Key Information Document – Contracts for Difference (“CFDs) on Commodities

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. This Key Information Document (“KID”) was last updated in October 2020.

Product

CFDs on Commodities, hereinafter referred to as the “Product” is a product manufactured by iTrade Global (CY) Ltd (the “Company”) authorised and regulated by Cyprus Securities and Exchange Commission (“CySEC”) with Licence Number 298/16. Website: www.tradefw.com Email: compliancefw@tradefw.com

Risk Warning: *“You are about to purchase a product that is not simple and may be difficult to understand.”*

What is this product? You are about to trade in a CFD with the underlying instrument being Commodities.

What is CFD? - A CFD is a tradable instrument which represents a contract between two parties to exchange the difference between the current price of an underlying instrument and its price on the day the agreement expires. CFDs are leveraged products, enabling investors to make transactions with only a small margin (deposit). The underlying instrument is never actually owned by you and the profit or loss is determined by the difference between the buying and the selling price of the CFD, minus any relevant costs (detailed below).

What is the underlying instrument? – The Company may offer CFDs on different underlying instruments. In this case it is a CFD linked to Commodities. The Commodities we currently offer as CFDs can be found on our Website.

An investor has the choice to buy (or go “long”) the CFD to benefit from rising Commodities prices; or to sell (or go “short”) the CFD to benefit from falling Commodity prices. The price of the CFD on a Commodity is derived from the price of the underlying Commodity, which may be either the current spot price or the future’s price. CFDs are leveraged products and in order to place a CFD Order on a Commodity, an investor is required to maintain a margin. Margin is usually a relatively modest proportion of the overall contract value in money terms therefore the investor shall be trading using “leverage”. This means a relatively small market movement can lead to a proportionately larger movement in the value of the investor’s positions, and this can work both to his advantage and disadvantage. At all times during which the investor opens trades, they must maintain enough equity, consider all running profits and losses, for meeting the margin requirements. If the market moves against the investor’s position and/or Margin requirements are increased, the investor may be called upon to deposit additional funds on short notice to maintain his/her position. Failing to comply with a request for a deposit of additional funds, may result in closure of his/her position(s). At the end of the day any open positions are rolled over and charged a daily swap fee. CFDs on Commodities do not have a recommended holding period and it is down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives.

Objectives - By trading a CFD an investor gains an indirect exposure to the underlying financial instrument without owning it. Through trading, investor receives by the company exposure to the performance of the underlying asset, but do not receive any ownership or other rights to such underlying asset. This product is appropriate only for speculative investment purposes.

Intended retail investor - Trading in this product is highly speculative and involves a significant risk of loss. This product is for clients with a relatively short-term investment horizon, and is not suitable for all investors but only for those who i) understand and are willing to bear the risks involved, including the risks associated with margin trading; ii) possess the necessary experience and knowledge about trading in derivatives and the underlying instruments; and iii) are financially able to bear the risk of a total loss of their invested amounts, subject to the negative balance protection mechanism offered by the Company.

Term - CFDs on Commodities generally do not have an expiration date and therefore it is up to the investor to open and close the position. Investor should be aware that if margin level falls below the Margin Close Out Level of 50%, he/she will receive a stop out or margin call and the positions will start liquidating, without notice.

What are the risks and what could I get in return?

Risk Indicator

Lower Risk ← → Higher Risk

Typically lower rewards — Typically higher rewards

1	2	3	4	5	6	7

Signification of the indicator This indicator measures the level of risk at which your investment may be exposed. The risk category is not guaranteed and may shift over time. The lowest category does not mean «risk-free». The CFDs on commodities display a grade of 7 on a scale ranging from 1 to 7 (1 being the less risky category). They therefore exhibit (because also of leverage) the highest risk characteristics.

"What you profit/lose will vary depending on how the market performs and how long you keep your position open. However, there is no capital protection against market risk, credit risk or liquidity risk"

General CFD risks

- CFDs are complex financial instruments and are traded Over the Counter ("OTC"). You can only exit a position by trading with us, during the trading hours of the underlying instrument as stated on our Website. You cannot transfer your open positions/trades to any other firm.
- You do not own the underlying asset. Through your trade with us, you receive by us exposure to the performance of the underlying asset, but you do not receive any ownership or other rights to such underlying asset.
- CFDs are leveraged products. You only need a small margin for getting exposure to the underlying asset. Leverage can magnify both your profits as well as your losses.
- Statistically, because of leverage, a significant part of clients loses because leverage amplifies losses, leading to margin calls and closures of clients' open positions. We operate a Negative Balance Protection i.e. you cannot lose more than the equity of your trading account, however you risk losing the capital invested with us.
- CFD trading is undertaken on electronic platforms. There may be times that system or other breakdowns arise. This may affect your ability to trade, or our ability to offer continuous prices or create a need for subsequent adjustment of prices to reflect underlying exchange prices.
- Prices of CFDs as well as their commercial terms like the spreads and overnight fees may vary to reflect periods of actual or expected heightened market volatility.
- Depending on the currency your trading account is denominated and the currency of the underlying instrument you trade, your final return may be exposed to the exchange rate risk between the two currencies.
- The tax legislation of your home Member State may have an impact on your return.

