


Key Information Document – CFD on FX

Purpose:

This document provides you with key information about the Company’s investment products. It is not a marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of these products and to help you compare it with other products.

Product Legal Identification

Name of Products: CFD on FX **Manufactured:** Squared Financial (CY) Limited **Contact Details:** www.SquaredFinancial.com, **Email:** info@SquaredFinancial.com **Telephone Number:** +357 25260333 **License Information:** Cyprus Securities and Exchange Commission **License Number** 329/17, **Published:** 30/06/2021

	You are about to purchase a product considered to be very complex and may be difficult to understand.
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What is this product?

Type

A CFD or Contract for Difference is an agreement between two parties (Buyer and Seller) to exchange the difference in value between the opening and closing price for a particular asset. Essentially trading CFDs boils down to a contract between the Client and the market. The Client opens a trade by purchasing a contract for a particular asset and close the trade by selling the contract back to the market. There is no physical exchange of an asset. The underlying assets of CFDs offered by the Company are; (1) Foreign Exchange, (2) Equities/Stocks/Shares (US and European), (3) Indices (US and European) and (4) Commodities (Energies/Metals) (5) Futures. To proceed by placing a trade, the Client shall possess the required margin, available to his trading account. 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 the Company’s Contract Specifications.

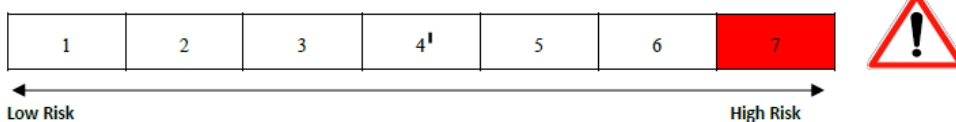
CFD on a FX means you are not buying the underlying asset, but rather purchasing a contract to settle the difference in the initial and ending price of the underlying asset. FX is always traded in pairs and trading a CFD on an FX pair involves the simultaneous buying and selling of two different currencies. An FX pair quote will show both currencies, e.g. NZD/USD, the first currency (NZD) is known as the base currency and the second (USD) is known as the variable currency. FX trading gives an investor the choice to buy (go ‘long’) the currency pair if they think the price of the ‘base’ currency will rise in relation to the ‘variable’ or ‘quote’ currency, or alternatively to sell (go ‘short’) the currency pair if they think that the price of the variable currency will rise in relation to the base currency.

The objective of trading CFD on a Major FX is to gain leveraged exposure (generally over the short term) to fluctuations related to the underlying currency pair without owning it. Your return depends on the size of the performance (or movement) of the underlying currency pair and the size of your position. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of a small amount of capital to support an investment of a larger exposure. Please note that margin/leverage trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

Intended Retail Investor: CFDs are intended for investor who have knowledge of, or are experience with, leveraged products and that understand how the prices of CFDs are derived, the key concepts of margin and leverage, the fact that losses may be of total invested amount and have the appropriate financial means to bear losses of the entire amount invested.

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 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.

This rates the potential losses from future performance at a ‘very high’ level. Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. In some circumstances, you may be required to make further payments to pay for losses. Trading risks are magnified when trading with leverage, however, the total loss you may incur will never exceed your invested amount. The Company offers Negative Balance Protection to its Clients, meaning that they will never be in a position to lose more funds than the amounts invested with the Company. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may adversely affect your position. As a result, Margin calls may be made quickly or frequently, and in the event of default, your positions may be closed out. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

Finally, note that the Company may close your position(s) without seeking your prior consent if you do not maintain sufficient margin in your account. If the margin amount in your account falls below 50%.

Polish residents only: In accordance with KNF requirements, should the client’s exposure coverage [% of Equity / Net Exposure] reach 0.8 %, all client’s positions will automatically close which means that the client will realize the losses.

Italian residents only: in accordance with Consob Requirements, where the deposit margin reaches the 50% of the initial margin, all client’s positions will automatically close which means that the client will realize the losses.

Performance Scenarios

The scenarios shown below 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 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 following assumptions have been used to create the scenarios in **Table 1**:

FX CFD (held intraday)		
FX Pair opening price:	P	1.1977
Trade size (per CFD):	TS	1 lot
Margin %:	M	0.50%
Margin Requirements (EUR):	$MR = P \times TS \times M$	500
Notional value of the trade (EUR)	$TN = MR/M$	100,000

Table 1:

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	1.2156	1.50%	1473	Favourable	1.1797	-1.50%	1526
Moderate	1.2037	0.50%	498	Moderate	1.1917	-0.50%	503
Unfavourable	1.1797	-1.50%	-1526*	Unfavourable	1.2157	1.50%	-1481*
Stress	1.1378	-5%	-5265*	Stress	1.2576	5%	-4764*

What happens if the Company is unable to pay out?

The Company is a member of the Investor Compensation Fund ("ICF" - private legal entity) which if the Company categorized You as a Retail Client and fails to return to You funds owed in case of insolvency of the Company, you may direct to the ICF. ICF may compensate You for claims up to €20,000. If Your claim exceeds the €20,000 then You will be only entitled to receive a maximum of the equivalent of €20,000. Further information on ICF can be found [here](#).

What are the Costs & Charges?

Pricing and other Related Information

Before you begin to trade CFDs, you should familiarise yourself with all one-off and recurring costs for which you will be liable. These charges will reduce any net profit or increase your losses. For more information please visit our website.

This table shows the different types of cost categories and their meaning that may occur depending on the product you trade		
One-off entry costs	<i>Spread</i>	The difference between the buy price and the sell price. This cost is carried each time a trade is opened.
	<i>Commission</i>	This is a fee charged when you buy and sell a CFD based on the notional value of the trade.
	<i>Currency Conversion</i>	This is a fee charges for converting the realized profit/loss from the instrument's secondary currency to the account's based currency
	<i>Rollover Costs</i>	the fee charged for automatically rolling over an open position on a CFD when its contract has expired. The cost will be determined by the size of the spread.
	<i>Share dividends</i>	The fee charged/credited for a dividend payout on a share. The credit/debit is determined according to the position direction (buy or sell) while trader holding a long position will receive the dividend to their balance, and traders holding a short position will be charged the exact same amount.
Ongoing cost	<i>Swaps</i>	An overnight debit/credit applied for every night a position is held. The amount is determined according to the symbol and direction of the position (buy or sell)

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

CFDs are intended for short term trading, in some cases intraday and are generally not suitable for long-term investment. There is no recommended holding period and no cancellation period. You can open and close a CFD at any time during the market trading hours of each CFD.

How can I complain?

An Online Complaint Form is available at the Company's website, which shall be filled and submitted by You to the Company's Compliance department directly from the website. 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. See www.financialombudsman.gov.cy for further information. For more information, please see our Complaints Procedure.

Other relevant information

We draw your attention to the following information documents to be made available by Law, which are available [here](#).

Client Agreement – the contract based on which we provide investment services to you and contains the terms and conditions that govern our business relationship.

Best Interest and Order Execution Policy – summarizes the process by which we execute your orders.

Risk Disclosure – summarizes the main risks investing in CFDs

Conflicts of Interests Policy – outlines the manner in which we identify, manage or control any conflicts of interest that may arise during the course of our business activities

Privacy Policy – explains how we deal with certain information you provide us with.