

KEY INFORMATION DOCUMENT – CFDs ON CURRENCIES
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.

CFD's are offered by Lirunex Ltd. (the "Company", "we" or "us"), registered in the Republic of Cyprus, with registration number HE 353862. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission in the Republic of Cyprus, with license number 338/17. For further information please call +357 24694888 or go to www.lirunex.eu.



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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

This investment product is a Contract for Differences ("CFD"). A CFD is an Over the Counter ("OTC") leveraged financial instrument and its value is determined based on the value of an underlying asset. The investor makes a profit or a loss on the CFD based on the direction chosen (Buy or Sell) and the direction of the value of the underlying asset. The CFD is settled in cash only and the investor has no rights whatsoever on the actual underlying asset.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying market (whether up or down), without needing to buy or sell the underlying market. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin and is one of the key features of trading CFDs. In the case of currencies, the prices are determined in interbank transactions whereby banks will quote each other prices of one currency against another currency. Prices of this specific investment product may be obtained either by liquidity providers who obtain such prices from market data aggregators or directly from market data aggregators who collect data from interbank transactions producing a market price for each currency against another currency. The trading hours of Lirunex Meta Trader Platform for Foreign Exchange Instruments are between Sunday 22:00:01 and Friday 21:59:59, Greenwich Mean Time (GMT). For specific trading hours please click [here](#).

In order to purchase the specific CFD, the investor must have sufficient margin in his/her account. For example, the required margin for major currency pairs is 3.33%. This means that in order to open a transaction of 1 Lot on EURUSD currency CFD (€100,000 Notional Value), the investor will need to have a minimum margin of €3,333 in his account. This represents a leverage of 1:30. The margin requirements may be decreased at the investor's request, subject to fulfillment of certain criteria whereas margin requirements may be increased at the Company's discretion in cases of extreme market volatility.

The profit or loss is determined according to the following formula:

For Buy (Long) positions: Trade Size (in units of base asset) x [Close Bid – Open Ask] = P/L (in units of the other asset)

For Sell (Short) positions: Trade Size (in units of base asset) x [Open Bid – Close Ask] = P/L (in units of the other asset)

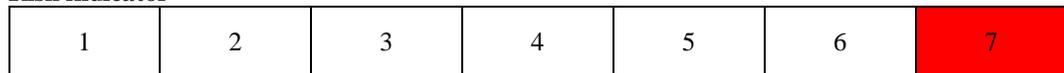
The P/L from the closed positions is then converted into the base currency of the investor's account, if different. This is done on the basis of the relevant Bid/Ask rate of the two currencies at the time the position is closed.

The P/L is also affected by the fees charged by Lirunex Ltd., as detailed below.

The P/L is calculated by, and shown on, the trading platform on a continuous basis, and losses on the positions will affect the investor's margin. Once the investor's equity reaches the level of 50% of the margin used, the Company's systems shall initiate automatically the closing of all investor's positions, which means that the investor will realize the losses. Therefore, the investor shall maintain sufficient margin level to support the open positions in his/her trading account.

Intended Retail Investor

CFDs are intended for investors who wish to make directional transactions and take advantage of short-term price movements in the rates of currencies and have the ability to sustain the risk of loss of their entire investment amount within a short period of time. Those investors have knowledge of, or are experienced with, leveraged products and have a full understanding on how the prices of CFDs are derived as well as the key concepts of margin and leverage.

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


← Low Risk

→ High Risk



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 is the highest risk class. This rates the potential losses from future performance of the product at a very high level.

This risk indicator assumes that you keep the product for up to 24 hours. You may not be able to end the product easily or you may have to end at a price that significantly impacts the return on your investment. CFDs may be affected by slippage or the inability to end the product at a desired price due to unavailability of such price in the market. CFDs are OTC products and cannot be sold on any exchange, MTFs or other trading venue. There is no capital protection against market risk, credit risk or liquidity risk.

Currencies may fluctuate significantly in a short period of time. If the change in price is against the direction chosen by the investor, then the investor can experience significant losses over a short period of time up to a maximum of the amount held as margin in the investor's account. However, the investor will never owe to the Company any amount in excess of the available funds in the account in light of the contractual "Negative Balance Protection". Market conditions may mean that your CFD trade is closed at a less favorable price, which could significantly impact how much you get back.

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

Performance scenarios (assuming no Overnight Financing effects):

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 get will vary depending on how the market performs and how long you hold the CFD. 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. **Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.**

Example of performance scenarios of a deal in CFD on EUR/USD.

CFD on EUR/USD currency pair (held Intraday)			
		BID	ASK
Balance (USD)	4000		
EUR/USD Currency Pair Opening Price	(P)	1.15685	1.15694
Trade Size (per CFD)	(TS)	100000 (1 Lot)	
Margin %	(M)	3.33%	
Leverage	(L)	1:30	
Margin Requirement (USD)	$MR = P \times TS \times M$	3852.31	3852.61
Notional Value of the Trade (USD)	$NV = P \times TS$	115685.00	115694.00

BUY/LONG Performance Scenario	Closing Price (Inc. Spread)	Price Change	Profit/Loss (USD)	SELL/SHORT Performance Scenario	Closing Price (Inc. Spread)	Price Change	Profit/Loss (USD)
Favourable	1.17429	1.50%	1735.41	Favourable	1.13950	-1.5%	1735.27
Moderate	1.16504	0.70%	809.86	Moderate	1.14875	-0.7%	809.80
Unfavourable	1.13959	-1.50%	-1735.41	Unfavourable	1.17420	1.5%	-1735.27
Stress*	1.08752	-6.00%	-6941.64	Stress	1.22626	6.0%	-6941.10

*The position will be automatically closed once the Stop-Out level of 50% is reached, therefore the net P/L and closing Balance under the stress scenarios presented will be -USD 2074 and USD 1926 respectively.

