

**Key Information Document****Spot Forex (FX)****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 investing in this product and to help you compare it with other products.

**Product****Spot Forex (Foreign Exchange)**

Octa Markets Cyprus Ltd, the Manufacturer of this Product, is a company registered in Cyprus, Company Registration Number: HE 359992, authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC), under the license number 372/18.

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**Alert**

**You are about to purchase a product that is not simple and may be difficult to understand.**

**What is this product?****Type: Spot Forex**

Trading Spot Forex (FX) allows an investor to speculate on the price movement of the Spot FX pair. By trading on Spot FX, the investor will not take delivery of the currency at any point during the duration of the trade. Spot FX is always traded in currency pairs (e.g. EUR/USD) and involves the simultaneous buying and selling of two (2) different currencies. The first listed currency of a currency pair is called the “**Base**” currency and the second currency the “**Quote**” currency. The profit and loss will accrue in the “quote currency”. Currency pairs can be Major Currencies and Non-Major Currencies in nature. The maximum leverage ratio offered is 30:1 and 20:1, respectively.

**Objectives:**

The objective of trading Spot FX is to speculate on the price movement of a currency pair, using leverage, without taking delivery of the currency at any time. For example, if you believe the EUR will increase in value in relation to the USD, you will buy EUR/USD (also known as “**going long**”) with the intention of selling it later at a higher price. The difference between the price at which you buy and sell equates your profit minus any other costs (*see details below*). On the other hand, if you believe that the EUR will weaken in value in relation to the USD, then you will sell EUR/USD (also known as “**going short**”) with the intention of buying it later at a lower price. The difference between the price at which you sell and buy equates your profit minus any other costs (*see details below*). However, in both circumstances, if the market moves in the opposite direction to the one you have predicted, you will suffer losses. Trading with leverage can magnify both the profits and losses you make in relation to the investment.

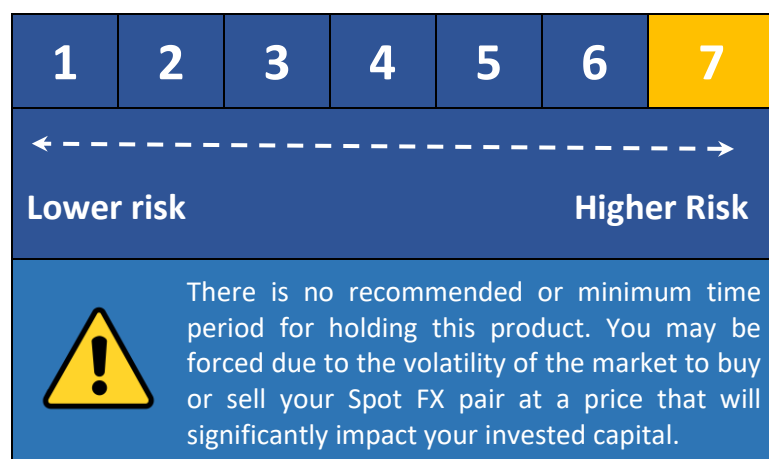
**Intended Retail Investor:**

Spot FX is intended for investors who have knowledge and experience with leveraged products, i.e. Investors who comprehend the key concepts of margin, leverage, and the risks of loss, and who have the financial means and ability to bear losses in excess of their initial invested amount. Spot FX is also intended for investors with high risk tolerance that intend to use the products for short-term speculative trading.

# What are the risk and what could I get in return?

## Risk Indicator

The summary risk indicator shows the risks of entering a Spot FX trade as compared to other products.



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 “**high**” risk class. This is due to the high likelihood of losing your entire investment and facing losses that can exceed your account balance (in this scenario **Octa Markets Cyprus Ltd will offset any negative balances** capping your maximum loss to the amount of your account). **Octa Markets Cyprus Ltd applies negative balance protection** in order to ensure that the company’s clients will not face any additional charges beyond their invested capital. Therefore, Octa Markets Cyprus Ltd complies with the Administrative Act of 8<sup>th</sup> of May 2017 of the German Federal Financial Supervisory Authority (BAFIN).

A FX Spot product does not protect against any adverse future market performance. Spreads may vary and the market may be subject to high volatility that can generate losses rapidly. An FX Spot product is a leveraged product, requiring only a proportion of the notional value to be deposited as initial margin. Using leverage, you gain larger exposure to a financial market by tying up only a relatively small amount of your capital. Trading with leverage can magnify both the profits and losses you make in relation to the investment.

