

## KEY INFORMATION DOCUMENT – CFDs - CRYPTOCURRENCIES

### 1. Purpose

This document provides you with key information about this investment product. It is not marketing material and it does not constitute an investment advice. The Key Information Document is required by the law to help you understand the nature, risks, costs, potential gain and losses of this product and to help you compare it with other products.

### 2. Product

**Product name:** Contract for Difference (“CFDs”) on Cryptocurrencies

**Distributor:** Offered by BCM Begin Capital Markets CY Ltd (the “Company”), a company registered in Cyprus with registration number HE 338839 and authorized by Cyprus Securities and Exchange Commission, with License Number 274/15.

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

#### What is this product?

##### Type

An Over the Counter (“OTC”) Derivative Contract for Difference (“CFD”) with the underlying instrument being Cryptocurrencies. A cryptocurrency is a virtual currency that functions as a medium of exchange, a unit of account, and/or a store of value, do not have legal tender status in any jurisdiction and are traded on non-regulated decentralized digital exchanges. The most common cryptocurrencies are Bitcoin, Ethereum, and Ripple. The pricing of cryptocurrencies is derived from specific cryptocurrency exchanges and are traded on cryptocurrency exchanges. The cryptocurrencies we currently offer as CFDs can be found at the company’s website.

**Objectives:** This CFD is not a listed instrument but is traded as an OTC contract. It enables you to have exposure to price movements on the underlying currency pair (the base currency and the quote currency) over a period of time. This CFD can be bought long or sold short to suit your view of market direction in the future. It is a leveraged product that requires you to deposit a smaller amount of cash as margin than the notional value of the position. For retail investors, there is a mandate of a minimum initial margin of 50% of the notional value of the position and requires us to close any open positions if the margin level of your account falls below 50% of the initial margin requirements.

**Example:** If an investor opened a buy (long) position (e.g., ETH/USD) and the price of the underlying asset rises, the value of the CFD will increase - at the end of the contract the Company will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor opened a sell (short) position and the price of the underlying asset rises, the value of the CFD will be increase - at the end of the contract the investor will pay the Company the difference between the closing value of the contract and the opening value of the contract.

ETF	Direction	Leverage	Position Size	Initial Margin	Open Price	Close Price	Change in %	Swap Paid*	Net Profit	Currency
ETHUSD	BUY	1:2	Value of 1 ETH	1087.5	2175	2191	0.74%	48.61	209.39	USD
ETHUSD	SELL	1:2	Value of 1 ETH	1087.5	2175	2191	0.74%	48.61	-306.61	USD
XRPUSD	BUY	1:2	Value of 1 XRP	0.325	0.65	0.70	7.69%	0.001	0.049	USD
XRPUSD	SELL	1:2	Value of 1 XRP	0.325	0.65	0.70	7.69%	0.001	-0.051	USD

\*Position held for 1 full day. For all Costs and Charges, please refer to our website to section [Trading Conditions](#).

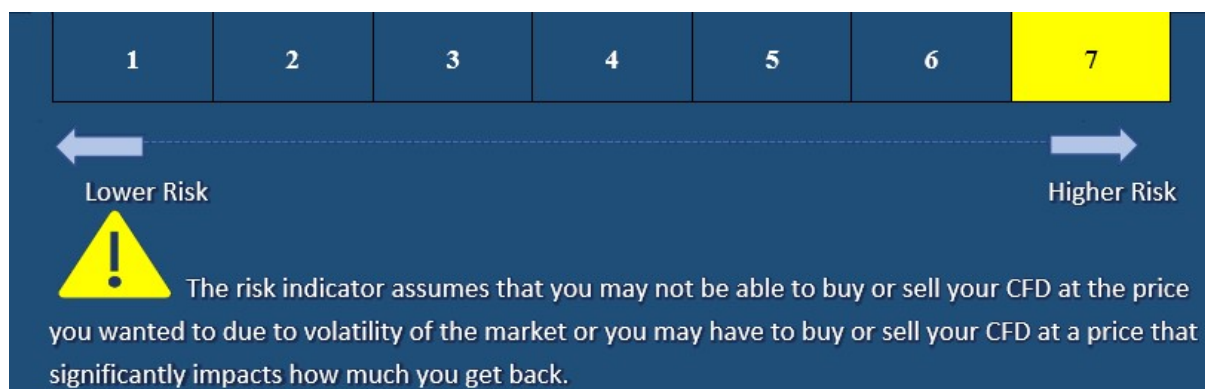
When free margin drops due to price movement in the opposite direction of the trades, one must either fund the account in order to keep margin level above stop out rule level, which is 50% margin level, or close position(s) to avoid being stopped out. Margin Call notification is communicated via e-mail and is also indicated in the platform when the margin level drops to 100%. The Company also retains the ability to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached.

