OCTA MARKETS CYPRUS LTD
Key Information Document
CFDs on Commodities

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, risk, costs, potential gains and losses of investing in this product and to help you compare it with other products.
CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

Product
PRIPP Name: CFDs on Commodities
PRIPP Manufacturer: Octa Markets Cyprus Ltd, CIF License Number: 372/18
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Competent Authority: Cyprus Securities and Exchange Commission (CySEC)
Date of last update: 14th November 2024

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 Contracts for Difference (CFDs) on Commodities.
Trading CFDs on Commodities allows an investor to speculate on the price movement of the underlying precious metal commodity without actually owning the underlying commodity. A CFD on Commodities is an agreement between you and Octa Markets Cyprus Ltd to exchange the difference in price of the underlying over a period of time. It allows an investor to speculate on rising or falling prices on a commodity. The difference to be exchanged is determined by the change in the reference price of the underlying. By trading CFDs on Commodities, the investor will not take delivery of the underlying commodity at any point during the duration of the trade. CFDs on Commodities are always traded on the basis of the underlying commodity (e.g. XBR/USD) and involves the simultaneous buying and selling of the underlying commodity and the currency. The profit and loss will accrue in the "quote currency". The maximum leverage ratio offered for CFDs on Commodities other than Gold, is 10:1.

Objective
A CFD on Commodities is not a listed instrument but is traded as an Over the Counter (OTC) contract between you and Octa Markets Cyprus Ltd. The objective of trading CFDs on Commodities is to speculate on the price movements of the underlying commodity, using leverage, without taking delivery of the currency at any time. For example, if you believe the underlying commodity will increase in value, you will buy the underlying (also known as "***going long***") with the intention of selling it later at a higher price. On the other hand, if you believe that the underlying commodity will weaken in value, then you will sell the underlying (also known as "***going short***") with the intention of buying it later at a lower price. The difference between the price at which you buy and sell (or vice versa) equates your profit minus any other costs (*see details below*). A CFD on Commodities is a leveraged product that requires you to deposit a smaller amount of cash as margin rather than paying the full value of your exposure. Trading with leverage can magnify both the profits and losses you make in relation to the investment. The level of leverage depends on the margin requirement for the individual CFD on Commodities. For retail investors, the European Securities and Markets Authority (ESMA) and the Cyprus Securities and Exchange Commission (CySEC) mandate a minimum initial margin of 10% of the notional value of the CFDs on Commodities other than Gold. Octa Markets Cyprus Ltd is required to liquidate open positions if the qualifying equity in your CFD account falls below 50% of the initial margin requirements for all CFDs positions. Margin trading requires extra caution, because while you can realize large profits if the price moves in your favour, you might experience extensive losses if the price moves against you.

Intended Retail Investor
CFDs on Commodities are intended for investors who have knowledge and experience with leveraged products, i.e. Investors who comprehend the key concepts of margin, leverage, and the risks of loss, and who have the financial means and ability to bear losses in excess of their initial invested amount. CFDs on Commodities are highly volatile. In addition, CFDs on Commodities are intended for investors with high risk tolerance that intend to use the products for short-term investment, speculative trading and/or hedging of exposure of an underlying asset.

Insurance Benefits
None.

Term
CFDs generally have no maturity date or minimum holding period. The decision of when to open or close a trading position lies solely on the investors.

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

Risk Indicator

The summary risk indicator shows the risks of entering a CFDs on Commodities trade as compared to other products.

1	2	3	4	5	6	7

Lower risk ← - → **Higher Risk**

There is no recommended or minimum time period for holding this product. You may be forced due to the volatility of the market to buy or sell your CFDs on Commodities at a price that will significantly impact your invested capital.

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 "***high***" risk class. This is due to the high likelihood of losing your entire investment and facing losses that can exceed your account balance (in this scenario ***Octa Markets Cyprus Ltd will offset any negative balances*** capping your maximum loss to the amount of your account). **Octa Markets Cyprus Ltd applies negative balance protection** in order to ensure that the company's clients will not face any additional charges beyond their invested capital.

CFDs on Commodities do not protect against any adverse future market performance. Spreads may vary and the market may be subject to high volatility that can generate losses rapidly. CFDs on Commodities are leveraged products, requiring only a proportion of the notional value to be deposited as initial margin. Using leverage, you gain larger exposure to a financial market by tying up only a relatively small amount of your capital. Trading with leverage can magnify both the profits and losses you make in relation to the investment.

Be aware of currency risk

You may buy or sell CFDs on Commodities in a currency which is different to the currency that your account is denominated in. **When you deal in a CFD that is denominated in a currency other than the base currency or a currency you have on a deposit in your account with us, all margins, profits or losses in relation to that CFD are calculated using the currency in which the CFD is denominated.** The final return you will get depends on the exchange rate between the two currencies (i.e. conversion of profit/loss quoted in the quote currency into the currency in which your account is denominated). **This risk is not considered in the indicator shown above.**

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.

