

**KEY INFORMATION DOCUMENT – CRYPTOCURRENCY 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 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") on cryptocurrencies. 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**

This Product creates a leveraged exposure to the movement of the value of the underlying asset (e.g. BTCUSD or ETHUSD). Its return is mainly affected by the price and volatility of the underlying asset, the extent of leverage used by the investor and the associated costs of the trade. The price of the underlying asset is driven by demand and supply which is greatly affected by various factors such as important political events (e.g. elections, referendums, etc.), central bank announcements, economic and geopolitical developments and investors' behavior.

Positions on this Product can be opened and closed 24 hours a day from Sunday 22:00 GMT to Friday 21:59 GMT. This Product does NOT have a minimum holding period.

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 commodity CFD, the prices are based on the bid price of the commodity. Prices of this specific investment product may be obtained either by liquidity providers who obtain such prices from the relevant exchanges or directly from the relevant exchanges. The market for most currencies is open 24 hours a day, 5 days a week. For specific trading timetable please check our Instruments Specifications page available at [www.trdeberry.com](http://www.trdeberry.com)

In order to purchase the specific CFD, the investor must have sufficient margin in his account. The required margin for CFDs on Cryptocurrencies is 50%. This means that in order to open a transaction of \$10,000 (deal size) with 50% required margin, the investor will need to have a minimum margin of \$5,000 in his account. The maximum leverage offered by the Company for CFDs on cryptocurrencies is up to 1:2. 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.

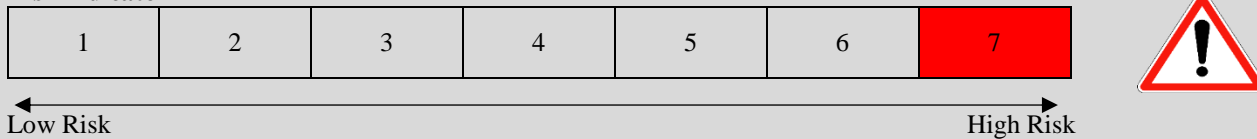
The P/L is calculated by, and shown on, the trading platform on a continuous basis, and losses on the positions will affect the investor's margin. Should the investor's equity reach 50% of margin required the Company's trading system will automatically start closing the investor's positions starting 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 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 on cryptocurrencies 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. 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.

The prices of cryptocurrencies 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.

The scenarios shown below are indicative on 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 unfavorable scenario based on historical data. Maximum loss would be the loss of the entire investment. Performance results are net of all product costs, excluding any 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 utilization of leverage and holding period.

Below are examples of performance scenario of a deal in CFD based BTCUSD Cryptocurrency.

Margin Amount in EUR	Leverage	Deal Amount in units of base asset	Opening Deal Rate	Deal Amount in USD	Deal Direction	Change in Exchange Rate	Closing Deal Rate	P/L Amount in USD	Spread in Pips	P/L Exchange Rate to EUR	P/L Amount in EUR under Negative Balance Protection
400.00	2.00	0.12	8,000.00	960.00	Buy	55%	12,400.00	528.00	0.50	1.20	440.00
400.00	2.00	0.12	8,000.00	960.00	Buy	20%	9,600.00	192.00	0.50	1.20	160.00
400.00	2.00	0.12	8,000.00	960.00	Buy	0%	8,000.00	-	0.50	1.20	-
400.00	2.00	0.12	8,000.00	960.00	Buy	-20%	6,400.00	- 192.00	0.50	1.20	- 160.00
400.00	2.00	0.12	8,000.00	960.00	Buy	-55%	3,600.00	- 528.00	0.50	1.20	- 400.00
400.00	2.00	0.12	8,000.00	960.00	sell	55%	12,400.00	- 528.00	0.50	1.20	- 400.00
400.00	2.00	0.12	8,000.00	960.00	sell	20%	9,600.00	- 192.00	0.50	1.20	- 160.00
400.00	2.00	0.12	8,000.00	960.00	sell	0%	8,000.00	-	0.50	1.20	-
400.00	2.00	0.12	8,000.00	960.00	sell	-20%	6,400.00	192.00	0.50	1.20	160.00
400.00	2.00	0.12	8,000.00	960.00	sell	-55%	3,600.00	528.00	0.50	1.20	440.00

### What happens if RCS 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 event that RCS becomes insolvent and is unable to pay out to the 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 available on Instruments Specifications page (available at [www.tradeberry.com](http://www.tradeberry.com)) as well as in the trading platform but each investor may have different spreads on all or some of the underlying asset based on the investor's history, volume or activities.

For the purpose of the example we will assume a \$10,000 transaction in BTC/USD with a 50 pips spread. BTC/USD pip is the 2nd decimal digit (0.01).  $10,000 \times 0.50 = \$5,000$

The amount of \$5000 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 -\$5000.

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 total Swap for cryptocurrency pairs is 20%.

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 is used:

$$\text{Swap Amount} = \text{Number of nights} \times \text{opening price} \times \text{contract size} \times \text{volume} \times 0.20/365$$

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

CFDs on cryptocurrencies 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.

Trading in CFD Products involves significant risk with frequent market movements and price changes. Clients are free to open/close a trade whenever they believe that it best fits, given that the markets are open. The Company does not prescribe a holding period for any position whether these is a buy or sell position. The client may choose to set a 'Stop Loss' or 'Take Profit' on his/her trade to minimize the risk of large unexpected movements.

Clients can withdraw their total balance whenever they choose to do so, if there are no open positions on their trading account. In case there are open positions, the client can withdraw any amount in excess of the margin required for that particular trade, i.e. their 'free margin'. All withdrawal requests can be made from the 'Members' Area' section on the Company's website.

### **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)

We would like to inform you that any complaints relate to trading in CFDs on Cryptocurrencies are not eligible and shall not be accepted for review/consideration by the Financial Ombudsman of the Republic of Cyprus.

### **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 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)