

## Key Information Document Indices

### Purpose

This document is aimed at providing you with key information regarding this specific investment product and should not be taken as marketing material. It is a legal requirement to provide this information in order to help you understand the nature, risks, costs, potential gains and losses related to this product and to enable you to compare this product against other products on offer.

### Product

**Name of Product:** Contract for difference (“CFD”) on an Index.

**Provider:** EC Markets Group Ltd. (hereinafter referred to as “EC Markets”, “we” or “us”), authorised and regulated by the Financial Conduct Authority (FCA) with registration number 571881. EC Markets Group Ltd is a company registered in England and Wales under Companies House registration number 07601714 and with registered address at 45 King William Street, London, EC4R 9AN, United Kingdom. Please call +44 207 6217 978 or go to [www.ecmarkets.co.uk](http://www.ecmarkets.co.uk) for more information.

**Date of Production:** March 2021.



**You are about to purchase a product that is highly sophisticated and may be difficult to understand.**

## What Is This Product?

### Type

A contract for difference (“CFD”) is a leveraged contract entered into with EC Markets on a bilateral basis. It allows an investor to speculate on rising or falling prices in an underlying index.

An investor has the option to buy (or go “long”) the CFD in an attempt to benefit from rising index prices; or to sell (or go “short”) the CFD to benefit from falling index prices. CFD price is derived from that of the underlying index price, which may be either the current (“cash”) price or a forward (“future”) price. For example, if an investor is long a FTSE 100 CFD and the price of the underlying index rises, the value of the CFD will increase in turn. Once the contract is over, EC Markets will pay the investor the difference between the closing value of the contract and the opening value of the contract, i.e. the investor’s profit. On the other hand, if an investor is long and the cash price of the underlying index falls, the value of the CFD will decrease – so, at the end of the contract the investor will pay EC Markets the difference between the closing value of the contract and the opening value of the contract. CFDs referencing the underlying future price work in exactly the same way, however such contracts have a pre-defined expiry date – detailing the date upon which the contract will close automatically. Index CFDs must always be settled financially and cannot be settled by the physical or deliverable settlement of any other asset(s). CFD leverage also has a magnifying effect on both profits and losses.

EC Markets is a trading name of EC Markets Group Ltd.

EC Markets is authorised and regulated by the Financial Conduct Authority, FRN: 571881 and registered in England and Wales: 07601714.

Registered Address: 45 King William Street, London, United Kingdom, EC4R 9AN.

Trading Address: New Broad Street House, 35 New Broad Street, London, United Kingdom, EC2M 1NH.

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## Objectives

CFDs are derivative financial instruments. A CFD is an agreement between two counterparties to exchange the price difference of a specific underlying instrument for the time period the deal was opened.

CFDs are leveraged products and are traded not on an exchange basis but Over-the-Counter (OTC) and there is no central clearing of the transactions. EC Markets trades on a matched principal basis.

A CFD is a speculative instrument and while trading CFDs with different underlying assets, the trader does not become the owner of this asset. CFD pricing reflects the price movement of the underlying assets received by the Liquidity Providers. Long position means buying the instrument with the expectation for its value to rise. Short position suggests selling the asset expecting its value to decrease.

CFDs are speculative products which are traded with leverage and are not appropriate for all investors. CFDs, are leveraged products where most of them mature when you choose to close an existing open position. Positions may also be closed due to margin calls/stop outs. Information on margin calls/stop out per account can be accessed on the Company's website. Moreover, in case where the Company intends to remove the availability of a CFD, it shall inform you (i.e. the Client) in order for you to close any open positions until a specific deadline. If the Client does not close the position by the said deadline, the Company has the right to close any open positions on his behalf. By investing in CFDs, you assume a high level of risk which can result in the loss of all of your invested capital.

Trading in CFDs carries high level of risk and thus can generate great profits as well as great losses. You should never invest more that you are willing to lose, as it is possible to lose your initial investment. Unless a Client knows and fully understands the risks involved in CFD trading, they should not engage in any trading activity. Clients should consider whether CFDs are appropriate for them according to their financial status and goals before trading. If you do not have enough knowledge and experience to trade, we suggest you seek independent advice before you invest. If you still don't understand these risks after consulting an independent financial advisor, then you should refrain from trading at all. Trading in CFDs comes with a significant risk of losses and the investment value can both increase and decrease. CFDs require constant monitoring and may not be appropriate for persons who cannot devote time in this respect.

## The Intended Retail Investor

This product is intended for investors who already have an understanding and previous experience in dealing with leveraged products. Commonly, before committing any capital investors will already understand how prices of CFDs are derived, have a clear grasp of the concepts of margin and leverage and understand the fact that all deposits to the trading account may be completely lost. They should also understand the risk/reward profile of the product when compared to that of share dealing. It is also obligatory for investors to have the appropriate financial means and ability to bear a loss of the initial amount invested.

## What are the Risks and Returns?

### Summary Risk Indicator

1	2	3	4	5	6	7
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Lower risk  
risk

Higher

The summary risk indicator is a summary of the level of risk that this product has when compared to other products. It signifies how likely it is that the product will lose money because of market movements or because we are not able to pay you.



The risk indicator assumes that you may not be able to buy or sell your CFD at the price you wanted to due to volatility of the market or you may have to buy or sell your CFD at a price that significantly impacts how much you get back.

