

KEY INFORMATION DOCUMENT

(KID) SPREAD BET ON FOREX

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: Spread bets are offered by Capital Com (UK) Ltd ("Capital Com", "We", or "us") a company registered in England and Wales, registration number: 10506220. It is authorized and regulated by the Financial Conduct Authority (the "FCA") with reference number 793714.

Visit <https://capital.com> for more information or call us on +44 (0) 207 932 9280.

*This document was last updated on 1 June 2020



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

What is the product

Type: A spread bet on Forex is a leveraged financial instrument which is settled in cash with its price deriving from the movements of the underlying currency pairs. It allows you to speculate on the movement (rising and falling) of the prices in the underlying currency pair without owning it.

Objectives: The objective of this product is to speculate on the movement (rising and falling) of the prices in the underlying currency pair without owning it.

It is an over-the-counter (OTC) leveraged product that is traded, which means that the price that we offer for it is independent to us and will be different from that offered by our competitors. The return from this product depends on the price fluctuation of the underlying currency pair.

The expected returns depend on the market direction and the position you take in the trade. For example, being long means that you are taking a speculative position that the market price of the market will rise between the time of the purchase and its sale. If it does rise you will benefit from this rise in price and the value of your spread bet will increase.

On the other hand, you will suffer a loss if the market price of the underlying base currency falls whilst your long position is still open and the value of your spread bet will decrease. The product is offered on margin, which allows you to take positions of a value larger than the amount you have invested. The increased value of an investment, due to the use of leverage, may lead to both significant profits and losses. You may also suffer a loss due to the closure of your position by us in case you do not have adequate margin to maintain your open position (more details regarding margin requirements are outlined below).

Intended Retail Investor: Spread bets are not appropriate for everyone. This product is intended for Retail Investors who have (i) sufficient knowledge and experience in trading with leveraged products (ii) have a higher degree of financial risk tolerance (iii) understand the risks associated with margin trading (iv) want to gain short term exposure in financial markets.

Term: All Spread Bets have a pre-defined maturity date. At that date all open positions will be closed, and all orders will be cancelled. You decide when to open or close your position(s) during the trading hours or extended trading hours. We may close your position(s) without seeking your prior consent if your margin falls below 50% in your account that is required to maintain open positions. The compulsory liquidation of your positions is under our Margin Close out Policy.

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 the highest risk class. This rates the potential loss from future performances of the product at a very high level.

Spread bets on forex are leveraged products that, due to underlying market movement, can rapidly generate losses. Losses can never exceed the amount invested. Retail clients are protected from the Negative Balance Protection scheme that is provided by the Company. However, there is no capital protection against market risk, credit risk or liquidity risk.

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

You can lose your total investment while trading in spread bets. This product does not include any protection from future market performance, so you could lose your entire investments. 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 indicator shown above does not consider this protection.

Performance scenarios: This KID is not specific to a particular product. It applies to a Spread Bet on any currency pair available on our platform. However, each Spread Bet you enter into is specific to you and your choices i.e. you shall choose the underlying currency pairs; the size of your position; when you open and close your position; and whether to use any risk management tools we offer such as stop loss orders.

Currency Pair Spread Bet intraday (opened and closed within the same day)

FX Spread bet (held intraday)

FX opening price	P	13000.00
Trade size (£/pt)	TS	\$1
Margin %	M	3.33%
Margin Requirement (£)	$MR = P \times TS \times M$	\$432.9
Notional value of the trade (£)	$TN = MR / M$	\$13,000
Client Equity		\$432.9
Overnight Fee*	OF	-\$1.20

Currency Pair Spread Bet intraday (opened and closed within the same day)

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	Short Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	12829.87	-39.3%	-\$170.13	Favourable	13170.13	+39.3%	-\$170.13
Moderate	12960.17	-9.2%	-\$39.83	Moderate	13039.83	+9.2%	-\$39.83
Unfavourable	13077.92	18%	+\$77.92	Unfavourable	12922.08	-18%	+\$77.92

*Description of calculation of overnight fee can be traced in "what are the costs" section.

This table shows you the money you could get back under different scenarios, assuming that you invest in a particular currency pair. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you profit/lose will vary depending on how the market performs and how long you keep your position open. The stress scenario shows what you might get back in extreme market circumstances, 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. The figures do not take into account your personal tax situation, which may also affect how much you get back. These performance scenarios assume you only have one position open and do not take into account the negative or positive cumulative balance you may have if you have multiple open positions with us. The scenarios also assume that you do not make any further deposits on your account to meet margin calls.

What happens if Capital Com (UK) Ltd is unable to pay out?

In the event, Capital.Com is unable to meet its financial obligations towards you, you may lose the value of your investment. The Financial Services Compensation Scheme (the "FSCS"), provides compensation for eligible investments for up to £85,000. Whether you are able to claim depends on the type of business and your personal circumstances. Full details are available on the FSCS' website: www.fscs.org.uk. In addition, Capital Com maintain segregated client money account which mean that your funds with us will remain safe regardless of our financial situation.

What are the costs?

Composition of costs

This table shows the different costs involved with our CFD products:

One Off Costs	Entry and exit costs - Spread	The spread is the difference between the buying and selling price of a Spread Bet on underlying commodity applied for trading. No other charges or commissions are paid. Our spreads are set at our absolute discretion and any changes are effective immediately.
Ongoing Costs	Overnight Premium	If you hold a position open overnight, an overnight premium is subtracted or credited to your account. The size of overnight premium (positive or negative) is specified for each instrument on the website and on the mobile app.
Incidental Costs	Currency Conversion	<p>Overnight fees for Spread Bets on Forex are calculated as follows:</p> <p>Amount Per Point x Closing Mid Price x Daily (Buy or Sell) Overnight Fee % x (1 - margin percentage used when opening the position)</p> <p>For example: Amount per Point: \$100, Closing Mid Price: 50.00, Daily Buy Overnight Fee: -0.0095%, Margin percentage used when opening the position: 5%. Then the overnight fee would be: $100 \times 50.00 \times (-0.0095\%) \times (1 - 0.05) = -0.45$</p>
		A currency conversion spread will be charged each time for converting any realized profits, losses and/or other fees that are denominated in a different currency to the currency in which your account is denominated.

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

Spread Bets are intended for short term trading, in some cases intraday and generally not suitable for long term investments. There is no recommended holding period for Spread Bets on Forex as this varies widely depending on the client's strategy. It is noted that you can open and close your positions at any time within the maturity period.

How can I complain?

You are entitled to lodge a complaint at any time and free of charge by emailing us in complaint@capital.com. Further details of complaints procedure is available in its website: <https://capital.com/complaints-procedure>

In the event that the final decision does not satisfy you, you may also refer your complaint to the Financial Ombudsman Service (the "FOS"). Details for the Financial Ombudsman Service are available in its website: <https://www.financial-ombudsman.org.uk>

Other relevant information

Should you require further information about the product and the risks associated please refer to our Risk Disclosure Statement available on the [here](#). You should also ensure that you read the Client Agreement, Order Execution Policy, Client Categorization and other legal documentation displayed on our website. Such information is also available on request. Also, you may directly contact us at the contact details previously specified.