

**PURPOSE**

This document provides you with key information about this investment product. It is not marketing or legally binding 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. Before deciding to open an account, we suggest that you read the whole document together with our terms and conditions.

**RISK ALERT**

**You are about to trade on a market that is not simple and may be difficult to understand.**

**PRODUCT**

This is a 'Contract for Differences' ("CFDs") on Currency Pairs ("Foreign Exchange" or "FOREX"). The Forex ("FX") we currently offer as CFDs can be found on our Website [here](#). This document was last updated in May 2019.

**MANUFACTURER**

Skilling Limited, formerly Finovel Cyprus Ltd, authorised and regulated by the Cyprus Securities and Exchange Commission, CIF License Number 357/18 (the "Company"), and Company Registration Number: 373524 with situated at 2nd Floor, Office 21, Athalassas 62, Strovolos 2012, Nicosia, Cyprus For more information please call 00357 - 22276710 or visit: [www.skilling.com](http://www.skilling.com).

**WHAT IS THIS PRODUCT?****WHAT ARE CFDs?**

CFDs are contracts between the two parties, to pay the difference between the opening and closing price of the underlying asset.

Please note that CFDs are leveraged products. The open positions are rolled over and charged a daily swap fee at the end of the day. Margin trading requires you to understand the underlying risk of the asset because you receive exposure to large profits if the price moves in your favor, you risk extensive losses if the price moves against you. When you fail to deposit additional funds to maintain the margin requirement as a result of a negative price movement may cause the CFD position to be auto-closed. This will result when your remaining account equity falls below the maintenance margin requirement.

**TYPE**

The product enables you to have exposure to fluctuations related to the underlying currency pair **without physically owning it**. A Forex contract is a type of Contract for Differences (CFD) which is an agreement between a buyer and a seller to exchange the difference in value of a particular underlying instrument for the period between when the contract is opened and when it is closed. The difference to be exchanged is determined daily by the change in the closing reference price of the underlying instrument. Thus, if the underlying instrument rises in price, the buyer receives cash from the seller and vice versa.

**HOW DOES CFDs ON FOREX WORK?**

When you enter into any order to Buy or Sell a CFD on one of our trading platforms, you trade with us as our counterparty. We are your Principal to each trade that you enter. Therefore, if your trade is profitable, we lose. If your trade is loss making, we earn a profit. Our profits or losses may be reduced by the level of hedging we may undertake to contain our trading risk. As an example – if you enter into a Buy trade of 100,000 units on EUR/USD when the underlying price of EUR/USD is USD 1.25, we will ask you to place a margin with us to enable you to trade. If the margin is 3.33% (30:1 Leverage), this means that as a minimum you will need to place USD 4167 with us. If the price of EUR/USD goes to USD 1.30, you will profit USD 5000, minus any relevant costs (detailed below). If it reduces to USD 1.20, you will lose USD 5000, plus any relevant costs (detailed below). Depending on whether we apply any notifications when your account is close to margin calls, we may ask you for more money to ensure your trade / position remains open, otherwise we may be forced to close your position.

**OBJECTIVES**

The objective of trading CFDs on currency pairs is to allow the trader to speculate on rising or falling prices in the underlying currency pair, by gaining exposure to the underlying currency pair.

**TERM**

CFDs on Forex are not listed instruments but are traded as 'over-the-counter' contracts between the client and the Company. Investors are required to pay an initial deposit, or margin, upfront when the position is opened. Trading on margin can enhance any losses or gains you make. This initial margin will be returned when the position is closed.

**RETAIL INVESTORS SUITABLE TO TRADE ON CFDs?**

Trading in this product is highly risky and will not be appropriate for everyone. It is suitable for investors who (i) have a high-risk tolerance; (ii) are trading with money they can afford to lose; (iii) have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and (iv) want to generally gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio.

**WHAT CAN I TRADE?**

With your account you can trade CFDs in the currency pairs indicated [here](#).

**RISK AND REWARD PROFILE**

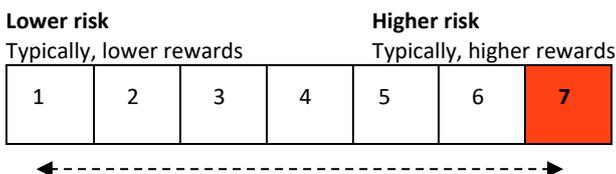
The primary advantage of CFDs over forex options is their pricing simplicity and the range of underlying instruments. For example, option pricing incorporates the time premium that decays as it nears expiration; whereas CFDs only reflect the price of the underlying security. Because CFDs do not have an expiration date, there is no premium to decay. You can expect the following benefits: 1) a cost-effective way to gain exposure to the forex market, which is highly liquid and easily traded, 2) a highly capital efficient way to participate in forex, 3) sell (short) CFDs, and benefit from a downward price movement, 4) the pricing of CFDs is transparent, 5) Wholesale interest rates are used in pricing and trading these instruments

even for a retail investor, 6) Direct market access (DMA), which means that you can trade directly on the exchange without Skilling Limited adding to the ruling bid/offer spread price; 6) subscribe to live prices; 7) Set up watchlists to track forex; and 8) Set up alerts to new opportunities that match your trading strategy;

