

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law in order to help clients understand the nature, risks, costs, potential gains and losses of this product and also to help you compare it with other products.

Product

Product Name CFD on Currencies (Forex)

Product manufacturer FOREX TB Limited (hereinafter referred to as the "Forex TB"), a company authorized and regulated by the Cyprus Securities and Exchange Commission ("CySEC") as a Cyprus Investment Firm under license number 272/15, with registration number HE310943, acting under trade name Patron FX.

Further information You can find more information about Forex TB's products in our website <https://www.forextb.com>. Forex TB's support team is available via phone on +35722266707.

This document was last updated on 1 January 2018.

Risk Warning

Our service includes leveraged products and carry a significant risk of loss to your capital, as prices may move rapidly against you and you may be required to make further payments to keep any trades open. These products are not suitable for all clients, therefore please ensure you fully understand the risks and seek independent advice

What is this product?

Type

This document relates to products known as Forex. Forex, shall mean the type of CFD, where the Underlying Asset is a Currency Pair and based on the change in the value of one currency against the other. A Currency Pair consists of two currencies (the Quote Currency and the Base Currency) and shows how much of the Quote currency is needed to purchase one unit of the Base Currency. Base Currency shall mean the first currency in the Currency Pair against which the Client buys or sells the Quote Currency. Quote Currency shall mean the second currency in the Currency Pair which can be bought or sold by the Client for the Base Currency.

Forex TB offers trading opportunities on many different Forex pairs. You can visit Forex TB [website for information](#) on the currency pairs available to trade with Forex TB.

Objectives

The objective of trading Forex is to speculate on price movements (generally over the short term) between two currencies without actually needing to buy or sell underlying currency pair. Your return depends on movements in the price of the instrument and the size of your position.

The price of an FX pair is how much one unit of the base currency is worth in the quote currency. If the base currency rises against the quote currency, then a single unit of the base currency will be worth more units of the quote currency and the pair's FX pair's price will increase. If it drops, the pair's price will decrease.

For example the EUR/USD, the most-traded currency pair in the world. EUR, the first currency in the pair, is the base, and USD, the second, is the quote currency. When you see a price quoted on your platform, that price is how much one euro is worth in US dollars. You always see two prices: one is the buy price and one is the sell price. The difference between the two is known as a spread.

Performance Scenarios

If you believe the value of an instruments base currency is going to increase vs the quote currency, you could buy 100 000 (also known as a lot) of that base currency, with the intention to later sell (and close the position) them when it is at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs

If you think the value of a an instruments base currency is going to decrease vs the quote currency you could sell at a specific value, expecting to later buy them back at a lower price than you previously agreed to sell them for.

However, in either circumstance if the instruments price moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed below), your account would be debited for the loss of the trade plus any relevant costs.

Favorable Scenario

Client buys 1 lot of EURUSD at 1.1980 Price moves up to 1.2125 and client sells the position. The result is equal to $\$100\,000 \times (1.2125 - 1.1980) = \1450

So the client had made profit of **\$1450**

Unfavorable Scenario

Client buys 1 lot of EURUSD at 1.1980 Price moves down to 1.1725 and client sells the position. The result is equal to $\$100\,000 \times (1.1705 - 1.1980) = -\1750

So the client had made loss of \$1750

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 these products 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 that products as 7 out of 7, which is the highest risk class. This is because there is a chance that you could lose more than your initial investment.

FX trading requires you to maintain a certain level of funds in your account to keep your positions open. This is called margin. You will be able to open a position by depositing only a small portion of the notional value of the position, creating a leveraged position. Leverage can significantly magnify your gains and losses as products that are traded on margin carry a **risk of losses in excess of your deposited funds**

What happens in case of ForexTB insolvency ?

In case ForexTB is unable to meet its financial obligations to you, you may lose the value of your investment. However, ForexTB is a member of Investor Compensation Fund which cover eligible investors up to 20 000 euro per client.

Cost and other charges

The entry and exit costs incurred by you when you open and close a position on this product are determined by the spread and any commission that may be charged

The typical spread for this product is 2 pips, so every 1 lot traded it would equal to the cost of approximately \$20. [Link to our table of spreads](#)

Ongoing costs

The cost of overnight financing varies and can be seen on our trading platform before you trade:

[Link to our table of swaps](#)

Please remember that you will bear this costs only when you keep the position for the night. Be advised that if you will leave your positions open for the weekend, on Friday you will be charged swap points for three days

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

CFD on Currencies are generally short term investments tools, in most cases even intra-day. However, there is no recommended holding period or cancelation period. You can open and close you positions at anytime during market hours.

How can I make complaint?

If you wish to submit a trade audit you can contact our customer support on +357 22266707
cs@forextb.com

You may submit your complaint in writing and addressed to the Complaints Management Function of the Company who is authorized to handle and investigate complaints that may be submitted to them from our Clients. You are encouraged to use the [Complaints Form](#) and submit it in any of the following ways:

- By sending by post or delivering in person the attached Complaints Form at the following address: 5 Alkaiou Street, flat 301, 2404 Engomi, Nicosia,Cyprus
- By submitting the Complaints Form electronically at the following email addresses: cs@forextb.com
- By Facsimile at +35722266708

Other relevant information

Find Out more about FOREX TB : [Link to our legal section](#)



FOREX TB

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