



### Purpose

This document provides you with key information about this financial 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:** Contracts for Difference (“CFDs”) on Cryptocurrencies

**Product Manufacture:** Coverdeal Holdings Ltd. (“Company”), the owner of domain name globtrex.com, is a licensed Cyprus Investment Firm regulated by Cyprus Securities and Exchange Commission with authorisation number 231/14. Coverdeal Holdings Ltd. is located at Kristelina Tower, 12 Arch. Makarios III Avenue Office 201, 2nd Floor, Mesa Geitonia 4000 Limassol, Cyprus. Our telephone number is +357 25 63 50 40

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### Alert

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

### What is this product?

#### Type

A CFD is a tradable instrument which represents a contract between two parties to exchange the difference between the current price of an underlying instrument and its price on the day the agreement expires. CFDs are leveraged products, enabling investors to make transactions with a smaller margin (deposit). The underlying instrument is never actually owned by you and the profit or loss is determined by the difference between the buying and the selling price of the CFD, minus any relevant costs (detailed below).

#### Underlying Asset

Company may offer CFDs with different underlying instruments. In this case it is a Cryptocurrency. The cryptocurrencies we currently offer as CFDs can be found on our Website.

**What are cryptocurrencies?** - The most common cryptocurrencies are Bitcoin, Ethereum, Litecoin and Ripple. Cryptocurrencies are encrypted digital representation of value that function as a medium of exchange, a unit of account, and/or a store of value do not have legal tender status in any jurisdiction and are traded on non-regulated decentralized digital exchanges.

#### So how do CFDs work?

CFDs on cryptocurrencies are traded Over-The-Counter (OTC). Coverdeal Holdings Ltd. is the agent to the execution of your trades. The price of the CFD is derived from the price of the underlying cryptocurrency price. An investor has the choice to buy (or go “long”) the CFD to benefit from rising cryptocurrency prices; or to sell (or go “short”) the CFD to benefit from falling cryptocurrency prices. For instance, if an investor is long on CFDs cryptocurrency and the price of the underlying cryptocurrency rises, the value of the CFD will increase - at the end of the contract the investor will make 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 falls, the value of the CFD will decrease - at the end of the contract the investor will lose the difference between the closing value of the contract and the opening value of the contract. The leverage embedded within all CFDs has the effect of magnifying both profits and losses.

**As an example** – if you enter into a Buy trade for a CFD on Bitcoin when the underlying price of Bitcoin is USD 17,000, we will ask you to place a margin with us to enable you to trade. If the margin is say 1:2, this means that as a minimum you will need to place USD 8,500 with us. If the price of Bitcoin goes to USD 17,500, you will profit USD 500, minus any relevant costs (detailed below). If it reduces to USD 16,500, you will lose USD 500, plus any relevant costs (detailed below). Depending on whether we apply any notifications when your account is close to margin calls, we may ask you for more money to ensure your trade / position remains open, otherwise we may be forced to close your position

You will never lose more than the Equity of your trading account as we offer Negative Balance Protection.

#### Objectives

The objective of trading CFDs on cryptocurrencies is to speculate on price movements (generally over the short term) in an underlying asset, without actually buying or selling the underlying cryptocurrency. Your return depends on movements in the price of the underlying cryptocurrencies and the size of your position. Through your trading with us, you receive the exposure to the performance of the underlying cryptocurrencies but you do not receive any ownership or other rights to the underlying.

**Trading in CFDs on cryptocurrencies carries high level of risk and thus can generate great profits as well as great losses. You should never invest more than you are willing to lose, as it is possible to lose all your initial investment.**

Prior to commencing trading in CFDs on cryptocurrencies it is prudent to consult with this KID and evaluate whether trading the CFDs on cryptocurrencies is appropriate for you.

**Intended retail investor**

Trading in this product is highly speculative and involves a significant risk of loss. This product is for clients with a relatively short-term investment horizon, and is not suitable for all investors but only for those who: i) understand and are willing to bear the risks involved, including the risks associated with margin trading; ii) possess the necessary experience and knowledge about trading in derivatives and the underlying assets and have for objective hedging and speculation over a short term, and iii) are financially able to bear the risk of a total loss of their invested amounts, subject to the negative balance protection mechanism offered by the Company.

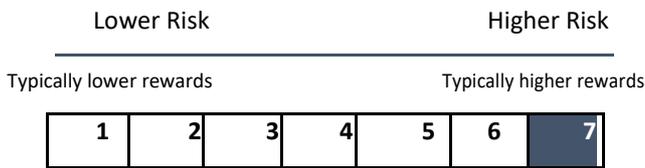
**Term**

Margin Close Out Level of 50%, you will receive a stop out or margin call and your positions will start liquidating, without notice by us to you, starting with the highest losses

As per regulation we are required to close one or more of a retail investor’s open CFD positions when the sum of funds in the CFD trading account and the unrealised net profits of all open CFDs connected to that account falls to less than half of the total initial margin protection for all those open CFDs.

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

**Risk Indicator**



**Signification of the indicator**

This indicator measures the level of risk at which your investment may be exposed. The risk category is not guaranteed and may shift over time. The lowest category does not mean «risk-free». The CFDs on cryptocurrency display a grade of 7 on a scale ranging from 1 to 7 (1 being the less risky category). They therefore exhibit (because also of leverage) the highest risk characteristics.