### Be aware of currency risk

You may buy or sell Spot FX in a currency which is different to the currency that your account is denominated in. The final return you will get depends on the exchange rate between the two currencies (i.e. conversion of profit/loss quoted in the quote currency into the currency in which your account is denominated). This risk is not considered in the indicator displayed above.

### 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 and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product.

The table below shows the money you could get back under different scenarios, assuming that you buy one (1) lot of EUR/USD, notional 100.000 EUR at 1,17511 and your position is closed on the same day.

Leverage used is 100:1, i.e. 1% initial margin requirement = 1.000 EUR (100.000 x1%). Profit and Loss accrues at \$10 for every 0,0001 movement in the underlying price. The position is closed on the same day.

Long Performance Scenario	Closing Price	Price Change	Profit/Loss in USD
Favourable	1,18686	+1%	$(1,18686 - 1,17511) \times 100.000 =$ <b>1.175,11 Profit</b>
Moderate	1,16923	-0,5%	$(1,16923 - 1,17511) \times 100.000 =$ <b>- 587,56 Loss</b>
Unfavourable	1,16336	-1%	$(1,16336 - 1,17511) \times 100.000 =$ <b>- 1.175,11 Loss</b>
Stress	1,11635	-5%	$(1,11635 - 1,17511) \times 100.000 =$ <b>- 5.875,55 Loss</b>

**Note:** 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 Octa Markets Cyprus Ltd is unable to pay out?

If Octa Markets Cyprus Ltd is unable to meet its financial obligations to you, all eligible claimants' losses will be covered by the Investor Compensation Fund ("ICF"), up to investments of €20.000 per investor. For more information refer to CySEC website at <https://www.cysec.gov.cy/en-GB/complaints/tae/information/>.

## What are the costs?

One-off costs	Spread	The spread cost is the difference between the buy and the sell price. This cost is realized every time you open and close a trade (Entry and Exit Spread). As spreads are variable the size of the spread can be different when opening and closing a trade. To observe the spread levels for all financial instruments, please visit the following link: <a href="https://www.octafx.eu/trading-specifications/">https://www.octafx.eu/trading-specifications/</a>
	Profit Mark-Up	It is the Profit Mark-Up which the Company adds on the Raw Spreads received by the Price Feeder or the Liquidity Provider for the Market Maker or the STP (Straight-Through Processing) model, respectively. It is measured between 0 to 40 points (10 points equal to 1 pip).
	Currency Conversion	A currency conversion spread will be charged each time for converting any realized profits, losses and/or other fees that are denominated in a different currency to the Base Currency of your trading account. Currency conversion fee is inclusive in the 3-Days fee.
Ongoing Costs	3-days Fee (Open positions Financing cost)	<p>For every third night that a position is held open, a fee charge is subtracted from your account. The longer the position is held, the more the costs will accrue. Assuming one (1) lot in EUR/USD, either long (buy) or short (sell):</p> <ul style="list-style-type: none"><li>• MT5 Trading Platform: EUR/USD (1 Lot) = - 10 USD</li></ul> <p>You may observe the different applicable 3-days Fee per symbol on our website.</p> <ul style="list-style-type: none"><li>• MT5 Trading Accounts, at <a href="https://www.octafx.eu/trading-specifications/">https://www.octafx.eu/trading-specifications/</a></li></ul>
Incidental Costs	N/A	N/A

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

FX Spots are generally intended for short-term trading. Nevertheless, a position can be held for any duration, i.e. intra-day or for a longer period. The spread costs are not correlated to the duration of the Spot Forex trade; however, the 3-days Fee charges are applied every third (3<sup>rd</sup>) night the position is carried over. The position can be closed anytime during the hours that the market is open.

## How can I complain?

Should you wish to submit an official complaint, you should duly complete, sign and submit the complaints form that can be found in our website: [https://www.octafx.eu/files/pdf/Complaints\\_Procedure\\_Complaints\\_Form.pdf](https://www.octafx.eu/files/pdf/Complaints_Procedure_Complaints_Form.pdf), or via email to [complaints@octafx.eu](mailto:complaints@octafx.eu).

If you do not feel your complaint has been resolved satisfactorily, you can refer your complaint to the Cyprus Financial Ombudsman Service (FOS). Please, visit: <http://www.financialombudsman.gov.cy> for further information.

## Other relevant information

For further information on Spot Forex, please refer to our website: <https://www.octafx.eu/trading-specifications/>