

KEY INFORMATION DOCUMENT

This document provides you with key information about the Company's investment products. It is not a marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of these products and to help you compare it with other products.

Contracts for Difference ("CFDs")	
GALACTUS LTD (License No. 322/17)	
	Contact email: compliance@fx88.com
CySEC, Cyprus	Date of production of KID: 29/12/17 – Date of publication of KID: 01/01/2018

Risk Warnings/Alerts:

You are about to purchase a product considered to be very complex and may be difficult to understand, thus may not be appropriate for all retail investors. Trading leveraged products such as forex and CFDs carries a high level of risk and may not be suitable for all investors. There is a possibility to lose all your initial capital.

- This complex financial product
- May lead to the sudden total loss of capital invested;
- May provide zero return;
- This is subject to any potential conflict of interests in the calculation agent's performance with the Company.
- Is subject to the credit risk of the issuer – The Company
- Implies the incurring of costs, fees or charges;
- Is not tantamount to the acquisition or initial transaction of underlying
- The investor position may be closed at any time by the Company in certain situations;

What is this product?

- CFDs are tradable instruments which represent a contract between two parties to exchange the difference between the current price of an underlying asset and its price on the day the contract expires. CFDs are leveraged products, enabling investor to make transaction with only a small margin (deposit).
- CFDs, therefore, relate to underlying asset classed and financial instruments.
- The underlying asset/financial instrument, which the contract is based on, is never actually owed by You. The profit or loss is determined by the difference between the buying and the selling price of a CFD.
- CFDs are traded Over the Counter ("OTC") and with leverage. Leverage can magnify both your potential profits and losses.

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

Summary Risk Indicator (SRI)

1	2	3	4	5	6	7
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Lower risk

Higher risk

There is no recommended or minimum holding period for this product. You must maintain sufficient margin in your account to keep your positions open. Trading on margin means you could quickly lose the amount invested.

Market Risk

Investing in CFDs carries the risk resulting from fluctuations (appreciation/ depreciation) of the value of an asset or a group of assets (such as fluctuating exchange rates, interest rates, prices or commodity prices) affecting the value of the CFD offered by the Company.

Capital Risk

Investing in CFDs incurs the risk of the amount that the investor is to receive proves to be lower than the invested capital. The Company offers Negative Balance Protection; therefore, an investor will not lose more than the initial amount invested.

Credit Risk

Investing in CFDs is an OTC transaction, so investors are exposed to the risk that the Company may be unable to meet its obligations in full and/ or in a timely manner in the event of bankruptcy or insolvency. There is also a risk that the bankruptcy or insolvency of a third party may affect the profitability of the Company.

Counterparty Risk

Investing in CFDs carries the risk the Company, as the counterparty to all trades, may be unable to fulfil its commitments resulting in the loss of the value of the CFDs even if the subsequent price movements of the underlying asset may favour the direction of the investor's position.

Interest Rate Risk

Investing in CFDs carries the risk resulting from adverse movements in interest rates, as these movements affect the investor when considering the swap rates related to open positions held overnight.

Foreign Exchange Risk

Investing in CFDs, as with any financial instrument, involves exposure to currency risk because it is denominated in a particular currency and its appreciation or depreciation can affect the value of CFDs resulting in the significant or total loss, of the capital invested. In addition, the investment in foreign currency CFDs carries the risk of a negative impact on the CFD arising from adverse movements in the relevant exchange rates.

Liquidity Risk

Investing in CFDs may result in a lack of available liquidity in the market to execute an order resulting in an investor being delayed or unable to close a position at a desired price and/ or time and potentially leading to a significant or total loss of the capital invested.

Risk of Conflicts of Interest

Investing in CFDs may result in the risk of conflicts of interest, particularly because the Company and the execution venue might be the same in all or some transactions and also the party responsible for providing investors with the end-pricing on CFDs taking into account discretionary values including mark-ups, which may influence an investor's open position(s). There is also the risk that the consequences are not fully and completely envisaged in the legal documents of the Company.

Legal and Fiscal Risk

Investing in CFDs may be subject to legal, regulatory and taxation rules consequently impacting the profitability of the CFD and/or position(s) of an investor in instances, for example, where there is an amendment to the law, including taxation and other applicable rules with implications for the return of the CFD.

Technical Risk

Investing in CFDs carries the risk arising from the possible inability to access the platform and/or access information relating to the price of a CFD or any other information. In addition, these operations involve operational risks arising from transactions being automatically processed.

Force Closure Risk

Investing in CFDs runs the risk of positions being force closed by the Company without the investor's consent, due to abrupt movements in the underlying financial instrument alongside the use of leverage (margin trading), in the event an investor's margin level reaches a pre-determined rate (for more information see 'Fees - Charges' section below).

- Please note also that the tax legislation of your home Member State may have an impact on the actual pay-out.
- There may be other risk factors with significant direct impact on the capital and return of investing in CFDs.

Performance Scenarios

The scenarios shown below 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 and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product.

The table below shows the money you could get back under different scenarios, assuming that you buy 1 lot of EUR/USD, notional 100,000 EUR at 1.2000 and your position is closed on the same day. Leverage used is 100:1, i.e. 1% initial margin requirement = 1000 EUR (100 000×1%). Profit and loss accrues at \$10 for every 0.0001 movement in the underlying price. The position is closed on the same day.

