



## Key Information Document – Cryptocurrency

### 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.

Cryptocurrency Spread Bets are offered by **Monecor (London) Ltd**, a company registered in England and Wales, number 00851820. ETX Capital is a trading name of Monecor (London) Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, register number 124721. Call 0800 138 4582 or go to [www.etxcapital.com](http://www.etxcapital.com) for more information.



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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 spread bet allows you to obtain an indirect exposure to an underlying asset. This means you will never own the underlying asset, but you will make gains or suffer losses as a result of price movements in the underlying asset to which you have the indirect exposure.

An investor has the choice to buy (or go “long”) the spread bet to benefit from rising prices in the underlying market; or to sell (or go “short”) the spread bet to benefit from falling prices. The price of the spread bet is derived from the price of the underlying market price, which may be either the current (“cash”) price or a forward (“future”) price. For instance, if an investor is long a spread bet and the price of the underlying rises, the value of the spread bet will increase - at the end of the contract ETX Capital will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor is long and the cash price of the underlying falls, the value of the spread bet will decrease - at the end of the contract they will pay ETX Capital the difference between the closing value of the contract and the opening value of the contract.

For more information and examples please see the ETX website.

#### Objectives

A spread bet allows you to obtain an indirect exposure to an underlying asset. Your return depends on movements in the price of the underlying asset and the size of your position. The price of a Cryptocurrency Spread Bet contract is determined by reference to the price of the quoted underlying cryptocurrency and fiat currency pairs (for example BTC/USD, ETH/EUR, LTC/USD).

Our pricing data and market on the Cryptocurrencies are originated from the digital decentralized exchanges the Cryptocurrencies are traded on. Considering that such exchanges are not regulated, the market data and price feed information provided by such exchanges may be subject to the internal rules and practices of such exchanges which may significantly differ from the rules and practices observed by the regulated exchanges. Therefore, the pricing formation rules of the Cryptocurrency exchanges are not subject to any regulatory supervision and may be changed at the relevant digital exchange’s discretion at any time. No trade will entitle you to any rights in relation to the underlying currencies including any rights to delivery, acquisition or ownership.

Cryptocurrencies markets are determined by demand and supply only. The cryptocurrencies market is a dynamic arena and their respective prices are often highly unpredictable and volatile. The prices of Cryptocurrency are usually not transparent and highly speculative and susceptible to market manipulation. Cryptocurrency not backed by any central organisation and freely transacted across the globe.

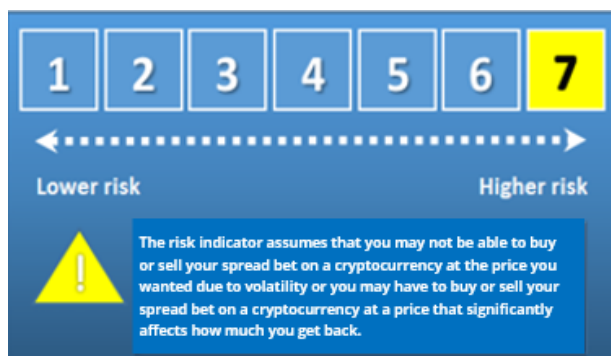
Also, such digital exchanges may introduce trading suspensions or take other actions that may result in suspension or cessation of trading on such exchanges or the price and market data feed becoming unavailable to us. The above factors could result in material adverse effect on your open positions, including the loss of all of your invested amounts.

Visit our website for further information in relation to the spread bets on cryptocurrencies.

#### Intended Retail Investor

Spread bets are intended for investors who have knowledge of, or are experienced with, leveraged products. Likely investors will understand how the prices of Spread bets are derived, the key concepts of margin and leverage and the fact that losses may exceed deposits. Indeed, they will understand the risk/reward profile of the product compared to traditional share dealing. Investors will also have appropriate financial means and the ability to bear losses in excess of the initial amount invested.

## 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 is the highest risk class. This rates the potential losses from future performance of the product at a very high level. Crypto currencies are products that can generate losses rapidly. In some circumstances you may be required to make further payments to pay for losses. The volatility associated with cryptocurrencies may result in your capital being at greater risk than other spread bet products. **The total loss you may incur may significantly exceed the amount invested.**

**Be aware of currency risk.** It is possible to buy or sell spread bets on a cryptocurrency in a currency which is different to the base currency of your account. The final return you may get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

In some circumstances you may be required to make further payments to pay for losses. **You can lose all, but not more than the balance of your Trading Account.** Market conditions may mean that your spread bet trade is closed at a less favourable price, which could significantly impact how much you get back. We may close your open spread bet trade if you do not maintain the minimum margin that is required, if you are in debt to the company, or if you contravene market regulations. This process may be automated. This product does not include any protection from future market performance so you could lose some or all of your investment.