Scenarios (assuming EUR 20,000 investment held for 4 weeks)		Low Volatility	Medium Volatility	High Volatility
Stress Scenario	What you might get back after costs	€14,200	€10,200	€8,200 *
	Average return each month	-29%	-49%	-59%
Unfavourable Scenario	What you might get back after costs	€17,200	€16,000	€14,800
	Average return each month	-14%	-20%	-26%
Moderate Scenario	What you might get back after costs	€21,200	€21,600	€22,000
	Average return each month	+6%	+8%	+10%
Favourable Scenario	What you might get back after costs	€22,400	€24,800	€27,600
	Average return each month	+12%	+24%	+38%

*The Loss is restricted to your account balance since you are protected by the Negative Balance equity protection we offer. Under the stress scenario your position will be automatically closed when the loss equates to 10,000 EUR which is the level at which maintenance margin falls below 50% of your equity. In case of highly volatile conditions, the next best available price could result that you suffer the Loss indicated above.

Note: *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 or the losses you bear could be higher.*

What happens if Octa Markets Cyprus Ltd is unable to pay out?

If Octa Markets Cyprus Ltd is unable to meet its financial obligations to you, all eligible claimants' losses will be covered by the Investor Compensation Fund ("ICF"), up to investments of €20.000 or 90% of the invested amount, whichever is lesser, per investor. For more information refer to CySEC's website at https://www.cysec.gov.cy/en-GB/complaints/tae/information/.

What are the costs?

The Reduction in Yield ("RIY") shows what impact the total costs you pay will have on the investment return you might get. The total costs considered include One-off, On-going and Incidental Costs. The amount shown here are cumulative costs of the product itself for an estimated holding period of four (4) weeks. The figures assume you invest €20,000 for a €15,000 notional value. The figures are estimates and may change in the future.

Costs Over Time

The Company selling you this product may charge you other costs. If so, the Company will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Estimated Holding Period: Four (4) weeks	
Investment: €20,000	
Total Costs: **-€167.20**	
Impact on Return: **-0.84%**	

Composition of Costs

- The impact each year of the different types of costs.
- What the different cost categories mean.

This table shows the breakdown of costs			
		OTR /MT5	
One-off costs	**Entry costs**	0.088%	*Spread*: The spread cost is the difference between the buy and sell price. Half of the spread cost is realized upon opening a trade. For this calculation we have based on average spread. As spreads are variable the size of the spread can vary at different times. The spread cost can be either higher or lower depending on market volatility. To observe the spread levels for all financial instruments, please visit the following link: https://www.octaeu.com/spreads/
	Exit costs	0.088%	*Spread*: The spread cost is the difference between the buy and sell price. The other half of spread cost is realized upon closing a trade. For this calculation we have based on average spread. As spreads are variable the size of the spread can vary at different times. The spread cost can be either higher or lower depending on market volatility. To observe the spread levels for all financial instruments, please visit the following link: https://www.octaeu.com/spreads/
On-going costs	Portfolio Transaction costs	0%	Not applicable
	Other on-going costs	0.03%	*Daily Fee / Swap*: It is a Financing Cost and the calculation parameters, are the following: Symbol's fee in Points, Days the trade is held open, Volume in lots, Direction of the trade, Contract Size, Point's value and Conversion rate to trading account's Base Currency. For every night and third night respectively of platform, that a position is held open, a fee charge is subtracted from your account for each of the days/three days the order is open. The longer the position is held, the more the costs will accrue. Web link: https://www.octaeu.com/spreads/
Incidental costs	Performance fees	0%	Not applicable
	Carried interest	0%	Not applicable
	Currency Conversion	0.63%	*Currency Conversion*: The fee charged for converting realised profits/losses, any adjustments denominated in a currency other than the base currency of your account. For the purpose of calculations of Costs Over Time, we have used the Stressed Scenario, with Medium Volatility. Depending on current volatile conditions, you could benefit a lower or suffer a higher Currency Conversion fee.

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

Recommended (required minimum) holding period: None

CFDs on Commodities are generally intended for short-term trading. Nevertheless, a position can be held for any duration, i.e. intra-day or for a longer period. The spread costs are not correlated to the duration of the CFDs on Commodities trade. The position can be closed anytime during the hours that the market is open. There are no consequences of you choosing to close your position other than ending your exposure to the underlying at that time. Early termination may occur in the event your account has insufficient funds to support the margin requirement for your position, as a consequence of certain corporate actions, or if Octa Markets Cyprus Ltd for other reasons decides to discontinue the CFD, or if Octa Markets Cyprus Ltd were to become insolvent.

How can I complain?

Should you wish to submit an official complaint, you should duly complete, sign and submit the complaints form that can be found in our website: https://www.octaeu.com/files/pdf/Complaints_Procedure_Complaints_Form.pdf or via email to complaints@octaeu.com.
If you do not feel your complaint has been resolved satisfactorily, you can refer your complaint to the Cyprus Financial Ombudsman Service (FOS). Please, visit: http://www.financialombudsman.gov.cy for further information.

Other relevant information

For further information on CFDs on Commodities, please refer to our website: https://www.octaeu.com/spreads/.