

Key Information Document - CFD on currencies

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.

Manufacturer: Change Securities B.V.

Legal address: De Hooge Krocht 2, 2201 TX Noordwijk, The Netherlands

License type: investment firm ([license registry web page](#))

Supervisory authority: Dutch Authority for the Financial Markets, AFM ([web page](#))

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

Product description

Contracts for Differences (CFDs), are complex financial products in accordance with the applicable law. They are traded on an “over-the-counter” (OTC) basis and not through a regulated market. CFDs, which are agreements to exchange the difference in value of a particular underlying instrument between the time at which the agreement is entered into and the time at which it is closed, allowing the investors to replicate the economic effect of trading in particular currencies or other asset classes without requiring actual ownership. An investor has the choice to buy the CFD to benefit from rising currency prices; or to sell the CFD to benefit from falling currency prices. Currency CFDs must always be settled in cash and cannot be settled by the physical or deliverable settlement of any currencies. CFD leverage has a magnifying effect on both profits and losses.

For example, if an investor is long in EURUSD CFD and the price of EURUSD rises, the value of the CFD will increase in turn. Once the contract is over, the manufacturer 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 price of EURUSD falls, the value of the CFD will decrease – so, at the end of the contract the investor will pay the manufacturer the difference between the closing value of the contract and the opening value of the contract.

The amount of any profit or loss made on a CFD trade will be determined by:

- 1) the difference between the opening trade price and the price when you close the trade;
- 2) the units traded;
- 3) any holding costs or commissions relating to the CFD; and
- 4) the tick or pip value of the traded instrument.

In order for a position to be opened an investor must have sufficient funds in the margin account to cover the required margin for that position. The margin required for the various CFDs can be found on the manufacturer's website and in the app. When a position is closed, the investor gains the difference between the market value of the underlying asset at the time of closing the position, if the following applies:

- 1) when holding a long position (buying a CFD), the price at the time the position closes, is higher than the price at the time the position was opened, which is automatically converted to the margin account currency; or
- 2) when holding a short position (selling a CFD), the price, at the time the position closes, is lower than the price at the time the position was opened, which is automatically converted to the margin account currency.

To close an open “buy” or long CFD you sell it, and to close an open short or “sell” CFD you buy it. With most CFDs you can hold the position for as long as you like which may be for less than a day, or for months. The closing price will be the last available price at or prior to the close or the applicable official closing quotation or value in the relevant underlying market as reported in the app; minus any commission or spread which is applied to the CFD position when it is closed.

Leverage and margin

CFDs are leveraged financial instruments, which allow the investor to trade on higher exposures on the underlying assets compared to the invested amounts. With CFDs, you only have to put in a portion of the market value of the underlying instrument when making a trade. The leverage usually is specified as a ratio, such as 1:2, 1:10, 1:20, 1:30 or as a multiplier 2x, 10x, 20x, 30x.

This means that you can trade with amounts proportionally higher than you could invest in a particular underlying asset. Initial margin is the amount required by the investor to open a certain position in CFDs and is expressed as a percentage of the nominal exposure. The lower the percentage the higher the financial leverage.

Example:

*An investor wishes to purchase 100 000 of EURUSD at price 1.10 with margin requirement 3.33% (which is equal to 1:30 leverage) for that instrument. This requires for the investor to place a margin of $100\,000 * \text{market price USD } 1.10 * \text{leverage } (1:30) = \text{USD } 3666.67$. This margin requirement is then converted to account currency.*

Trading in this product will not be appropriate for everyone. This product would commonly be used by persons who want to gain short term exposures to financial instruments or markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings portfolio; have a high risk tolerance; and understand the impact of and risks associated with margin trading. This product is intended for investors who already have an understanding and previous experience in dealing with leveraged products. It is also obligatory for investors to have the appropriate financial means and ability to bear a loss of the initial amount invested.

Potential risk and returns



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 will get in return.

The risk indicator above 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 deemed 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.

Performance scenarios

The scenarios below demonstrate how your investment could perform in different events. The results below should not be considered as exact indicators or recommendations whatsoever and do not include different types of charges that may apply to your account. Therefore, your account performance (positive or negative) depends on various factors, for instance how long you hold your position(s) open.

EURUSD opening price	1.10	P
Trade size	100 000	TS
Margin percentage	3.33% (Leverage 1:30)	M
Margin required	3,666.67 USD	$MR = M \times P \times TS$
Notional value of the trade	110,000.00 USD	$TN = MR / M = P \times TS$

Performance scenario	Account performance	Closing price (USD)	Profit / Loss	Performance scenario	Account performance	Closing price (USD)	Profit / Loss
LONG POSITION				SHORT POSITION			
Favorable	+10%	1.21	11,000.00	Favorable	+10%	0.99	11,000.00
Moderate	+5%	1.155	5,500.00	Moderate	+5%	1.045	5,500.00
Unfavorable	-5%	1.045	-5,500.00	Unfavorable	-5%	1.155	5,500.00
Stress	-15%	0.935	-16,500.00	Stress	-15%	1.265	-16,500.00

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.

Charges and fees

Before you start trading CFDs on currencies, you should familiarize yourself with all costs associated with trading. These charges will reduce any net profit or increase your losses. More information can be found on our website and app.

One-off costs	Spread	The difference between the buy and sell price is called the spread. This cost is realized each time you open and close a position.
	Commission	For some CFDs on currencies we charge a commission when you buy or sell it. This commission is based on the notional value of the trade. Please check the amounts of commissions on our website.
	Currency conversion	Any cash, realized profit or loss, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account using the median prices of applicable FX pairs in the trading platform, where the median price is calculated as (offer price - bid price) / 2.

On-going costs	Financing costs (swaps)	Swaps are charges, which are incurred when a trade is kept overnight, to reflect the cost of funding your trade. Both long ("buy") and short ("sell") positions are subject to daily swap, which may be in favor of the client or against him/her depending on the instrument.
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Trading hours

CFDs on currency assets manufactured by Change Securities B.V. trade from Sunday 21:00 (GMT) to Friday 21:00 (GMT).

How long should I hold my position open and can I take my money out early?

There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a CFD position at any time during market hours.

How can I complain if I need to?

A retail investor may submit their complaints or grievances in relation to CFD trading, using the "Complaint Form" found on the website.

What happens if the manufacturer is unable to pay out?

Money that you have transferred to your margin account, i.e. the deposit is held by an independent foundation named Stichting Cliëntengelden Optionclub which keeps liquid assets at least equal to the sum of all customer balances of margin accounts. This means it is always guaranteed that all balances of margin accounts can be paid out. These funds are covered by the Dutch investor compensation scheme (ICS) operated by the Dutch central bank. The scheme guarantees that you will receive back your money deposited on the margin account up to EUR 20,000 or as may be updated from time to time.

Claims ensuing from investment losses suffered from CFD trading are not eligible for compensation.

Other relevant information

All investors must ensure that they have read and understood the terms and conditions and all the other relevant legal documents available on the website.