

**CFD CRYPTOCURRENCIES**  
**KEY INFORMATION DOCUMENT**

**PURPOSE**

This document provides Clients with key information about this investment product. It is not marketing material.

The information is required by law to help Clients understand the nature, risks, costs, potential gains and losses of this product and to help Clients compare it with other products.

**PRODUCT**

**Product Name** *CFD Cryptocurrencies*

Product manufacturer VPR Safe Financial Group Limited ("Alvexo") herein the "Company", authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) with CIF license number 236/14 and company registration number HE 322134, located at 1, Agias Fylaxeos Street, 3025 Limassol, Cyprus.

**Further information**

Clients can find more information about the Company's products on the Company's website <https://www.alvexo.com/>

This document was last updated on **October 2018**.

**RISK WARNING**

The Company's service includes products that are traded on margin and carry a risk of losses in excess of Clients deposited funds. The products may not be suitable for all investors. Clients need to ensure that they fully understand the risks involved.

**WHAT IS THIS PRODUCT?**

**Type**

This document relates to products known as "Contracts for Difference on Cryptocurrencies", which is also known as CFD's on Cryptocurrencies.

A CFD is a tradable instrument which represents a contract between two parties to exchange the difference between the current price of an underlying instrument and its price on the day the agreement expires. CFDs are leveraged products, enabling investors to make transactions with only a small margin (deposit). The Client does not actually own the underlying instrument and the profit or loss is determined by the difference between the buying and the selling price of the CFD, minus any relevant costs.

Alvexo is owned and operated by VPR Safe Financial Group Limited a Cyprus Investment Firm (CIF) supervised and regulated by the Cyprus Securities and Exchange Commission (CySEC) with CIF license number 236/14 and company registration number HE 322134, located at 1, Agias Fylaxeos Street, 3025 Limassol, Cyprus.

The Company offers CFDs with on different underlying instruments. The cryptocurrencies which are currently offered as CFDs are Bitcoins, Bitcoin Cash, Dash, Ethereum, Litecoin and Ripple.

The most common cryptocurrencies are Bitcoin, Ethereum, Litecoin and Ripple. Cryptocurrencies are encrypted digital representation of value that function 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.

### ***Objectives***

The objective of trading CFDs is to speculate on price movements (generally over the short term) in an underlying asset by obtaining an indirect exposure to the underlying asset. The Clients return depends on movements in the price of the instrument and the number of contracts opened (size of your stake). This product is appropriate only for speculative investment purposes. This is because cryptocurrencies are a relatively new type of instrument, remain to be unregulated by most Financial Authorities and in the European Union are not, at the date hereof, covered by the Markets in Financial Instruments Directive.

### ***Intended Retail Investor***

Trading these products will not be appropriate for everyone. These products should be used by persons who:

- (i) have a high risk tolerance;
- (ii) 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;
- (iii) have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and
- (iv) want to generally gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio.

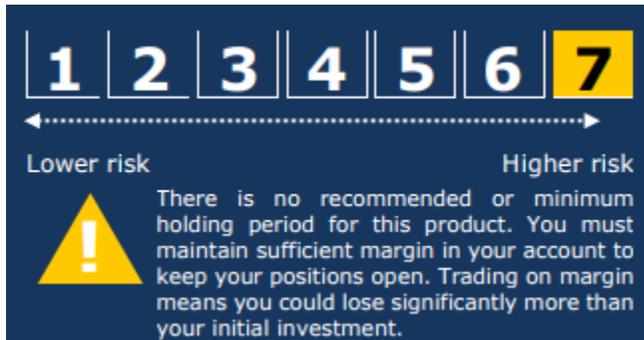
### ***Term***

CFDs on Cryptocurrencies may be subject to an automatic 7-days expiration. This means that unless the Client closes their position before its expiration time, such position shall be closed by the Company at the Company's last prices at the time.

