

# KIDs, CFDs on Precious Metals

**EC Markets Group Ltd**  
**(trading as “EC Markets”)**

## Key Information Document for Precious Metals

### 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 Precious Metals.

**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 Parksworth House, 30 City Road, EC1Y 2AY, London, UK. Please call +44 207 6217 978 or go to [www.ecmarkets.co.uk](http://www.ecmarkets.co.uk) for more information.

**Date of Production:** December 2023.



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 underlying spot Gold or Silver.

An investor has the option to buy (or go "long") the CFD in an attempt benefit from rising Gold prices; or to sell (or go "short") the CFD to benefit from falling Gold prices. The CFD price is derived from that of the underlying Gold price, which can either be the current ("cash") price or a forward ("future") price. For example, if an investor is long a Gold CFD and the underlying cash price of Gold 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 underlying cash price of Gold falls, the value of the CFD will also 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 commodities' future price works in an almost identical fashion, bar the fact that such contracts have a pre-defined expiry date – detailing the point at which the contract will close automatically. CFDs on commodities must always be settled financially, and cannot be settled by physical/deliverable settlement. CFD leverage also has a magnifying effect on both profits and losses.

## 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. CFDs on Spot Gold or Spot Silver, have different underlying assets (e.g. Gold or Silver).

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 pricing 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 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.

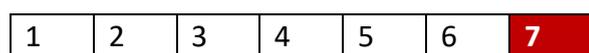
Trading in CFDs carries high level of risk and thus can generate great profits as well as great losses. You should never invest more that you are willing to lose, as it is possible to lose your initial investment. Unless a Client knows and fully understands the risks involved in CFD trading, they should 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 they 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



Lower risk

Higher risk



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 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.

We have classified this product to be 7 out of 7, which is the highest-possible risk class. This rates the potential

the market or you may have to buy or sell your CFD at a price that significantly impacts how much you get back.

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 a Precious Metals 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.

## Investment Performance Information

### Factors affecting future returns & risk profile of CFDs.

CFDs are high-risk products. This means that the potential losses from future performance of the product is very high. CFDs are leveraged products that, due to underlying market movement, can generate losses rapidly. The higher the leverage the higher are the potential losses and/or profits.

Losses can exceed the amount initially invested in a given position and you may be required to deposit additional funds in order to maintain your positions. There is no capital protection against market risk, credit risk or liquidity risk. It is possible to lose all of the funds on your account.

You should 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 return you may get depends on the exchange rate between the two currencies. 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, if you are in debt to the company, or if you contravene market regulations.

This product does not include any protection from future market performance, 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.

### What could affect my return positively?

A position that is opened at a Buy (Long) price will make a profit if closed at a higher Sell (Short) price. The profit is the difference between your opening 'buy' and closing 'sell' prices. A position that is opened at a Sell (Short)

price will make a profit if closed at a lower Buy (Long) price. The profit is the difference between your opening 'sell' and closing 'buy' prices.

### What could affect my return negatively?

A position that is opened at a Buy (Long) price will incur a loss if closed at a lower Sell (Short) price. The loss is the difference between your opening 'buy' and closing 'sell' prices. A position that is opened at a Sell (Short) price will incur a loss if closed at a higher Buy (Long) price. The loss is the difference between your opening 'sell' and closing 'buy' prices.

Severely adverse market movements can also negatively impact your investments. Should the equity on your account fall below the maintenance margin requirement, EC Markets will execute a 'Margin Call' that will close any/all of your open positions. This may potentially result in the loss of all of your account's balance.

**Warning: Market developments in the future cannot be accurately predicted. The information 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 (if we choose to do so), 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.

One off costs - At the time of your trade	Spreads	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.
	Currency conversion rates	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.
Ongoing charges	Overnight Rollover Swap	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 a Precious Metals can be done at any time during market hours. Please note that holding a CFD on a Precious Metals 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, Parksworth House, 30 City Road, EC1Y 2AY, London, UK. 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 Legal 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 Precious Metals. These can be found on the trading platform and on our website: <http://www.ecmarkets.co.uk> .