This product does not include any protection from future market performance. Cryptocurrencies are only offered during trading hours as and when they are made available. 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 "what happens if we are unable to pay you"). The indicator shown above does not consider this protection.

### Performance scenarios

The scenarios shown illustrate how your investment could perform. 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 spread bet.

The following assumptions have been used to create the scenarios in Table 1:

For example, If the investor buys \$4 a point of bitcoins in the marketplace at 7043.7. The margin is at 50%, therefore the Margin Requirement for this trade is \$14,087.40 ( $4 \times 7043.70 \times 50\%$ ). The notional requirement is \$28,174.80 ( $7043.70 \times 4$ ). This means that for each 1 point change in the price of the underlying market so the value of the spread bet changes by \$1. For instance, if the investor is long and the market increases in value, a \$1 profit will be made for every 1 point increase in that market. However if the market decreases in value, a \$1 loss will be incurred for each point the market decreases in value.

Crypto Currency Spread Bet (held intraday)		
Index closing price	P	7043.7
Trade size	TS	\$4
Margin %	M	50%
Margin Requirement (\$)	$MR = P \times TS \times M$	\$ 14,087.40
Trade notional (£)	$TN = P \times TS$	\$ 28,174.80

Table 1

LONG Performance Scenario	Closing Price (Inc. Spread)	Price Change	Profit/Loss	SHORT Performance scenario	Closing Price (inc. spread)	Price Change	Profit/Loss
Favourable	7149.36	1.5%	\$422.62	Favourable	6938.05	-1.5%	\$2 422.62
Moderate	7078.92	0.5%	\$140.87	Moderate	7008.48	-0.5%	\$140.87
Unfavourable	6938.05	-1.5%	-\$422.62 1041.28	Unfavourable	7149.36	1.5%	-\$422.62

Stress	6691.52	-5%	-\$1408.74	Stress	7395.88	5%	-\$1408.74
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The figures shown include all the costs of the product itself. If you have been sold this product by someone else, or have a third party advising you about this product, these figures do not include any cost that you pay to them. The figures do not take into account your personal tax situation, which may also affect how much you get back. For more information and examples please see the ETX website.

#### Opening price

There is no regulated Exchange, yet, that offers a Bitcoin feed. ETX offers our pricing from Reuters, which we have monitored through the day and night for some time and which seems to be stable and reliable. The Reuters price is sourced via two exchanges BITSTAMP and itBit.

#### What happens if ETX Capital is unable to pay out?

If ETX Capital is unable to meet its financial obligations to you, you may lose the value of your investment. However ETX Capital segregates all retail client funds from its own money in accordance with the UK FCA's Client Asset rules. ETX Capital also participates in the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to £50,000 per person, per firm. See [www.fscs.org.uk](http://www.fscs.org.uk).

#### What are the costs?

Trading a spread bet on an underlying crypto currency incurs the following costs:

This table shows the different types of cost categories and their meaning		
One-off entry or exit costs	Spread	The difference between the buy price and the sell price is called the spread. This cost is realised each time you open and close a trade.
	Currency conversion	Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
Incidental costs	Distributor fee	We may from time to time where permitted by applicable law share a proportion of our spread, commissions and other account fees with other persons including a distributor, that may have introduced you.
Other Costs	Rollover costs	We charge you to roll over a futures contract into the next month or quarter, equal to half the applicable spread to open and close a trade.

#### 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 are generally not suitable for longer term investment.** There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a spread bet at any time during market hours.

#### How can I complain?

If you wish to make a complaint, you should contact our Client Management Team on 0800 138 4582, by emailing [customer.service@etxcapital.com](mailto:customer.service@etxcapital.com) or in writing to One Broadgate, London EC2M 2QS. If you do not feel that your complaint has been resolved satisfactorily, you may refer your complaint to the Financial Ombudsman Service (FOS). See [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) for further information. If your complaint is about an advisory or discretionary manager acting on your account, please contact the firm providing the service.

#### 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 (improve or get worse). Ensure your internet signal strength is sufficient before trading.

When trading in spread bets where the underlying asset is a Cryptocurrency, you need to take in consideration that Cryptocurrencies are traded on non-regulated decentralized digital exchanges. Accordingly, 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 which often leads to very high intra-day volatility in the prices.

The Legal Documents section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.

The Product Overview on our platform contains additional information on trading a spread bet.