

CURRENCIES CFD - KEY INFORMATION DOCUMENT ("KID")**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

This CFD on Currencies is offered by In2Markets Ltd ("In2Markets" or "we"), a Cyprus Investment Firm authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) under licence number 263/14.

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

WHAT IS THIS PRODUCT?**TYPE**

A Contract for Difference (CFD) on currencies (foreign exchange, FX) is a leveraged derivative contract concluded bilaterally with In2Markets Ltd and settled in cash. It allows an investor to speculate on changes in the exchange rate between two currencies without owning them. An investor may go long (buy) a currency pair if they expect the base currency to appreciate against the quote currency, or short (sell) if they expect it to depreciate. The price of a CFD on currencies is derived from the current spot market price of the underlying currency pair.

CFDs are leveraged products, and leverage levels are set by the Client within the maximum limits prescribed by the European Securities and Markets Authority (ESMA) and the Cyprus Securities and Exchange Commission (CySEC) — currently 1:30 for major currency pairs and 1:20 for minor pairs. Open positions are rolled over daily and subject to overnight financing (swap). Margin trading involves significant risk: while leverage can amplify profits, it can also lead to rapid and substantial losses if the market moves against you. Failure to maintain sufficient margin may result in automatic position closure when account equity falls below the maintenance margin. A CFD on currencies has no fixed maturity and is open-ended.

In2Markets Ltd reserves the right to unilaterally close or terminate any CFD contract in accordance with the Order Execution Policy and the Client Agreement.

OBJECTIVES

The objective of the Product is to allow the Client to obtain leveraged exposure to movements in the exchange rate of a currency pair, whether upward or downward.

The exposure is leveraged, as the Client is required to deposit only a small percentage of the notional contract value (the initial margin) to open a position.

Example:

If a Client invests €10,000 in a CFD on the EUR/USD currency pair with an initial margin requirement of 3.33%, this margin allows the Client to control a notional contract value of €300,000 ($3.33\% \times €300,000 = €10,000$).

The leverage ratio in this case is 1:30.

This means that for every 0.1% (10-pip) change in the exchange rate, the value of the CFD changes by approximately €300.

- If the Client holds a long position and the EUR/USD rate increases by 0.1%, the profit will be approximately €300.
- If the rate decreases by 0.1%, the loss will be €300.
- Conversely, if the Client holds a short position, profit is generated when the base currency depreciates, and a loss occurs when it appreciates.

CFDs generally do not have a recommended holding period.

It is the responsibility of each investor to determine, based on their own trading strategy, objectives, and risk tolerance, how long to maintain the position.

INTENDED RETAIL INVESTOR

This Product is not suitable for every investor. It is intended for individuals who understand derivative instruments, particularly CFDs on currencies (foreign exchange), and the risks related to leverage, market volatility, and margin trading. The Investor should have knowledge or experience in trading leveraged products and understand how currency exchange rates and price movements affect CFD positions, as well as how margin and financing mechanisms operate.

The Investor should be able to bear a potential loss of up to the entire amount invested, including in the short term, and have sufficient financial means to sustain such losses without affecting their financial stability.

This Product may be used for speculative trading, hedging currency exposure, or portfolio diversification.

CFDs are complex financial instruments and may not be appropriate for individuals seeking guaranteed returns or low-risk investments.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

RISK INDICATOR

1	2	3	4	5	6	7
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←Lower risk

Higher risk →

The risk indicator assumes that you will hold the product for 1 working day. If you cash in your investment at an early stage, the actual risks may vary significantly, and the return may be lower. You may not be able to sell the product easily, or you may have to sell the product at a price that will significantly affect your return.

The summary risk indicator is a guide to the level of risk of this Product compared to other investment products.

It shows how likely it is that the Product will lose money because of market movements or because In2Markets Ltd is unable to meet its payment obligations.

We have classified this Product as 7 out of 7, which represents the highest risk class. This rating reflects the potential for significant losses due to market volatility and leverage. Adverse market conditions may also affect the ability of In2Markets Ltd to pay you.

The indicator assumes that you will hold the Product for 1 working day.

If you close your investment earlier or later, the actual risk may differ, and your return may be lower. You may not be able to close the Product easily, or you may have to sell it at a price that significantly affects your return. CFDs are complex leveraged instruments and carry a high risk of losing money rapidly due to market movements. There is no capital protection against market, credit, or liquidity risk.

However, retail Clients of In2Markets Ltd are protected by Negative Balance Protection, which ensures that you cannot lose more than the funds available in your trading account. If In2Markets Ltd is unable to meet its obligations, you could lose your entire investment. Eligible Clients may be protected by the Investor Compensation Fund (ICF) (see section "What happens if In2Markets is unable to pay out?"). This protection is not reflected in the indicator shown above.

PERFORMANCE SCENARIOS

The figures below include all costs related to the Product itself but may not include fees paid to your adviser or distributor. They do not take into account your personal tax situation, which may also affect your return.

The value of your investment depends on future market performance, which cannot be predicted.

