

Key Information Document - Contract for Differences (CFD) on an FX pair

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.

Product:	Name of Product:	Contract for Difference (CFD)
	Manufacturer:	GKFX Financial Services Limited
	Competent Authority:	Financial Conduct Authority - UK
	Firm Contact Details:	Web: www.gkfx.co.uk Tel: +44 (0)20 7186 1212
	Date of document:	1 January 2018



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

What is this product?

Type Contract for Differences on an FX pair - EURUSD (Euro vs. US dollar)

Objectives This product aims to allow investors to take advantage of prices moving up (long positions) or prices moving down (short positions) on underlying financial instruments. It is often used to speculate on those markets. Trading this product enables investors to have exposure to price movements of an underlying financial instrument without actually owning it.

Intended retail investor

Investors who have knowledge or experience of trading in leveraged products, and wish to have exposure to exchange rates on the currency markets, such as;

- Hedgers who seek to reduce risk by protecting an existing currency exposure against possible adverse price movements in the relevant exchange rate. Hedgers have a real interest in the underlying currency and use CFDs as a means of preserving their future rate of exchange;
- Speculators who use CFDs in the hope of making a profit on short-term movements. They often buy and sell derivatives contracts in their own right without transacting in the underlying financial instrument. Speculators may have no interest in the underlying financial instrument other than taking a view on the future direction of its price.

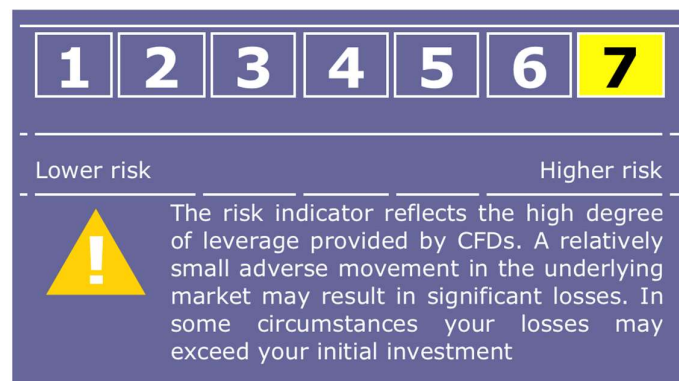
This product is not appropriate for everyone, and should only be used by investors that are able to bear losses, and understand the mechanics and risks of leveraged trading including the use of margin deposits.

Term

- CFDs are generally used for short term trading, often intra-day, so this product has no maturity date or cancellation period. We may unilaterally close your CFD contract(s) if you do not maintain sufficient margin in your account at all times.

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 at a very high level, as this is a leveraged financial derivative and a small movement in the underlying market may have a large impact on the value of the CFD.

The CFD products that we offer are not listed on a regulated market, and can only be closed with us and not with any other CFD provider. If you fail to maintain an adequate margin deposit to cover any losses, we may close your position without further reference to you.

Be aware of currency risk. You may receive payments in different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator above.

This product does not include any protection from future market performance and in some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount deposited.**

If we are not able to pay you what is owed, you could lose your entire deposit, however, you may benefit from a consumer protection scheme (see section “what happens if we are unable to pay you”). The indicator shown above does not consider this protection.

Performance scenarios

EURUSD Notional value €100,000 Minimum margin requirement €250		Long	Short
Stress scenario	What you might (lose) after costs As a percentage of notional As a percentage of initial margin	(\$1,470.88) (1.26%) (502.86%)	(\$1,926.51) (1.65%) (658.64%)
Unfavourable scenario	What you might (lose) after costs As a percentage of notional As a percentage of initial margin	(\$735.73) (0.63%) (251.53%)	(\$700.48) (0.60%) (239.48%)
Moderate scenario	What you might make (lose) after costs As a percentage of notional As a percentage of initial margin	(\$6.49) (0.01%) (2.22%)	(\$13.96) (0.01%) (4.77%)
Favourable scenario	What you might make after costs As a percentage of notional As a percentage of initial margin	\$680.09 0.58% 232.51%	\$715.22 0.61% 244.52%

This table shows the money you could make or lose over one day (illustrative holding period), under different scenarios, assuming that your contract has a notional value of €100,000 and would require a minimum initial margin deposit of 0.25% (€250) to open. The scenarios shown illustrate how your contract could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on five years of daily price data on the underlying financial instrument. The market may perform differently in the future. Intra-day movements may exceed daily movements. What you make or lose will vary depending on how the market performs and how long you keep the contract open. Note that your contract may be closed automatically if you do not maintain sufficient margin in your account. The stress scenario shows what you might get back in extreme market circumstances, but it is not the worst case and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself, but may not include all the costs you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Effect of leverage



Please note that leverage will magnify any profits or losses based on the price movements in the underlying financial instrument. For example, on a leverage of 400:1 you would be required to deposit and maintain a minimum initial margin deposit of 0.25% of the notional value of your contract.

In the performance scenarios above, based on a notional contract value of €100,000 and leverage of 400:1, you would be required to deposit €250 as initial margin. If the value of underlying financial instrument moved against you by more than 0.25%, you would lose all of your initial margin deposit, and be required to deposit more funds to cover your losses.

What happens if we are unable to pay out?

We participate in the Financial Services Compensation Scheme (FSCS), which means you may be entitled to compensation from the FSCS if we are unable to pay, subject to a maximum compensation of GBP 50,000. Further information about the compensation is available from the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU, United Kingdom (www.fscs.org.uk).

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, on-going and incidental costs. The amounts shown here are the cumulative costs of the product itself, for an illustrative holding period of one day. The figures assume a notional contract value of €100,000 with a minimum initial margin deposit of €250. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Cost Scenarios Notional value €100,000	Long If you close after one day	Short If you close after one day
Total costs	\$23.61	\$8.61
RIY as a percentage of notional value	(0.02%) per day	(0.01%) per day
RIY as a percentage of initial margin	(9.44%) per day	(3.44%) per day

Composition of costs

This table shows the different costs involved with our CFD products:				
		Long	Short	
One-off costs	Entry and exit costs - Spread	(\$15.00)	(\$15.00)	The spread is the difference between the buy price and the sell price that we quote on our trading platform and is payable on opening and closing a contract. You could pay more or less depending on the spread rates at the time of contract.
Recurring costs	Overnight holding costs	(\$8.61)	\$6.39	Where you hold a position overnight, an overnight holding cost may be debited or credited to your account based on financing rates.
Incidental costs	Currency conversion	A currency conversion fee may be charged where your trades are denominated in a currency other than the base currency of your account.		

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

CFDs are generally used for short term trading on price movements, often intra-day. This product has no minimum or recommended holding period and you can close your contract at any time during market hours.

How can I complain?

If you have any complaints about the product or conduct of **GKFX Financial Services Ltd** or the person advising on or selling the product, you may lodge your complaint in one of the three ways:

- You can contact us by calling our Customer Services team on **+44 (0)20 7186 1212** who will explain what to do;
- You can log your complaint by emailing us on support@gkfx.com
- You can write to us at GKFX Financial Services Ltd, Bevis Marks House, 24 Bevis Marks, London EC3A 7JB, United Kingdom

After receiving our final decision for the relevant complaint, if you are still dissatisfied with our handling or findings in relation to that complaint, you may refer the matter to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR, United Kingdom www.financial-ombudsman.org.uk for further investigation and resolution.

Other relevant information

This document is only a high-level summary of this product. You can find our Key Information Documents and further information, including performance scenarios, relating to the other products we offer on our website at www.gkfx.com