The primary risk of CFDs is the risk that the other party in the contract is unable to meet their obligation; this is known as counterparty risk and market risk. Investors require margin to trade CFDs, subjecting the investor to margin calls should the value of the portfolio falls below the 50% of the total initial margin required to trade CFDs then we must close one or more of the investor's open positions. Profit and loss on CFD trades take place when an investor executes a closing trade. Since CFDs can employ a high degree of leverage, investors can lose money quickly should the price of the underlying security moves in the undesired direction. As such, investors should be careful when using CFDs.

**WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?**

The summary risk indicator (SRI) 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 at a very high level. Poor market conditions are very likely to impact the capacity of Skilling Limited to pay you.



The risk indicator is set at 7 (i.e. very high risk) due to the fact that:

- It is volatile and is subject to unforeseeable swings.
- Spread may widen with reduced liquidity.
- Your entire investment may be at risk.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Between 74-89% of retail investor accounts lose money when trading CFDs. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

**PERFORMANCE SCENARIOS**

This key information document is not specific to a particular product. It applies to a CFD on any forex that we offer on our platform. However, each CFD you enter into with us is specific to you and your choices. You will be responsible for choosing the underlying forex; when you open and close your position; the size of your position (and therefore the margin required, subject to margin limits for forex CFDs for Retail clients); and whether to use any risk management tools we offer such as stop loss orders.

The below table illustrates how your investment could perform (i.e. potential profit and loss) under different scenarios. \*

Performance Scenarios:		A Client with \$5,000 in their account with 30 to 1 leverage trading product with 3.33% margin requirement (Individual Tax liability is the responsibility of the client):
<b>Stress Scenario:</b>	Open Price: 1.2500 Close Price: 1.2380	A Client Buys 100,000 units of EURUSD at 1.2500. Price moves down to 1.2380 so client closed the position and loses 100,000 x (1.2380 – 1.2500) = -\$1,200. So, the client has made a loss of 19.2%. <b>New equity is \$5000-\$1200=\$3800.</b>
<b>Unfavourable Scenario:</b>	Open Price: 1.2500 Close Price: 1.2450	A Client Buys 100,000 units of EURUSD at 1.2500. Price moves down to 1.2450 so client closed the position and loses 100,000 x (1.2450 – 1.2500) = - \$500. So, the client has made a loss of 8%. <b>New equity is \$5000-\$500=\$4500.</b>
<b>Moderate Scenario:</b>	Open Price: 1.2500 Close Price: 1.2475	A Client Buys 100,000 units of EURUSD at 1.2500. Price moves down to 1.2475 so, client closed the position and loses 100,000 x (1.2475 – 1.2500) = - \$250. So, the client has made a loss of 4%. <b>New equity is \$5000-\$250=\$4750.</b>
<b>Favourable Scenario:</b>	Open Price: 1.2500 Close Price: 1.2605	A Client Buys 100,000 units of EURUSD at 1.2500. Price moves up to 1.2605 so client closed the position and makes 100,000 x (1.2605 – 1.2500) = \$1,050. So, the client has made a profit of 16.8%. <b>New equity is \$5000+\$1050=\$6050.</b>

**\*Overnight holding costs or commissions are not included\***

There are a few types of trading risk which you should be aware of before trading. Factors which affect the product's performance include but are not limited to:

- |  |                            |                           |
|--|----------------------------|---------------------------|
| - Leverage and Margin risk,            | - Market risk,             | - Market disruption risk, |
| - Online trading platform and IT risk, | - Conflicts of interest,   | - Currency risk,          |
| - Foreign exchange,                    | - Unregulated market risk, | - Counterparty risk,      |

The above-mentioned risks are non-exhaustive. Regarding currency risk, it is possible to receive payments in a currency which is different to the base currency of your account, so the final return you will receive depends on the exchange rate between the two currencies. This risk is not considered in the indicator mentioned above. Trading risks are magnified by leverage. In times of high volatility or market/economic uncertainty, values may fluctuate significantly. Such fluctuations are even more significant in case of leveraged positions and may adversely affect your positions. In the event of default, your positions may be closed out. You should carefully consider whether trading in leveraged products, such as CFDs, is appropriate for you. For more information on leverage and the Company's Risk Disclosure Policy please visit the Company's website [here](#).