Long Performance Scenario	Closing Price	Price Change	Profit/Loss in USD
Favorable	1.2120	+ 1%	$((1.2120-1.2000) \times 100,000) = 1,200$ Profit
Favorable	1.1940	- 0.5%	$((1.1940-1.2000) \times 100,000) = -600$ Loss
Unfavorable	1.1880	- 1%	$((1.1880-1.2000) \times 100,000) = -1,200$ Loss
Stress - 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.	1.1400	- 5%	$((1.1400-1.2000) \times 100,000) = -6000$ Loss

The above are scenarios presented with no guarantee of same taking place.

What happens if the Company cannot pay out?

The Company is a member of the Investor Compensation Fund ("ICF" - private legal entity) which has been established pursuant to the Investment Firms Law and the Establishment and Operation of an Investment Compensation Funds of CIFs Regulations of 2004.

If the Company categorized you as a **Retail Client** and fails to return to you funds owed in case of insolvency of the Company, you may claim to the ICF. ICF may compensate you for claims up to **€20,000**, if your claim is successful. If your claim exceeds the €20,000 then you will be only entitled to receive a maximum of the equivalent of €20,000.

What are the Fees - Charges?

Pricing and other Related Information

The trading conditions, including the minimum and maximum transaction amounts, average spread and overnight swaps can be found on our website.

Spreads: for any financial instrument, two prices are quoted: the higher price ('Ask'), at which the investor can buy (go long) and the lower price ('Bid'), at which the investor can sell (go short). The difference between the 'Ask' and the 'Bid' is the spread. The spreads vary depending on the instrument and information can be found on our website.

Mark-Up: mark-ups on spreads are already applied on the spread displayed/ traded on CFDs through the trading platform.

Swaps: swaps are charges, which are incurred when a trade is kept open overnight, to reflect the cost of funding your trade. Both long ('buy') and short ('sell') positions are subject to daily swap, which may be in the favour of the investor or against them (for more information review the 'costs for maintaining a position' section above). From Monday to Thursday the swap is charged once and on Fridays the swap is charged in triple size (to cover for the weekend). The calculation for swaps is as follows: $\text{Swap} = (\text{one pip} / \text{exchange rate}) * (\text{trade size}) * (\text{swap value in points})$. The swap charges can be reviewed at the company's website.

Commissions: The counterparty charges commissions on CFDs depending on type of the account. The commissions for ECN account type are 7\$ per closed lot/contract traded.

Other possible charges: investors may also be charged expenses related to the deposit and withdrawal methods which can be viewed [here](#) and [here](#).

CFDs do not confer any rights on the underlying assets.

Examples of Charges

When holding a long position (buying a CFD), the price at the time the position closes, is lower than the price at the time the position was opened, which is automatically converted to the trading account currency; or When holding a short position (selling a CFD), the price, at the time the position closes, is higher than the price at the time the position was opened, which is automatically converted to the trading account currency.

Financial Leverage

CFDs are leveraged financial derivative instruments, which allow the investor to obtain a higher exposure on an underlying asset compared by the investor's deposited capital. Initial margin is the amount required by the investor to open a certain position in CFDs and is expressed as a percentage of the nominal exposure. The lower the percentage, the higher the financial leverage. This percentage may be changed by the Company at any time. This implies that the investor only needs to maintain a percentage of the notional value of open positions (margin required). The investor should note that the use of leverage carries high risk.

It is the responsibility of each investor to ensure the equity of the trading account and ensure that it is always greater or equal to the margin required for the open position in order to avoid force closure of any positions due to stop-out. All relevant information is clearly visible on the trading platform.

*Example: An investor wishes to purchase/Buy 1Lot/contract on the currency pair EURUSD at price 1.2000, with margin requirement 1% (which is equal to 1:100 leverage) for that instrument. This requires for the investor to place a margin of EUR 1,000 (calculated by $100.000 * 1/100$).*

Margin Reinforcement

Margin reinforcement (i.e. making additional deposits) might be required by the investor in order to avoid the trading account's margin level falling below the margin level that would trigger the force closing of the position by the Company.

*Example: An investor wishes to purchase/Buy 1Lot/contract on the currency pair EURUSD at price 1.2000, with margin requirement 1% (which is equal to 1:100 leverage) for that instrument. This requires for the investor to place a margin of EUR 1,000 (calculated by $100.000 * 1/100$). When the equity of the account will fall at 50% of the margin (EUR 500), all positions of the client will be closed by the company starting from the one with the biggest loss, to protect clients account.*

Costs of Maintaining a Position

If an investor maintains a position open overnight then a swap (or, rollover fee) may be credited or debited to their account, whereby the swap amount corresponds to the amount required to maintain a position open.

When, how, under which circumstances and the consequences resulting from the investment ending or coming to an end:

The investment in a CFD ends with the closing of an investor's position. The closing of a position may occur:

- At any time, at the investor's initiative, provided the market for the underlying instrument is open, information on which can be found on the website; by the Company, when the investor's account balance falls below the required margin level for the trading platform.
- At the initiative of the Company in the event the underlying asset of a CFD (i.e. CFDs on shares) is no longer admitted to trading. This might occur where, for instance, a share is de-listed from the underlying stock exchange or the share is no longer offered by the Company.
- At the maturity of the underlying asset, where applicable (i.e. CFDs on futures) if not closed by the investor before that.
- In other ad-hoc circumstances as outlined in the legal documentation.

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

It is possible for the Client to disinvest at any time. Fees and charges may be applicable as mentioned in the section What are the Fees - Charges? above.

How can I submit a complaint?

Please read the Complaints Handling Procedure, in the Company's website (Legal Documents section: <https://fx88.com/en/support/legal-documents>).

Other information

Further details on the Investor Compensation Fund and all the remaining legal documents of the Company can be found on the [here](#).

Without prejudice to ad hoc reviews, this Key Information Document, it updated at least annually.