

Monecor (Europe) 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 offered by **Monecor (Europe) Ltd**, authorized by the Cyprus Securities and Exchange Commission ("CySEC") under license number 096/08.

Call 00357 22 150666 or go to www.etxcapital.com/en-cy for more information.



This document was created/last updated on November the 3rd h, 2020.

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. Price movements in the value of the underlying asset are measured in points. For instance, if a client 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 ETX Capital will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if a client 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 ETX Capital 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.**

Objective

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying index (whether up or down). The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin and is one of the key features of trading CFDs. Trading on margin can enhance losses or gains you make. There is no 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.

For more information and examples of the key features of trading CFDs please see the ETX website.

<https://www.etxcapital.com/en-cy>.

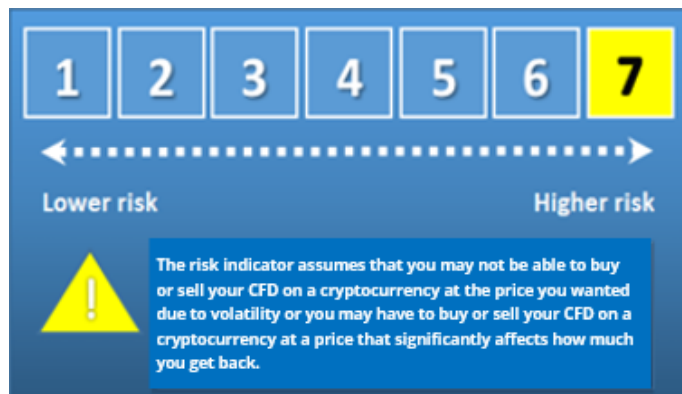
Failure to deposit additional funds in the case of negative price movement may result in the CFD being auto closed. This will occur when losses exceed the specified margin level for the product. ETX Capital also retains the ability to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached. A margin close-out protection is required for all retail investors, please see details below.

Intended Retail Client

CFDs are intended for clients who have knowledge of, or are experienced with, leveraged products. Likely clients 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. Clients will also have appropriate financial means and the ability to bear losses in excess of the initial amount invested. In times of high volatility and or macroeconomic uncertainty, asset values may fluctuate significantly and adversely affect a client's position. Such fluctuations can be even more significant in the case of leveraged products such as CFDs.

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 cryptocurrencies are products that can generate losses rapidly. Losses can exceed the amount invested and you may be required to deposit additional funds in order

to keep your positions open. **Losses may be incurred. Retail clients are subject to negative balance protection and your losses cannot exceed the amount invested.** The volatility associated with cryptocurrencies may result in your capital being at greater risk than other CFD products. The risks included in this paragraph are non-exhaustive and a comprehensive description of the risks involved can be found at ETX Risk Warning Notice. <https://www.etxcapital.com/en-cy/legal/risk-warning-notice>.

Be aware of currency risk. It is possible to buy or sell CFDs on an equity 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.

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.

For all retail clients, a margin close-out protection is applied on an account level basis. This means that when the value of the account falls below 50% of the initial margin requirement (that was paid to enter into a CFD position at any point in time), one or more CFDs positions will be closed out as soon as market conditions allow. We may set a higher percentage than 50%.

This product does not include any protection from future market performance. 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

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 client 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 client 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		
Index 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%	\$422.6 2	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.

What happens if ETX Capital is unable to pay out?

For CFDs on underlying instruments other than cryptocurrencies, in case of our financial default you may seek compensation from the Investor Compensation Fund ("ICF") of Cyprus Investment Firms. The maximum compensation is Euro 20,000. 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 an equity incurs one-off, ongoing, incidental and other costs. The following costs and charges will reduce any net profit or increase your losses.

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.
	Commission	You will be charged a commission on each trade.
	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.
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.
Other costs	Rollover costs	We charge you to roll over a futures contract into the next month or quarter, equal to half the applicable spread to open and close a trade.

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. Please note that a fee charge to your account will be applied for each overnight position carried over.

How can I complain?

If you wish to make a complaint, you should call on 00357 22 150666, by emailing customer.service@etxcapital.com or in writing to 3rd Floor, 31, 62 Athallas 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 details please refer to our Complaints Handling Policy at: <https://www.etxcapital.com/en/legal/complaints-procedure>.

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.

The Legal section of our website contains important information regarding the terms and conditions relating to your trading with ETX Capital. You should ensure that you are familiar with all the terms and any other policies that apply to your account. <https://www.etxcapital.com/en-cy/lega>.