We have classified this product to be 7 out of 7, which is the highest-possible risk class. This rates the potential losses from future performance of the product at a very high level. CFDs are leveraged products that, due to movements within the underlying market, can rapidly generate losses. Losses may amount to the total value of an initial investment. There are no means of protection of your capital against market risk, credit risk or liquidity risk.

**Be aware of currency risk.** It is possible to buy or sell CFDs in a currency which is different to the base currency of your account. The final sum you may receive in return depends on the exchange rate between the two currencies. This risk has not been considered in the risk indicator you can see above.

Conditions in the market may mean that your CFD trade on an Index is closed at a less favourable price, which could significantly impact the level of returns you receive. We reserve the right to close your open CFD contract if you do not maintain the minimum margin that is required, if you are in debt to EC Markets, or if you contravene market regulations. This process may be automated.

Future market performance is not protected against, 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 a consumer protection scheme (see the section “What happens if EC Markets Group Ltd. is unable to pay you”). The risk indicator you can see above does not consider these protections.

### Performance Scenarios

The scenarios outlined in this section are designed to show you how your investment could perform. It would be good practice to compare them with the relative scenarios of other products. These scenarios are an estimate of future performance based on past evidence on how the value of this investment may vary, and are, by no means, an exact indicator. Any returns you receive depend on how the market performs and how long you hold the CFD for. The stress scenario signifies what you may receive in extreme market circumstances and does not take into account a situation where we are not able to pay you.



# Ec MARKETS

SPEED | STABILITY | INTEGRITY

The scenario is based on trading 1 Lot of the US30 Index that is equal to 1 contract of US30 assuming a 1:20 (5%) margin requirement.

US30 (USD base Currency), 1 lot traded = 1 contract, Margin required 1:20 = 125								
Open price	Scenario (LONG)	Close Price	Price Change	Profit/Loss USD	Scenario (SHORT)	Close Price	Price Change	Profit/Loss USD
25000	Favourable	26000	1000	1000	Favourable	24000	1000	1000
25000	Moderate	25250	250	250	Moderate	24750	250	250
25000	Unfavourable	24950	-50	-50	Unfavourable	24950	50	50
25000	Stress	24875	-125	-125	Stress	24875	125	125

The figures shown include all product costs. If you have been sold this product by someone else or have a third party advising you about this product, these figures do not include any costs that you may need to pay to them. Your personal tax situation, which may also affect how much you get in return, is also not taken into account here.

**Warning: 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.**

## What Happens If EC Markets Group Ltd Is Unable to Pay Out?

If EC MARKETS is unable to meet its financial obligations to you, you may lose the value of your investment. However, EC MARKETS segregates all retail client funds from its own money, in accordance with the UK FCA's Client Asset rules. EC MARKETS also participates in the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to GBP 85,000. Individuals are eligible under the FSCS scheme and smaller businesses may also be eligible. Generally speaking, larger businesses are generally excluded from the FSCS scheme. See [www.fscs.org.uk](http://www.fscs.org.uk)

## Fees and Charges

- The charges you pay are used to cover the costs of our operational activities, including the costs of obtaining market/price data from the underlying exchanges, the costs of us hedging the trading you undertake with us, the staff costs, our regulatory license costs, our funding costs as well as the marketing and distribution costs.
- We do not pay any interest on any clients' money you may have in your account with us.
- Please consult your own advisor to understand the nature of our below costs and charges.

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<b>One off costs - At the time of your trade</b>	<b>Spreads</b>	Spread is the difference between the Bid price (selling price) and the Ask price (buying price) and reflects, in part, the spreads of the underlying exchange where the underlying instrument is traded on. Our spreads maybe fixed or variable or may be subject to a minimum. Please refer to our website for more information on the spreads which we charge.
	<b>Currency conversion rates</b>	Investing in CFDs with an underlying asset listed in a currency other than your base currency entails a currency risk, due to the fact that when the CFD is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.
<b>Ongoing charges</b>	<b>Overnight Rollover Swap</b>	We charge or credit you with overnight fees for facilitating you to maintain an open Buy or Sell position on CFDs. These are ongoing fees/credits for as long as you have open trades with us.

## How Long Should I Hold it and Can I Take Money Out Early?

As stated above, these products have no recommended holding period, nor cancellation period and, therefore, no cancellation fees. Opening and closing of a CFD on an Index can be done at any time during market hours. Please note that holding a CFD on an Index for a long term may incur substantial daily holding costs.

## How Can I Complain If I Need to?

If you are dissatisfied with any aspect of the service provided to you by EC Markets Group Ltd. you may, in the first instance, contact our Customer Services Team by phone: +44 207 6217 978; by email: [compliance@ecmarkets.co.uk](mailto:compliance@ecmarkets.co.uk); or in writing: EC Markets Group Ltd, New Broad Street House, 35 New Broad Street, London, EC2M 1NH, United Kingdom. If you do not feel that your complaint has been resolved satisfactorily, you may refer your complaint to the Financial Ombudsman Service (FOS). See [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) for further information.

You can also refer to the European Commission's Online Dispute Resolution Platform; however, we should inform you that it's likely that they will refer you to the FOS.

## Other Relevant Information

If there is a 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. You should ensure that your Internet connection is sufficiently strong enough before trading. The Documents section 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.

Our contract specifications contain additional information on trading a CFD on an underlying Index can be found on the trading platform and on our website: <http://www.ecmarkets.co.uk>.