Note: The 6% change in the market prices as shown in the examples above, are likely to happen during extreme market volatility over a short time period. However, in a worst-case scenario, the retail investors will never lose more than their account balance due to the Negative Balance Protection provided by the Company, in virtue of agreement with its liquidity providers.

In order to prevent negative balances, the Company's systems are set to liquidate automatically the open positions, starting from the most unprofitable, once the Stop Out level of 50% is reached. To demonstrate how the said Stop-out level may be triggered, let us use the stress scenario in the above Example, where the Client opens a Buy/Long position in EUR/USD with an unfavorable 6% change in the market price. In this case, when the Client's equity falls to \$1926.31 (50% of the Margin Requirement) the position will be automatically closed to prevent further losses. This represents a loss of -\$2073.69, instead of a -\$6941.64 loss as shown in the table, which should be without the Stop-Out level.

What happens if Lirunex Ltd is unable to pay out?



In the event that Lirunex Ltd. becomes insolvent and is unable to pay out to its investors, Retail Clients may be eligible to compensation of up to €20,000 by the Investor Compensation Fund set up by the Cyprus Securities and Exchange Commission.

What are the costs?

There are some charges and fees applicable when trading CFDs with the Company, such as commission, spread, mark-up and swaps. There are no additional charges for opening a trading account, however there are extra charges for depositing and withdrawing funds from an account. Such information can be found on the Company’s official website. Before you proceed with any trading activity, please review the applicable charges and decide accordingly. Any charges might change from time to time and to this extent, it is suggested to regularly review the Company’s website.

Type	Cost	Description
One-Off Costs	Spread	Spread is the difference between the Sell (“Bid”) and Buy (“Ask”) price of the CFD, which is multiplied by the Trade Size. The spread that the Company charge you reflects, in part, the spread of the underlying exchange where the underlying asset is traded on, plus a mark-up depending on the trading account type. More information on spreads can be found here . For the purpose of an example, we will assume a €100,000 Notional Value transaction (1 Lot) in EUR/USD with 1 pip spread. The EUR/USD pip is the 4th decimal digit (0.0001). The amount of €10 (100,000 x 0.0001 x 1) will be deducted from the P/L upon opening the transaction and therefore immediately after opening the transaction the P/L of that transaction will be -€10. Our spreads may be fixed or variable or may be subject to a minimum.
	Commission	This is a commission charged when you Buy/Sell a CFD on currency pair based on the notional value of the trade according to the investor’s account type. Please click here for more information regarding commissions.
	Currency Conversion for trades	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.
Ongoing Charges	Overnight Financing Fee (Swaps)	Overnight Financing, commonly known as “Swap” is the fee charged for the trades that remain open at the end of the daily trading session. This fee may be subject to credit or debit for all positions held open after 22:00 (GMT), calculated based on the relevant interest rates for the currencies in which the underlying instrument is traded plus a mark-up which can be as high as 30% on the swap values as received from the Company’s Liquidity Providers. For all positions kept open over the weekend, the Company applies a 3-day rollover strategy on Wednesday. In general, when the interest rate of the buying currency is greater than the interest rate of the selling currency, the OF will be added to Client’s account. When the interest rate of the selling currency is greater than the buying currency then the OF will be deducted from Client’s account. To illustrate this with a numerical example, assume that the interest rates of the European Central Bank (ECB) and the Fed (US) are 2% and 0.5% per annum respectively. If the Client opens a Long position of 1 Lot on EUR/USD, then he/she will earn 2% per year on the purchased currency (EUR) and pay 0.5% on the borrowed currency (USD). This means that when this position is rolled over to the next day, the amount of €4.11 will be credited to Client’s account $\{ -[(0.5\% - 2\%)/365] \times 100000 \}$. On the other hand, if the Client has a short position on EUR/USD, this amount will be debited from his/her account. Please click here to see our swap fees.
Other Costs	Currency Conversion for internal transfers	Transferring of funds between your personal and trading accounts with different base currency, is subject to exchange rate conversion. The conversion rate is taken from the Company’s Platform at the time of the transfer plus a mark-up which can be as high as 1.5 pips on the prevailing markets prices.
	Inactivity Fee	Inactive accounts are subject to inactivity fee of five (5) EUR/USD relating to the maintenance and administration of such inactive accounts. For more information please read our Terms and Conditions.

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

CFDs on currency are usually held for less than 24 hours. You can cash out the CFD at any point you wish during regular market hours, but it may not be at a price beneficial to you or your investment goals.

How can I complain?

If you wish to make a complaint you should contact our Customer Support Team on +357 24694888, by emailing complaints@lirunex.eu indicating your name, account number and nature of the complaint. If you do not feel that your complaint has been resolved satisfactorily, you may refer your complaint to the Financial Ombudsman of the Republic of Cyprus.

Other relevant information

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. The Trading Terms and Conditions as well as all related Policies and other Disclosure Documents of our website, contains important information regarding your account. You should ensure that you are familiar with all the trading conditions that apply to your account. This key information document does not contain all the information relating to the product. For additional information about the product and the legally binding terms and conditions of the product, please refer to Lirunex Ltd.’s website at www.lirunex.eu.