This product does not include any protection from future market performance so you could lose all of your investment. The Client could place Stop Loss order to limit potential losses and/or Take Profit order to collect profits. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from the Investor Compensation Fund (see the section ‘what happens if we are unable to pay you’). The indicator shown above does not consider this protection.

General CFD risks	Cryptocurrencies specific risks
<ul style="list-style-type: none"> <li>CFDs are complex financial instruments and are traded Over the Counter (“OTC”). You can only exit a position by trading with us, during the trading hours of the underlying instrument as stated on our Website. You cannot transfer your open positions/trades to any other firm.</li> <li>You do not own the underlying asset. Through your trade with us, you receive by us exposure to the performance of the underlying asset, but you do not receive any ownership or other rights to such underlying asset.</li> <li>CFDs are leveraged products. You only need a small margin for getting exposure to the underlying asset. Leverage can magnify both your profits as well as your losses.</li> <li>Statistically, because of leverage, a significant part of clients loses because leverage amplifies losses, leading to margin calls and closures of clients’ open positions. We operate a Negative Balance Protection i.e. you cannot lose more than the Equity of your trading account, however you risk losing the capital invested with us.</li> <li>CFD trading is undertaken on electronic platforms. There may be times that system or other breakdowns arise. This may affect your ability to trade, or our ability to offer continuous</li> </ul>	<ul style="list-style-type: none"> <li>Cryptocurrencies are traded on non-regulated decentralized digital exchanges. This means that the 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, including the implementation of trading suspensions or other actions. At the date hereof, only two USA regulated exchanges have introduced Futures on certain cryptocurrencies, the CBOE and the CME.</li> <li>Cryptocurrencies are exposed to high intra-day price volatility, which may be substantially higher compared to other Financial Instruments.</li> <li>Because of the high market volatility, we reserve the right to change trading terms (such as spreads, charges, and leverage ratios) at more regular intervals than for trading on CFDs for other instruments. Furthermore the level of such spreads and other costs is significantly higher than for other instruments.</li> </ul>

prices or create a need for subsequent adjustment of prices to reflect underlying exchange prices.

- Prices of CFDs as well as their commercial terms like the spreads and overnight fees maybe varied to reflect periods of actual or expected heightened market volatility.
- Depending on the currency your trading account is denominated and the currency of the underlying instrument you trade, your final return maybe exposed to the exchange rate risk between the two currencies.
- The tax legislation of your home Member State may have an impact on your return.

## Performance Scenarios

This is a Key Investor Document for the entire asset class of cryptocurrencies. You should refer to the performance of individual cryptocurrencies to have regard to past performance and performance scenarios as these cannot be presented herein. However, you are cautioned that cryptocurrencies are a relatively new asset class with very volatile performance. For more information please refer to our [Order Execution Policy](#)

## What happens if the Company is unable to pay out?

For CFDs on underlying assets, 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 irrespective of number of account held. ICF Rules apply, including with respect to your categorization and eligibility. In general, retail clients are covered by the ICF.

## Fees and Charges

- The charges you pay are used to cover the costs of our operational activities, including the costs of obtaining market / price data from the underlying exchanges, the staff costs, our regulatory license costs, our funding costs as well as the marketing and distribution costs.
- We do not pay any interest on any clients' money you may have in your account with us.
- Please consult your own advisor to understand the nature of our below costs and charges:

One-off Cost at the time of your trade	Spreads	Spread is the difference, usually indicated in pips, between the Bid and Ask price and reflects, in part, the spread of the underlying assets. The spread values vary for different accounts and depends on the volatility and liquidity of the underlining assets. The minimum value of the spreads is 25 pips and is floating; therefore, it may increase depending on the volatility and liquidity. Mark-ups start from 3 pips and are embedded in the spread price. Please refer to our <a href="#">Website</a> for more information on the spreads cost of which may be substantial.
On-going costs	Swaps	We charge or credit you with overnight fees for facilitating you to maintain an open Buy or Sell position on CFDs. These are ongoing fees / credits for as long as you have open trades with us. Please refer our <a href="#">Order Execution Policy</a> for more information on these fees
Incidental cost	Inactivity fee	Inactivity fee is charged after the inactivity of 1 months: 15 USD or equivalent in other currency per month.
	Currency conversion rates	Investing in CFDs with an underlying asset listed in a currency other than your base currency entails a currency risk, due to the fact that when the CFD is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.

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

- You can only exit an open trade by entering into an opposite trade, only with us, during the trading hours of the market of the underlying asset being made available by us on our [Website](#)
- You should monitor the product to determine when the appropriate time is to close your position(s). If your margin level reaches or falls below the Margin Close Out Level of 50%, your positions will start liquidating, without notice by us to you, starting with the highest losses
- You can request to withdraw your money at any time. We will process all withdrawal requests within 24 hours irrespective of payment method.

## How can I complain?

You are entitled to submit a complaint at any time, where you may feel that our service has not met your satisfaction.

Where any trading or other query has not been addressed or when you wish to submit a formal complaint at the initial or a subsequent stage, you can do so by completing the [Online Complaint Form](#).

If you are not satisfied with our response to your complaint you can refer your complaint to the Financial Ombudsman of the Republic of Cyprus. For more information please visit <http://www.financialombudsman.gov.cy>

### **Other relevant information**

We recommend to read the [Terms and Conditions](#). For any questions regarding the KID or any other documents please contact us through the [Contact Us page](#).