If the Clients margin level reaches or falls below the Margin Stop out Level of 75%, they will receive a stop out or margin call and their positions will start liquidating, without notice by the Company to the Client, starting with the highest losses. The Company may close Clients positions without seeking their prior consent if the Client does not maintain sufficient margin in their account (more information below).

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

### *Risk Indicators*



The summary risk indicator is a guide to the level of risk of these products compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Company is not able to pay the Client. The Company has classified this product as 7 out of 7, which is the highest risk class.

This rates the potential losses from future performance at a very high level. Clients need to be aware of currency risk. Clients may receive payments in a different currency, so the final return the client will receive depends on the exchange rate between the two currencies.

For example, Clients maintaining a trading account in Euros and trading in CFDs that are not priced in Euros are subject to foreign exchange risks and may be affected in fluctuations of the underlying currencies. This risk is not considered in the indicator shown above.

In some circumstances Clients may be required to make further payments to pay for losses. Trading risks are magnified by leverage – the total loss Clients may incur, is losing all their invested funds.

Margin can be thought of as a good faith deposit required to maintain open positions. This is not a fee or a transaction cost, it is simply a portion of your account equity set aside and allocated as a margin deposit.

The Company's margin requirements are updated monthly and can be increased temporarily to mitigate risks prior to major market events or in increasingly volatile markets. Current margin requirements will differ depending on account type.

Margin Call's will occur when the equity of the account falls below the required margin. Depending on your account type and/or trading platform a margin call may liquidate all open the positions on your account or may only close specific positions.

The Company processes all liquidations for CFD products automatically, for more information on how Margin Calls work.

The Company aims to provide clients with the best execution available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to slippage. Slippage most commonly occurs during fundamental news events or periods of limited liquidity.

During periods such as these, your order type quantity demanded, and specific order instructions can have an impact on the overall execution you receive.

CFD trading is decentralised and pricing will vary from broker to broker. The Company's Cryptocurrency instruments are not listed on any exchange, and the prices and other conditions are set by the Company in accordance with our best execution policy. CFD contracts can be closed only with the Company, and are not transferable to any other provider. If you have multiple positions your risk is cumulative and not limited to one position.

The Company offers Negative Balance Protection to its Clients, meaning that they will never be in a position to lose more funds than the amounts invested with the Company. In case the account balance of a Client enters in the negative territory for example due to a gap in the market, this amount will not be requested by the Company, and the Client's account will be brought back to zero (0).

Prior to any trading client should trade only after they have acknowledged and accepted the risks. Clients should carefully consider whether trading in leveraged products is appropriate for them.

### ***Cryptocurrencies specific risks***

- At the date hereof, cryptocurrencies are not recognized as a Financial Instrument under the European Union's MiFID and are not the subject of any financial regulation.
- Cryptocurrencies are not covered by the Cyprus Financial Ombudsman.
- Cryptocurrencies are traded on non-regulated decentralized digital exchanges. This means that the 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, including the implementation of trading suspensions or other actions.
- Cryptocurrencies are exposed to high intra-day price volatility, which may be substantially higher compared to other Financial Instruments.
- Because of the high market volatility, we reserve the right to change trading terms (such as spreads, charges, and leverage ratios) at more regular intervals than for trading on CFDs for other instruments. Furthermore the level of such spreads and other costs is significantly higher than for other instruments.
- CFDs on Cryptocurrencies may be subject to an automatic 7 day expiration which means that if you wish to maintain an exposure you will have to reopen a trade at the prevailing prices at such time.

### **Performance Scenarios**

This is a Key Investor Document for the entire asset class of cryptocurrencies. For each CFD trade you enter, you will be responsible for choosing the instrument, when you open and close, the size (risk) and whether to use any risk mitigation features (such as stop loss orders).

Each cryptocurrency has a different pip cost (value risked for every change of a certain digit in price) associated to it.