### 3. Intended Retail Investor

This product is for clients that have a medium to high risk tolerance and ability to lose the invested capital. It is available for clients with a relatively short-term investment horizon, and is not suitable for all investors but only for those who i) understand and are willing to bear the risks involved, including the risks associated with margin trading; ii) possess the necessary experience and knowledge about trading in derivatives and the underlying instruments; and iii) are

financially able to bear the risk of a total loss of their invested amounts, subject to the negative balance protection mechanism offered by the Company.

#### 4. Risk Indicator



The Risk indicator can show you the risk involved in these products compared to other products. It shows how possible it is that the product movement can lead to financial loss for the investor. The Risk indicator has been set to the Highest level. The rate indicates the potential losses from the product future performance. CFDs are leveraged and risky products that can cause losses. Losses cannot exceed the amount invested (negative balance), however you may lose your entire invested capital. There is no capital protection against market risk, credit risk and/or liquidity risk.

#### 5. Currency Risk

It is possible to buy or sell CFDs in a different currency from the currency of your account. The final pay-out that you might receive depends on the exchange rate between the two currencies.

#### 6. Performance Scenarios

The below scenarios were demonstrated to provide you how an investment can perform. You can compare them with other products scenarios in order to identify which product is more suitable for you. The scenarios presented are an approximation of future performance based on evidence from the past performance on how the value of this investment differs and are not an exact indicator. The outcome will be based on the market performance and how long you hold the CFD. The stress scenario indicates the possible outcome in extreme market circumstances.

#### Scenario

Cryptocurrency CFD: ETH/USD	
Opening price	2175
Trade Size (per CFD): TS	1
Margin %: M	50%
Contract Size K	value of 1 ETH
Margin Requirement (€): $MR=P \times TS \times M \times K$	1087.50
Notional Value of the trade (€): $TN=MR/M$	2175

Table 1

<b>BUY</b> Performance Scenario	Closing price (inc. spread)	Price change	Gross* Profit/Loss	<b>SELL</b> Performance Scenario	Closing price (inc. spread)	Price change	Gross* Profit/Loss
Favorable	2207.62	1.5%	32.62 USD	Favorable	2142.85	1,50%	32.15 USD
Moderate	2191.31	0.75%	16.31 USD	Moderate	2158.81	0,75%	16.31 USD
Unfavorable	2142.85	-1.5%	-32.62 USD	Unfavorable	2207.62	-1,50%	-32.62 USD
Stress	2070	-5%	-105 USD	Stress	2280	5%	-105 USD

\*Indicates gross amount of profit/loss before fees. For net amounts please refer to Example 1 above.

**7. What happens if the Company is unable to pay out?**

The Company segregates all its clients' funds from its own, in different bank accounts, in accordance with the Law 87(I)2017 and the related Directive of the Cyprus Securities and Exchange Commission for the Safeguarding of financial instruments and funds belonging to clients. Moreover, the Company participates in the Investor Compensation Funds. The objective of the ICF is to secure claims of the covered Clients against members of the ICF, through the payment of compensation in cases where the member concerned is unable to pay out. The total payable compensation to each covered Client of the Company may not exceed the amount of twenty thousand euro (EUR 20,000). For further information, please refer to Cyprus and Securities and Exchange Commission website [www.cysec.gov.cy](http://www.cysec.gov.cy).

**8. What are the Costs?**

<b>One-off Entry or Exit Costs</b>	<b>Spread</b>	The Difference between the Sell Price and Buy price
	<b>Minimum Commission</b>	The minimum fee charged for the service carrying out the transaction (it refers to Equity CFDs and Physical Shares)
<b>Ongoing Costs</b>	<b>Swaps</b>	If you hold a position open after market close, you will be subject to a Swap Charge.

**9. How long should I hold it, and can I take money out early?**

CFDs have no recommended holding period. Provided that the Company is open for trading you can open and close positions if the markets are open.

**10. How can I complain?**

Please refer to the [Complaints Handling Procedure](#) listed on our website.

**11. Other Relevant information**

We encourage you to read the Policies listed on our website. You can find the respective documents under the section Regulation. Such information is also available upon request.