Please ensure you fully understand the risks and take care to manage your exposure. It is important to ensure that you are comfortable with the level of risk your chosen instruments carry. If you are unsure of how to invest, a financial adviser may help you to make appropriate choices.

#### HOW LONG SHOULD I HOLD IT, AND CAN I TAKE MONEY OUT EARLY?

CFDs are generally not suitable for long term investments and are intended for short term trading. There is no minimum and/or recommended holding period for CFDs. As such, you can open and close a CFD at any time during market hours. Note that Skilling Limited may close your position without asking your prior consent if there is no sufficient margin in your account. You can request a withdrawal of available funds on your account at any time.

#### MINIMUM INVESTMENT

Each new FOREX position opened needs to have a minimum exposure value of \$1000. For instance, the initial deposit, or margin, is set at \$33.3 (with leverage ratio 1:30). On the minimum exposure value of \$1000 this would require 3.33% initial margin deposit.

#### WHAT ARE THE COSTS?

You are advised to get an understanding of all the one-off costs, ongoing costs and commission regarding CFDs on forex which you are about to trade. These charges will reduce any net profit or increase your losses. Please visit our website for more information on [associated costs and charges](#).\*

The table below indicates the minimum costs for a standard account type to trade CFDs on FX: Monetary fees based on a round transaction (open and close) of total nominal value of \$1,000,000 on EUR/USD\*

THIS TABLE PROVIDES THE DIFFERENT TYPES OF COSTS* FOR CFDs ON FOREX				
		Percentage Cost	Monetary Cost	
One-off costs	Spreads	0.008%	\$80	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 instrument being traded on.
	Commission	0.006%	\$60	The fee charged for the service of facilitating the transaction, subject to the minimum fee.
	Currency conversion rates	0%	-	The currency conversion rate is based on real-time market rates as presented on trading platform.
Ongoing costs	Overnight Swaps	For Buy (Long) positions: (Units * Price) * (1% / 365) + (Units * Tom Next Rate)	\$55.10	We charge you with overnight fees for facilitating you to maintain an open Buy position on EURUSD. Please read more information <a href="#">here</a> .
		For Sell (Short) positions: (Units * Price) * (1% / 365) – (Units * Tom Next Rate)	\$20.06	We credit you with overnight fees for facilitating you to maintain an open Sell position on EURUSD. Please read more information <a href="#">here</a> .
Incidental costs	Dividend	0%	-	Dividend charges are not applicable on FX
		0%	-	Dividend charges are not applicable on FX

#### ACCESS TO YOUR INVESTMENT

- You can view your account online anytime by logging onto our secure website.
- You can buy and sell CFDs on an Index during market hours.
- Depending on your bank, the transfer can take up to two (2) days.
- A sum of all holding costs will be credited to or debited from your account as applicable and will be visible within account history on the platform

#### TAX CONSIDERATIONS

As a trader, all profits are deemed as taxable income. You are then taxed on profits at your marginal tax rate. Skilling Limited does not provide yearly tax statements or any information about tax. For further tax considerations, please consult your financial adviser or tax consultant.

#### WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

If Skilling is unable to meet its financial obligations to you, you may lose the value of your investment with Skilling Limited. However, Skilling Limited is a member of the Investor Compensation Fund (ICF) for the Clients of CIFs, which secures the claims of the covered Clients against Cyprus Investment Firms, members of the ICF, through the payment of compensation which may not exceed €20,000 in total to each covered client, irrespective of the number of accounts held, currency and place of offering the investment service. For more information, please read our [Business Terms and Conditions](#).

#### HOW CAN I COMPLAIN?

If you have a complaint about the product or the conduct of manufacturer or the distribution and sale of the product, then you should contact the Compliance Department at Skilling Limited by email [compliance@skilling.com](mailto:compliance@skilling.com) or by post '62 Athalassas Avenue, 2nd Floor, 2012 Strovolos, Nicosia', in writing as shown in our [Complaint Handling Policy](#). If you are not satisfied with our final response to your complaint, then you can contact the [Financial Ombudsman of the Republic of Cyprus](#) as well as inform the Cyprus Securities and Exchange Commission ("CySEC") [here](#).

#### OTHER RELEVANT INFORMATION

Further information with regards to this product can be found on our website. You should ensure that you read the Terms of Business, Leverage Policy, Order Execution Policy, Conflicts of Interest Policy, Risk Disclosure Policy and Privacy Policy displayed in the legal section of our website [here](#). Such information is also available on request.