This table shows potential profit and loss under different scenarios. The scenarios assume the Client has a starting equity of €1000 and choose to buy/sell 100 Index CFD contracts. This particular CFD Contract has a pip cost of €0.1 per contract, meaning in this case the client will make or lose €10 for every pip the price moves. A pip on this instrument is the last digit before the decimal place. The price at which the client can buy is 1000.00.

The below table does not include overnight holding costs or commissions (discussed further below)

#### **Example:**

##### **TRADING ON BTCUSD:**

Volume in Lots = 1

Contract Size = 1

Open Price = 6,400.00 USD

Margin Percentage: 2,500%

Account Leverage = 1:50

$$\frac{(Volume\ in\ Lots) * (Contract\ Size) * (Open\ Price)}{\frac{Account\ Leverage}{Margin\ Percentage/100}} = \frac{1 * 1 * 6,400}{\frac{50}{2,500/100}} = 3,200\ USD$$

#### **What happens if ALVEXO is unable to pay out?**

The Company is unable to meet its financial obligations to its Clients, this could cause Clients to lose the value of any CFD's they have with the Company. The Company segregates Clients funds from its own money in accordance with the CySec's Investors Compensation Fund. Should segregation fail Clients that are classified as RETAIL, their investments are covered by the Investors Compensation Fund which covers eligible investments up to €20,000 per person, per firm. Professional Clients are not covered by the Investors Compensation fund and the Financial Ombudsman Services.

### What are the costs?

This table shows the different types of costs involved when you trade CFD products

<p><b>One-off Costs</b></p>	<p><b>Entry and Exit Costs</b></p> <hr/> <p><b>Currency Conversion Rates</b></p>	<p><b><u>Spread</u></b></p> <p>Spread is the difference, usually indicated in pips, between the Bid and Ask price. The Spreads values vary for different accounts as well as depend on the instrument traded.</p> <p>The spread can be either floating or fix, depending to the account's type. In case of floating spread, the spread might increase or decrease, depending on the market conditions.</p> <p>Spread is a cost presents both at entering and exiting a trade, and it applies to all the accounts.</p> <p>All the minimum and typical spreads for each CFD are reflected at the Company's <a href="#">website</a>.</p> <p><b><u>Commissions</u></b></p> <p>Commissions are only charged on ECN account types at entry. The amount of the commissions are based on the asset and the account type, hence, the commissions might vary from asset to asset and from account type to account type.</p> <hr/> <p>Investing in CFDs with an underlying asset listed in a currency other than your account type 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.</p>
<p><b>Ongoing Costs</b></p>	<p><b>Overnight Financing</b></p>	<p><b><u>Swaps</u></b></p> <p>Swap is the fee for keeping the position opened over the night. The swap can be positive or negative depending on the instrument.</p> <p>Swap Values can be found on <a href="https://www.alvexo.com/trading-specifications">https://www.alvexo.com/trading-specifications</a></p>

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

- Clients can open and only exit any trades, during the trading hours of the market of the underlying instrument being made available on the Company's Website.



- Clients can request to withdraw their funds at any time. The Company will process withdrawal requests within 24 hours irrespective of payment method. Minimum withdrawal amounts apply, depending on the mode of remitting funds to you (between USD 5- USD 100). The Company will not charge any withdrawal fees, although some banks may charge transaction fees.

#### **How can I make a complaint?**

In case a Client is dissatisfied by the services provided by the Company, they must address any complaints to the Company's Compliance Department by filling out the [following form](#) and submitting it to the Company via email at: [compliance@alvexo.com](mailto:compliance@alvexo.com)

If Clients do not feel their complaint has been resolved satisfactorily, they are able to refer their complaint to the Financial Ombudsman Service (FOS). See [www.financial-ombudsman.gov.cy](http://www.financial-ombudsman.gov.cy) for further information.

#### **Other relevant information**

Clients should ensure to read the Company's Term and Conditions, Best execution policy and risk warning notice displayed in the legal section of the website, at the Legal Documentation page on our website. Such information is also available on request.