Share specific risks -CFDs on Commodities can be generally affected by:

- CFDs on Commodities do not have an expiration date. Unless the relevant CFD order is closed by you, the CFD is automatically rolled over to the next underlying Commodities contract, usually one week before the official expiration day. This is known as the Expiration Rollover.
- Therefore, where you have open positions that you do not wish to have rolled over to reflect effectively the new tradable Commodities contract, you should close your position(s) and/or cancel Orders before the rollover date. For further information, you can refer to our website.

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 value of this investment varies, and are not an exact indicator. 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 you get will vary depending 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 table below shows the money you could get back under different scenarios, assuming that you buy.

Commodities CFD (Crude Oil, held overnight)			
		Bid	Ask
Balance (USD)	698.00		
Opening Price	P	63.45	63.48
Trade size (Volume)	TS	100	100
Margin %	M	10.00%	10.00%
Margin Requirement (in USD)	P x TS x M	634.50	634.80
Notional value of the trade (in USD)	P x TS	6,345.00	6,348.00
Ongoing Costs			
Daily premium %	DP%	-0.0069%	-0.0153%

	LONG POSITION				SHORT POSITION			
	Closing Price	% Price change	Overnight Rollover Swaps CP x TS x DP%	Profit/ Loss after costs (in USD)	Closing Price	% Price change	Overnight Rollover Swaps CP x TS x DP%	Profit/Loss after costs (in USD)
Favourable	64.43	1.50%	-0.99	94.23	62.50	-1.50%	-0.43	94.74
Moderate	63.99	0.80%	-0.98	49.80	62.94	-0.80%	-0.43	50.33
Unfavourable	62.53	-1.50%	-0.96	-96.18	64.40	1.50%	-0.44	-95.62
Stress*	59.67	-6.00%	-0.91	-381.79	67.26	6.00%	-0.46	-381.16

*The position will be automatically liquidated once the margin close out level of 50% is reached.

"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 can be lower. These performance scenarios assume you only have one position open and does not take into account the negative or positive cumulative balance you may have if you have multiple open positions with us."

What happens if the Company is unable to pay out? The investor can incur a financial loss related to the Company's failure to perform an obligation. In the event of the Company's insolvency, investors are entitled to claim compensations from the Investor Compensation Fund ("ICF") which covers eligible investments up to EUR 20.000 or 90% of the covered investor's claim, whichever is lower, per person, per firm. The Company is a member of the Investor Compensation Fund and more information can be found on the website of the Company. The Company clarifies that all retail client funds are segregated from the Company's own funds in accordance with the applicable regulatory requirements.

What are the costs?

One off costs	Spread	Applicable to all instruments- A spread is the difference between the bid (buy) and the ask (sell) price on the specific instrument you trade. This cost is realized every time you open and close a trade. Please refer to our website.
	Commission	Not applicable
	Currency Conversion	Applicable to all instruments. This is the cost for converting realized profits and losses as well as any costs and charges that are denominated in a currency other than the base currency of your trading account. Please refer to our website.
Ongoing charges	Swap Point Rates	Applicable to all instruments. This is the swap cost for keeping your position open overnight. Please refer to our website.

How long should I hold the product, and can I take the money out earlier?

- The Company does not prescribe a holding period for any position (buy or sell).
- CFDs are intended for short term trading, in some cases intraday and are generally not suitable for long-term investments. There is no recommended holding period nor a cancellation period. You can open and close a CFD on Commodities at any time during the market trading hours of each CFD.
- You can only exit an open trade by entering into an opposite trade, only with us, during the trading hours of the market of the underlying instrument being made available by us on our Website.

How to complain? - The investor can submit a complaint to the Company regarding the products and services offered by the Company by post to: Isiodou, Andrea Laskaratou & Emanouel Roides Street 10-12, 2nd Floor, Ayia Zoni, 3031 Limassol, Cyprus and/or by email at: complaints@tradefw.com, phone number: +35725262126. In case the final decision does not satisfy the complainant's demands, the latter may file a complaint through the Financial Ombudsman (www.financialombudsman.gov.cy), the CySEC or the relevant courts.

Other relevant information -All additional documents containing comprehensive information regarding the product, including detailed information regarding fees and product features, are presented on the Company's website. All investors should ensure that they read and understand the Terms and Conditions, Order Execution and Best Interest Policy, Risk Disclosure Notice and Conflict of Interest Policy which can be found on the Company's website.