



KEY INVESTOR DOCUMENT

This Key Investor Document (“KID”) is effective from 3 January 2018 and shall remain effective until a more recent version is released. CFH Clearing Limited reserves the right to amend the KID at any time as and when it sees fit. This KID does not replace our Standards Terms of Business (“terms”) or any other client agreement. Please ensure that you familiarise yourself with our terms and that you fully understand your client trading agreement.

Risk Warning: Trading Foreign Exchange and Contracts for Difference is highly speculative and carries a high level of risk. Trading in these products is not appropriate for every investor. You may sustain a loss of some or all of your invested capital. You should therefore not speculate with capital that you cannot afford to lose. Please review and ensure that you fully understand our Risk Warning available on our website at www.cfhclearing.com



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ABOUT CFH CLEARING LIMITED

CFH Clearing Limited (“CFH Clearing”, “the firm”, “we” or “us”) is authorised and regulated by the Financial Conduct Authority (registration number 481853). Details about the extent of our regulation can be found in the Financial Conduct Authority’s Financial Services Register or are available from us on request.

CFH Clearing is based at 8 Lloyds Avenue, 4th floor, London, EC3N 3EL.

CFH Clearing is committed to providing the highest levels of standard and care. As such, we provide our clients with clear information about the products and services we offer, including any fees and charges. CFH Clearing is a subsidiary of Playtech Plc, a company traded on the London Stock Exchange’s Main Market, which is included within the FTSE 250 Index.

TREATING CLIENTS FAIRLY

CFH Clearing is committed to treating its clients fairly and to encouraging best practice in the provision of financial services and the market as a whole. Treating customers fairly is central to our corporate culture and ethos.

We have a duty to act honestly, fairly, professionally and in the best interests of our clients when interacting with them. Our key objective is to display professional standards towards our clients at all times.

OUR SERVICES AND PRODUCTS

CFH Clearing is an investment firm and as such provides investment services to its clients. In particular, CFH Clearing provides one or more of the following investment services:

- Receiving and transmitting orders
- Execution of orders
- Dealing on own account

Clients may also trade on margin. CFH Clearing offers its services through electronic trading platforms, i.e. MT4 Metatrader, Clear Pro, Clear Web and Netstation.

CFH Clearing does not provide the services of investment advice and/or portfolio management; nor does the firm underwrite financial instruments, hold or safeguard client assets or funds or produce investment research.

CFH Clearing may also, at times, take proprietary positions. This means that CFH Clearing may not simultaneously hedge each client trade with a back-to-back Liquidity Provider (“LP”) trade, but rather trade against its proprietary capital.

A list of CFH Clearing’s products may be viewed at www.cfhclearing.com/instruments.



APPLICABLE LAW AND REGULATION

CFH Clearing conducts its business in accordance with the Markets in Financial Instruments Directive 2004/39/EC, the Markets in Financial Instruments Regulation (“MiFIR”) and further measures implementing specific aspects such as Product Governance (“the implementing Measures”) as well as a large number of regulatory and technical standards (the “RTSs” and “ITSs”), together referred to as MiFID II.

CFH Clearing offers its services across the European Economic Area and third countries, as per the rules under MiFID II and the FCA.

CFH Clearing also adheres to the various rules set out by its regulator, the FCA, the Companies Act 2006, Data Protection Act 1998 as well as all applicable rules and regulations in respect of combating Financial Crime and Money Laundering. Any disputes will be governed and construed in accordance with the laws of England and Wales.

APPLICABLE LANGUAGE

CFH Clearing’s official language is English. While the Onboarding Application form and Sales conversations may be conducted in various languages, this is for information purposes only. The English version of our Standard Terms of Business as well as any other agreed English client agreements prevail and supersede any other previously provided versions.

OUR PRICES

We quote a two-way price for each CFD we offer. This two-way price consists of a “Bid” (the lower price which is the price at which you as a client may “Sell” the CFD) and an “Ask” (the higher price which is the price at which you as the client may “Buy” the CFD).

The difference between our “Bid” and our “Ask” price is commonly referred to as our “Spread”. For example, if the quote for the EUR/USD currency pair is 1.29100 against 1.29103, then the Spread is 0.3 pips. Our Spreads are either fixed or variable.

LEVERAGE TRADING

Trading on leveraged capital means that you can trade amounts significantly higher than the funds you invest with CFH Clearing. Your initial capital will therefore only serve as the margin. High leverage may significantly increase the potential return, but it may also significantly increase potential losses. The leverage is specified as ratio, i.e. as 1:25, 1:50, 1:100, 1:200 or 1:300. This means that clients may trade with amounts substantially higher than invested in a particular CFD.

