

Monecor (Europe) Limited (formally named Minden Investments and Insurance Advisers and Sub Agents Limited)
Key Information Document – Cryptocurrency

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 this product and to help you compare it with other products.

Cryptocurrency CFDs are provided by **Monecor (Europe) Limited**, (formally named Minden Investments and Insurance Advisers and Sub Agents Limited) authorized by the Cyprus Securities and Exchange Commission (“CySEC”) under license number 096/08. Call 00357 22 150666 or go to www.etxcapital.com for more information.



This document was created/last updated on 14th September 2019.

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

What is this product?

Type: CFD on Cryptocurrency

CFDs on cryptocurrencies are derivative financial instruments traded Over the Counter ("OTC"), i.e. the trading is concluded outside a regulated exchange or venue and between the client and the Company, where the Company agrees to settle in cash the performance of the asset the client decides to speculate on. With this CFD you can speculate on the price movement (positive or negative performance) of cryptocurrencies without actually investing in or owning the underlying asset, by buying and selling contracts i.e. speculate on the rise or fall of cryptocurrencies' prices. For instance, if an investor is long an interest rate CFD and the price of the underlying cryptocurrency market rises, the value of the CFD will increase - at the end of the contract Monecor (Europe) Limited will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor is long and the price of the underlying cryptocurrency market falls, the value of the CFD will decrease - at the end of the contract they will pay Monecor (Europe) Limited the difference between the closing value of the contract and the opening value of the contract.

One of the key features of CFDs is that they are traded on a margin or leverage basis meaning that you will only need to commit a small proportion of the notional value of the contract as margin. This means however that the size of your positions and potential profits and losses are magnified relative to your investment resulting in greater risks. It also means that you may lose more than you invest.

Objective

The objective of trading CFDs is to speculate on price movements in an underlying asset. Your return depends on movements in the price of the underlying asset and the size of your position. The price of a Cryptocurrency CFD contract is determined by reference to the price of the quoted underlying cryptocurrency and fiat currency pairs (for example BTC/USD, ETH/EUR, LTC/USD).

Our pricing data and market on the Cryptocurrencies are originated from the digital decentralized exchanges the Cryptocurrencies are traded on. Considering that such exchanges are not regulated, the market data and price feed information provided by such exchanges may be subject to the internal rules and practices of such exchanges which may significantly differ from the rules and practices observed by the regulated exchanges. Therefore, the pricing formation rules of the Cryptocurrency exchanges are not subject to any regulatory supervision and may be changed at the relevant digital exchange's discretion at any time. No trade will entitle you to any rights in relation to the underlying currencies including any rights to delivery, acquisition or ownership.

Cryptocurrencies markets are determined by demand and supply only. The cryptocurrencies market is a dynamic arena and their respective prices are often highly unpredictable and volatile. The prices of Cryptocurrency are usually not transparent and highly speculative and susceptible to market manipulation. Cryptocurrency not backed by any central organisation and freely transacted across the globe.

Also, such digital exchanges may introduce trading suspensions or take other actions that may result in suspension or cessation of trading on such exchanges or the price and market data feed becoming unavailable to us. The above factors could result in material adverse effect on your open positions, including the loss of all of your invested amounts.

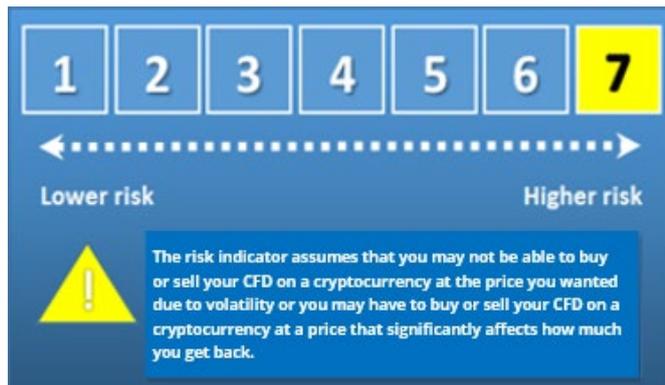
Visit our website for further information in relation to the CFDs on cryptocurrencies.

Intended Retail Investor

CFDs are intended for investors who have knowledge of, or are experienced with, leveraged products. Likely investors will understand how the prices of CFDs are derived, the key concepts of margin and leverage and the fact that losses may exceed deposits. Indeed, they will understand the risk/reward profile of the product compared to traditional share dealing. Investors will also have appropriate financial means and the ability to bear losses in excess of the initial 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.

CFD on cryptocurrencies are leveraged products that can generate losses rapidly. In some circumstances you may be required to make further payments to keep your positions open. The volatility associated with cryptocurrencies may

result in your capital being at greater risk than other CFD products.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **The majority 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.

Be aware of currency risk. It is possible to buy or sell CFDs on a cryptocurrency in a currency which is different to the base currency of your account. The final return you may get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

You can lose all, but not more than the balance of your Trading Account. Market conditions may mean that your CFD trade is closed at a less favourable price, which could significantly impact how much you get back. We may close your open CFD trade if you do not maintain the minimum margin that is required, if you are in debt to the company, or if you contravene market regulations. This process may be automated. This product does not include any protection from future market performance so you could lose some or all of your investment.