The following scenarios – **Favourable**, **Moderate**, **Unfavourable**, and **Stress** – illustrate how different market conditions could affect your return.

They are examples based on historical data and reasonable assumptions.

The Stress scenario shows what you might get back under extreme market conditions.

You can compare these outcomes with scenarios for other derivatives.

Example investment: €10,000 (margin deposited)

Margin requirement: 3.33 %

Leverage: 1:30

Holding period used for scenarios: 1 day

Recommended holding period: None

Table 1

LONG Position				SHORT Position			
Performance scenario	Exchange rate	Change	Profit / Loss	Performance scenario	Exchange rate	Change	Profit / Loss
Favourable	1.1033	0.33	€ 1,000	Favourable	1.0967	−0.33%	€ 1,000
Moderate	1.1010	0.1%	€ 300	Moderate	1.0990	−0.1%	€ 300
Unfavourable	1.0990	−0.1%	− € 300	Unfavourable	1.1010	0.1%	− € 300
Stress	1.0950	−0.5%	− € 1,500	Stress	1.1050	0.5%	− € 1,500

These examples are provided for illustrative purposes only and assume an initial investment of €10,000 with leverage 1:30 and a 3.33% margin requirement. Table 1 includes all costs related to the Product but excludes personal taxes and any adviser or distributor fees. There are no extraordinary costs when closing an investment in this Product. The Product has no upper limit on potential returns. Your losses are restricted to the funds available in your trading account due to Negative Balance Protection.

WHAT HAPPENS IF IN2MARKETS IS UNABLE TO PAY OUT?

If In2Markets Ltd is unable to meet its financial obligations to you, you may lose the value of your investment.

However, all retail client funds are fully segregated from the Company's own funds in accordance with CySEC regulatory requirements. In the event of insolvency, retail investors are entitled to claim compensation from the Investor Compensation Fund (ICF), which covers eligible investments up to EUR 20,000 per retail client. In2Markets Ltd is a member of the Investor Compensation Fund.

WHAT ARE THE COSTS?

Costs over Time

Table 2 below shows the amounts that may be deducted from your investment to cover different types of costs. These amounts depend on your investment size and on how long you hold the Product.

The figures shown are illustrative examples based on a sample investment amount and standard assumptions.

Assumptions:

Invested amount: €10 000 (margin deposited)

Product performance: consistent with the assumed holding period

Holding period used for illustration: 1 year

If the position is closed after 1 year:

Total costs: €500.00

Annual cost impact: 5.0 %

The potential return (average annual return on investment) is calculated in accordance with the methodology set out in Commission Delegated Regulation (EU) 2021/2268.

Table 2

COMPOSITION OF COSTS		
Type of cost	Description	Amount / %
ENTRY COSTS	One-off costs upon entry or exit	
Entry costs	None	0%
Exit costs	None	0%
ONGOING COSTS	Costs charged while holding the Product	
Management and administrative costs	Swap points – a financing charge applied when the position is held overnight. Calculation details are provided in the <i>Swap Points Table</i> .	€250 (4.0%)
Transaction cost	Spread value – charged on opening and closing a position.	€250 (4.0%)
INCIDENTAL COSTS	Costs applied under specific conditions	
Performance fees	None	0%
TOTAL COSTS		€500 (5.0%)

The total cost represents the combined impact of all cost categories on an assumed €10 000 investment over one year.

These figures include all product-related costs but exclude adviser, distributor or tax-related charges.

The actual costs incurred may vary depending on market conditions, trading activity, and how long the position remains open.

HOW LONG SHOULD I HOLD THE PRODUCT AND CAN I TAKE MONEY OUT EARLIER?

You may close your investment in this Product at any time.

Such closure does not involve any extraordinary costs other than standard trading charges.

Recommended holding period: None

Each investor determines the duration individually.

If a transaction is executed at an incorrect price, and the error is confirmed by In2Markets Ltd based on market quotes, it may be cancelled in accordance with the Order Execution Policy and the Terms and Conditions (Client Agreement).

This Product has no fixed maturity, and the position may remain open as long as sufficient margin is maintained.

Early closure does not change the risk profile of the Product.

Positions may be closed at any time during normal market hours.

HOW CAN I COMPLAIN?

You can submit a complaint about any product or service provided by In2Markets Ltd: (1) By post or in person: In2Markets Ltd, Shop 2 of Domenica Center, 12 Demokratias Avenue, 8028, Pafos, Cyprus; (2) By email or online: via the Client Area or by email to complaints@in2markets.com

If you are not satisfied with our response, you may contact: (1) The Financial Ombudsman of the Republic of Cyprus (Lord Byron Ave 13, 1096 Nicosia, P.O. Box 25735, 1311 Nicosia, Fax +357 22 660 584 / 118, Email complaints@financialombudsman.gov.cy); (2) The Cyprus Securities and Exchange Commission (CySEC) via <https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>

OTHER RELEVANT INFORMATION

This document should be read together with our Client Agreement, Risk Disclosure, Complaints Handling Policy and Conflicts of Interests Policy. Please visit our website to read further information related to investing in this product.