at any time during market hours.**

How can I complain?

You may submit your complaint in relation to the product or about the Company's conduct:

- via email to complaints@ultimamarkets.eu; or
- via postal mail to the Company at: Georgiou Griva Digeni 122A, Kallinicos Court, Shop 1 – Upper level, Neapolis 3101 LIMASSOL.

The Complaints Department will then issue you with an initial acknowledgment receipt of your complaint, which will include a unique reference number for your complaint, will investigate your complaint and provide you with a final decision within two (2) months from the complaint receipt. A copy of the Company's complaints procedure can be found [here](#). 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 (<http://www.financialombudsman.gov.cy>).

Other relevant information

In accordance with the provisions of the applicable regulatory framework, a list of important information/ documents (e.g. Terms and Conditions, Client Categorisation Policy, Order Execution Policy, Risk Disclosure Statement, Conflicts of Interest Policy, Privacy Policy, Investor Compensation Fund Policy, Complaints Handling Procedure etc) are available to you on [our website](#). Such information is also available on request.