Cryptocurrencies are only offered during trading hours as and when they are made available. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see "what happens if we are unable to pay you"). The indicator shown above does not consider this protection.

Performance scenarios

There are a number of factors that may affect the performance of an instrument, which you should be aware of before you begin to trade, including, but not limited to: Leverage risk, Risk of unlimited loss, Margin risk, Foreign exchange risk, Market risk, Unregulated market risk, Market disruption risk, Counterparty risk, Online trading platform and IT risk, Conflicts of interest.

The scenarios shown illustrate how your investment could perform. 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. What you get will vary depending on how the market performs and how long you hold the CFD.

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

For example, If the investor buys \$4 of a point of bitcoins against USD in the marketplace at a price 7043.7. The margin is at 50%, therefore the Margin Requirement for this trade is \$ 14,087.40 (4 x 7043.70 x 50%). This means that for each 1 point change in the price of the underlying market so the value of the spread bet changes by \$1. For instance, if the investor is long and the market increases in value, a \$1 profit will be made for every 1 point increase in that market. However if the market decreases in value, a \$1 loss will be incurred for each point the market decreases in value.

Cryptocurrency CFD		
opening price:	P	7043.7
Trade size (per CFD):	TS	4
Margin %:	M	50%
Margin Requirement (\$):	$MR = P \times TS \times M$	\$ 14,087.40
Notional value of the trade (\$):	$TN = P \times TS$	\$28,174.80

Table 1

LONG Performance Scenario	Closing Price (Inc. Spread)	Price Change	Profit/Loss	SHORT Performance scenario	Closing Price (inc. spread)	Price Change	Profit/Loss
Favourable	7149.36	1.5%	\$422.62	Favourable	6938.05	-1.5%	\$422.62
Moderate	7078.92	0.5%	\$140.87	Moderate	7008.48	-0.5%	\$140.87
Unfavourable	6938.05	-1.5%	-\$422.62	Unfavourable	7149.36	1.5%	-\$422.62
Stress	6691.52	-5%	-\$1408.74	Stress	7395.88	5%	-\$1408.74

The figures shown include all the costs of the product itself. 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 cost that you pay to them. The figures do not take into account your personal tax situation, which may also affect how much you get back. For more information and examples please see the Monecor (Europe) Limited website.

Opening price

There is no regulated Exchange, yet, that offers a Bitcoin feed. Monecor (Europe) Limited offers our pricing from Reuters, which we have monitored through the day and night for some time and which seems to be stable and reliable. The Reuters price is sourced via two exchanges BITSTAMP and itBit.

What happens if Monecor (Europe) Limited is unable to pay out?

For CFDs, in case of our financial default you may seek compensation from the Investor Compensation Fund ("ICF") of Cyprus Investment Firms. The 90% of the cumulative covered claims of the covered investor, or the amount of €20,000, whichever is lower. ICF Rules apply, including with respect to your categorization and eligibility. In general, retail clients are covered by the ICF.

What are the costs?

Trading a CFD on Cryptocurrency incurs the following costs:

This table shows the different types of cost categories and their meaning		
One-off entry and exit costs	Spread	Monecor (Europe) Limited only charges a market spread.
	Currency conversion	Any cash, realised profit and losses, 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 and a currency conversion fee will be charged to your account.
	Commission	You will be charged a commission on each trade.
Ongoing costs	Daily holding cost	A fee is charged to your account for every night that your position is held. This means the longer you hold a position, the more it costs.
Incidental costs	Distributor fee	We may from time to time where permitted by applicable law share a proportion of our spread, commissions and other account fees with other persons including a distributor that may have introduced you.

Tax Considerations

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

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 longer term investment. There is no recommended holding period, no cancellation period and therefore there are no cancellation fees. You can open a CFD trade at any time it is made available during trading hours. It is possible to exit a CFD trade before it expires (before the pre-close period) without incurring fees.

How can I complain?

If you wish to make a complaint, you should contact our Client Management Team on 00357 22 150666, by emailing enquiries@etxcapital.com or in writing to Mezzanie Floor, 62 Athallasas Avenue, Strovolos 2012, Nicosia, Cyprus. If you do not feel that your complaint has been resolved satisfactorily, you can refer your complaint to the Financial Ombudsman of the Republic of Cyprus. For more information please visit <http://www.financialombudsman.gov.cy>. Alternatively, you may submit your complaint to the CySEC at <http://www.cysec.gov.cy/en-GB/complaints/how-to-complain/> or other competent authorities. You may refer to the relevant Cypriot Courts or Alternative Dispute Resolution (ADR) mechanisms. For further clarifications please refer to our Complaints Handling Policy.

Other relevant information

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected (improve or get worse). Ensure your internet signal strength is sufficient before trading.

When trading in CFDs where the underlying asset is a Cryptocurrency, you need to take in consideration that Cryptocurrencies are traded on non-regulated decentralized digital exchanges. Accordingly, price formation and price movements of the Cryptocurrencies depend solely on the internal rules of the particular digital exchange, which may be subject to change at any point in time and without notice which often leads to very high intra-day volatility in the prices.

The Legal Documents section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.

The Product Overview on our platform contains additional information on trading a CFD.