

**KEY INFORMATION DOCUMENT – CURRENCY CFD**

**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 R Capital Solutions Ltd (the "Company", "we", "us" or "RCS"), registered in the Republic of Cyprus, with registration number HE329922. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission in the Republic of Cyprus, with license number [246/14](#). For further information please call +357 25 262020 or go to [www.tradeberry.com](http://www.tradeberry.com)



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**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 currencies, the prices are determined in interbank transactions whereby banks will quote each other prices of one currency against another currency. Prices of this specific investment product may be obtained either by liquidity providers who obtain such prices from market data aggregators or directly from market data aggregators who collect data from interbank transactions producing a market price for each currency against another currency. The market for most currencies is open 24 hours a day, 5 days a week from Sunday at 23:00 CET until Friday 22:00 CET. For specific trading hours please check Instruments Specifications page (available at [www.tradeberry.com](http://www.tradeberry.com)).

In order to purchase the specific CFD, the investor must have sufficient margin in his account. The normal required margin for major currencies is 3.33% and for non-major currencies is 5%. This means that in order to open a transaction of €10,000 (deal size), the investor will need to have a minimum margin of €333.33 for major currencies and €500 for non-major currencies in his account. This represents a leverage of 1:30 for major currencies and 1:20 for non-major currencies. Margin requirements may be increased at the Company's discretion in cases of extreme market volatility.

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 (in units of the other asset)

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

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 Bid/Ask rate of the two currencies at the time the position is closed.

The P/L is also affected by the fees charged by RCS, as detailed below.

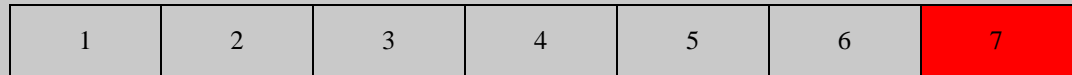
The P/L is calculated by, and shown on, the trading platform on a continuous basis, and losses on the positions will affect the investor's margin. Should the investor's equity reach 50% of margin required the Company's trading system will automatically start closing the investor's positions starting by closing the worst position by profit (i.e. highest losing position). Therefore, it is important to maintain such level of margin to support the investor's open positions. It shall be noted that under abnormal market conditions, CFDs may fluctuate rapidly to reflect unforeseeable events that cannot be controlled either by the Company or the Client. As a result the Company cannot guarantee automatic stop-out at 50% of required margin during abnormal market conditions (please refer to paragraph 34 of the Terms and Conditions available at [www.tradeberry.com](http://www.tradeberry.com)).

**Intended Retail Investor**

CFDs are intended for investors who wish to make directional transactions and take advantage of short term price movements in the rates of currencies 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



← Low Risk High Risk →

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.

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.

Currencies 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 as margin 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 part or all of your investment.**

#### Performance scenarios (assuming no Swap effects):

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 EUR/USD.

Margin Amount in EUR	Leverage	Deal Amount in EUR	EUR/USD Opening Deal Rate	Deal Amount in USD	Deal Direction	Change in Exchange Rate	EUR/USD Closing Deal Rate	P/L Amount in USD	EUR/USD Spread in Pips	P/L Exchange Rate to EUR	P/L Amount in EUR under Negative Balance Protection
333.33	30.00	10,000.00	1.2000	12,000.00	Buy	5%	1.2600	600.00	1.6	1.2600	476.19
333.33	30.00	10,000.00	1.2000	12,000.00	Buy	1%	1.2120	120.00	1.6	1.2120	99.01
333.33	30.00	10,000.00	1.2000	12,000.00	Buy	0%	1.2000	-	1.6	1.2000	-
333.33	30.00	10,000.00	1.2000	12,000.00	Buy	-1%	1.1880	-120.00	1.6	1.1880	-101.01
333.33	30.00	10,000.00	1.2000	12,000.00	Buy	-5%	1.1400	-600.00	1.6	1.1400	-333.33
333.33	30.00	10,000.00	1.2000	12,000.00	sell	5%	1.2600	-600.00	1.6	1.2600	-333.33
333.33	30.00	10,000.00	1.2000	12,000.00	sell	1%	1.2120	-120.00	1.6	1.2120	-99.01
333.33	30.00	10,000.00	1.2000	12,000.00	sell	0%	1.2000	-	1.6	1.2000	-
333.33	30.00	10,000.00	1.2000	12,000.00	sell	-1%	1.1880	120.00	1.6	1.1880	101.01
333.33	30.00	10,000.00	1.2000	12,000.00	sell	-5%	1.1400	600.00	1.6	1.1400	526.32

**French residents only** – In accordance with the Autorité des marchés financiers (AMF) requirements, all CFD have an intrinsic protection and will be closed when losses reach the required margin for opening the position.

#### What happens if RCS is unable to pay out?

In the event that [insert] becomes insolvent and is unable to pay out to its investors, Retail Clients may be eligible to compensation of up to €20,000 by the Investor Compensation Fund set up by the Cyprus Securities and Exchange Commission.

### What are the costs?

RCS charges a spread when an investor buys a CFD. A spread is the difference between the Sell (“Bid”) and Buy (“Ask”) price of the CFD which is multiplied by the deal size. The spread per each underlying asset is detailed on our website at Instruments Specifications page (available at [www.tradeberry.com](http://www.tradeberry.com)) but each investor may have different spreads on all or some of the underlying asset based on the investor’s history, volume, activities or certain promotions.

For the purpose of the example we will assume a €10,000 transaction in EUR/USD with a 1.6 pips spread. EUR/USD pip is the 4<sup>th</sup> decimal digit (0.0001).  $10,000 \times 0.00016 = \$1,6$

The amount of \$1.6 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 -\$1.6.

In addition to the above, RCS charges Overnight Swaps for deals that remain open at the end of the daily trading session. These Swaps may be subject to credit or debit, calculated on the basis of the relevant interest rates for the currencies in which the underlying instrument is traded, plus a mark-up. The mark-up for currency pairs is 2.5%.

If the calculated Swap Percentage is positive, it means that an applicable amount will be added (credited) to the investor’s account. A negative Swap 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.

To reach the Swap Amount the following calculation method is used:

Swap Amount = Volume \* Contract Size \* Instrument Decimal Points \* Swap rate

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

CFDs on currency are usually held for less than 24 hours. You can cash out the CFD at any point you wish during regular market hours, but it may not be at a price beneficial to you or your investment goals.

### How can I complain?

If you wish to make a complaint you should contact our Customer Support Department by telephone on +357 25262020, by email at [support@tradeberry.com](mailto:support@tradeberry.com) by indicating your name, account number and nature of the complaint. 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. For further details please visit our Clients Complaint Policy available at [www.tradeberry.com](http://www.tradeberry.com)

### Other relevant information

If 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 Trading Terms & Conditions as well as all related Policies and other Disclosure Documents of our website contains 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 [www.tradeberry.com](http://www.tradeberry.com)