

KEY INFORMATION DOCUMENT

Purpose

This document aims to provide you with key information regarding the specified 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

Product name: Contract for Difference (CFD) for Currency Pairs (Forex CFD),
Product Manufacturer: AGM Markets Limited,
Authorization: # 145/11 issued by Cyprus Securities and Exchange Commission (CySEC),
Website: <https://www.agmmarkets.com/>, **Telephone:** + 357 25 103 760, **Date of revision:** 31.12.2017.

PLEASE NOTE THAT YOU ARE ABOUT TO PURCHASE A PRODUCT THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND!

What is this product?

Forex CFDs are Over-The-Counter (OTC) Derivatives, and are not admitted to trading on organized trading venues. The positions you are taking in those derivatives can be covered by the Company with other brokers (so called A-Book). Forex CFDs rely on leverage (ex., in case of 1:30 leverage and investment of EUR 1 000 you can open positions with a size up to EUR 30 000).

The objective of the CFD for an investor is to receive profits from changes in exchange rates in the Products' underlying currency pairs. Due to high possible leverage (up to 1:30 in certain cases) the small short term changes in exchange rates can result in substantial profits in case the investor has taken position in his favour. The opposite is also true – in case the investor was wrong about the future rate movement, the losses can equal to all the capital invested.

Intended retail investor

Trading in this product will not be appropriate for everyone. This product would commonly be used by persons who want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a high risk tolerance; and understand the impact of and risks associated with margin trading.

Knowledge Must have base knowledge about the FX products:

- Basic principles of leveraged trading
- Basic understanding of order types, profits & losses calculations, gaps

Experience Must have experience in FX derivatives trading.

Risk Tolerance Must have an ability to bear risks of 100% losses of initial deposit.

Insurance benefits and costs

The Company has a membership in the Investor Compensation Fund (ICF). The Fund provides insured clients of the companies registered in the CySEC with compensations up to 20,000 EUR. More info at:

https://www.agmmarkets.com/download/docs/investor_compensation_fund_policy.pdf

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



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.

The Derivatives we offer fall into Category 4 under Section of COMMISSION DELEGATED REGULATION (EU) 2017/653 We have classified this product as [1/2/3/4/5/6/7] out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level.

There is no recommended holding period for the CFDs, however, very short holding period (less than 2-3 seconds) can be considered as non-appropriate.

The Negative Balance Protection on an account level is implemented for Forex CFDs provided by our Company, however, there is a risk of losing all your invested capital in case of adverse market movements.

Financial Leverage: The high degree of "gearing" or "leverage" is a particular feature of derivative Financial Instruments. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade.

Stop Out: The investor will have access to the information on the level of its margin through the trading platform, in particular on the need to deposit additional funds. If you do not do so and if the Margin Level of the investor's account less than Stop Out level, the Company has the right to close open positions on the account of the client.

When the account Margin falls below 100% positions will be closed, thus limiting losses.

Be aware of currency risk. You might receive payments in a 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 shown above.

All clients have a negative balance protection in accordance with the legislation requirements. Clients can be sure that in any case they will not be charged more than they intended to invest into the market.

Risk Factor	Description
Volatility of price and limitation on the available market	CFDs are not suitable for "buy and hold" trading. They can require constant monitoring over a short period of time (minutes/hours/days). Even maintaining your investment overnight exposes you to greater risk and additional cost. The prices of derivative Financial Instruments and CFDs and the Underlying Reference Instruments and Indices may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company.
Liquidity risk	Liquidity risk affects your ability to trade. It is the risk that your CFD or asset cannot be traded at the time you want to trade (to prevent a loss, or to make a profit).
"Stop loss" limits	To limit losses many CFD providers offer you the opportunity to choose "stop loss" limits. This automatically closes your position when it reaches a price limit of your choice. There are some circumstances in which a "stop loss" limit is ineffective - for example, where there are rapid price movements, or market closure. Stop loss limits cannot always protect you from losses.
Execution risk	Execution risk is associated with the fact that trades may not take place immediately. For example, there might be a time lag between the moment you place your order and the moment it is executed. In this period, the market might have moved against you. That is, your order is not executed at the price you expected.
Counterparty risk	Counterparty risk is the risk that the provider issuing the CFD (i.e. your counterparty) defaults and is unable to meet its financial obligations. If your funds are not properly segregated from the CFD provider's funds, and the CFD provider faces financial difficulties, then there is a risk that you may not receive back any monies due to you.

Full Risk Disclosure at: https://www.agmmarkets.com/download/docs/risk_disclosure_statement.pdf

This product does not include any protection from future market performance so you could lose some or all of your investment.

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 the section 'what happens if we are unable to pay you'). The risk indicator shown above does not consider this protection.

Performance scenarios

In the worst possible case, the client's investment may incur losses that can not be determined, and the customer may lose more than the total amount invested.

If you held a long position, the loss will be more pronounced the greater the decrease in the price of the underlying exchange rate pair between the moment of opening and closing of the position.

If you held a short position, the loss will be more pronounced the greater the price increase of the underlying exchange rate between the opening moment and the moment of closure of the position.

In the best possible case, the client's investment may incur unrecordable gains, and the customer can earn more than the total amount invested.

If you held a long position, the gain will be more pronounced the increase the price of the underlying exchange rate pair between the opening moment and the closing moment of the position.

If you held a short position, the gain will be more pronounced the greater the decrease of the price of the underlying exchange rate between the opening moment and the moment of closure of the position.

What happens if AGM Markets Limited is unable to pay out?

All retail investors are under protection of Investors Compensation Fund (ICF), an entity with its primary goal to provide investors with protection by the means of compensation in case the investment company fails to return monetary funds and financial instruments to the investor. Investors are protected for the invested amount of up to EUR 20 000. More information on ICF can be found at https://www.agmmarkets.com/download/docs/investor_compensation_fund_policy.pdf

What are the costs?

Before you begin to trade Forex CFDs you should familiarize yourself with all commissions, fees, and other charges for which you will be liable. These charges will reduce any net profit or increase your losses.

Composition of costs			
One-off costs	Spread	The difference between the ask and bid prices which is paid to open the position.	https://www.agmmarkets.com/trading_accounts/spreads.php
	Trade commission	The fee which is paid to open/close the position in accordance with the volume traded.	https://www.agmmarkets.com/trading_accounts/account_comparisons.php
	Deposit/Withdrawal commission	The costs of deposits/withdrawals expenses which are based on 3rd parties conditions.	https://www.agmmarkets.com/trading_accounts/deposit_withdrawal.php
Ongoing costs	Swap	On the Forex market, clients are charged with Rollover (Swap) charges for transiting the position over midnight.	https://www.agmmarkets.com/trading_accounts/spreads.php
Incidental costs	Inactive accounts fees	Inactive accounts will be charged with a semi-annual maintenance fee of 3 USD.	https://www.agmmarkets.com/download/docs/dormant_accounts_policy.pdf

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

Recommended [Required minimum] holding period: **No recommendations**

Due to the overall size and nature of the Forex market and how liquid it is, you can close your trade anytime. However, as mentioned in the paragraph "What are the risks and what could I get in return?", in case you trade outside working hours or on weekends, the cost incurred (namely, the spread) can be significantly higher.

Holding period may vary depending on your investment strategy, however please note that overnight positions are subject to rollovers (swaps), as mentioned in paragraph "What are the costs?", which can decrease possible income or increase possible loss.

How can I complain?

According to the regulations and requirements set out by the Regulator, The Company has a Complaint Handling Procedure in place.

The Procedure can be found at: https://www.agmmarkets.com/complaints_procedure.php