Sometimes the leverage is expressed in percentage terms – and referred to as Margin requirement. A leverage of 1:100 represents a margin requirement of 1%.

CFH Clearing offers leverage pending on the currency and type of client and the leverage ratio is decided on an individual basis. Clients will be informed of their available leverage ratio by CFH Clearing’s Client Services Department.

INITIAL/ REQUIRED MARGIN

Initial Margin or required Margin refers to the amount needed in order to open and maintain a position, in addition to the initial loss that will occur due to the spread. The Required Margin is derived from the following formula: $(\text{Amount} * \text{Instrument Price}) / \text{Leverage} + (\text{Amount} * \text{Spread})$.

CHARGES AND COMMISSIONS

Depending on the instrument and/ or client set up, CFH Clearing will charge commissions. Commissions may consist of mark-ups on spreads, minimum fees or may be based on the amount of volume traded.

Additionally, CFH Clearing may charge you for a daily overnight rollover charge for open positions if held overnight. The method of calculation of the overnight charge varies according to the type of asset to which it applies. Moreover, the amount of the overnight charge will vary between different assets as it is linked to interest rates related to each asset and in addition to an extra financing charge defined by us.

DEPOSIT

CFH Clearing's minimum deposit is USD 50,000. Deposits can be made via BACS only. CFH Clearing only accepts inward remittances from bank accounts solely in the name of the client.

Under certain circumstances we may accept third party payments, if provided via a custodian bank. However, in those circumstances CFH Clearing will ask for evidence to evaluate the client's source of funds.

TRADING ACCOUNT

CFH Clearing's will provide its clients with a personalised log in, consisting of a username and password, for its relevant platforms. Please keep your password and access to your trading account protected at all times.

Please note that CFH Clearing will never ask its clients to provide their password to confirm clients' identities when speaking on the phone. Instead, clients will have been asked to set a security password at the account opening phase, which will be used to confirm one's identity. Please keep this security word safe at all times.

CFH Clearing does not bear any responsibility for any unauthorised use of your trading account, password or security word.



TRADE REPORTS

Clients are able to download trade reports of their trade activities as and when they see fit, on a live basis, using their log-in details for the CFH Online Back Office Website. Clients, for whom MT4 prevails, will be able to download trade activity reports using their MT4 platform.

CFH Clearing will provide quarterly email notifications to its clients to remind them of the availability of accessing these reports.

YOUR CAPITAL

CFH Clearing maintains its clients' funds in a bank account in its own name. Client accounts are reconciled on a daily basis and follow strict Accounting rules, credit risk assessment and our own due diligence processes. CFH Clearing also regularly assesses the credit standing, regulatory oversight and reputation of the banking institution it banks with.

WITHDRAWALS

Withdrawals will be processed by our Finance Department on the same day if the request has been received by 1 pm and if it was submitted by an approved and authorised signatory.

The minimum amount required for a withdrawal request is 1,000 USD, or less if the lesser amount represents the client's full balance. On rare occasions, CFH Clearing may charge 25 USD per withdrawal, on its own discretion, if a client make regular, small withdrawals.

CFH Clearing does not charge any withdrawal fees. However, some banks may charge a transaction fee. These fees are not covered by CFH Clearing.

COMPLAINTS PROCEDURE

We strive to address our clients' concerns at all times. Clients are entitled to submit complaints to our Compliance Officer at any time. Please submit your complaint to: compliance@cfhclearing.com.

Clients' complaints will be addressed within 8 weeks of notification, as per the FCA's complaints handling procedures.

CONFLICTS OF INTEREST

Situations can arise where our interests, or those of our staff, conflict with your interests or where your interests compete with those of our other clients.

Our Conflicts of Interest Policy is a policy we maintain in order to set out the circumstances which may constitute or may give rise to a conflict of interest, the procedures we will follow and the measures we adopt to prevent or manage such conflicts.

Whilst we take all appropriate steps to identify and to prevent or manage conflicts of interest, where we are not reasonably confident that our arrangements are sufficient to ensure that risk of damage to your interests will be prevented, we will disclose to you the nature of the conflict and the step that we have taken to mitigate the risk before undertaking business with you.

At your request, we will provide to you a copy of our Conflicts of Interest Policy by email. If you would like to receive a copy, please let us know by submitting a written request to our Compliance Department at compliance@cfhclearing.com.

Please also note that CFH Clearing acts as its clients' principal counterparty and that it also holds risk on its books. Any back-to-back hedging arrangements, which CFH Clearing may enter into from time to time (including any payments it makes to, or receives from, its hedging counterparties), are an internal matter for CFH Clearing and have no bearing on the pricing and the investment services it offers to its clients. This means that the regulatory restrictions on "payments for order flows" as well as any other rules regarding inducements have no bearing on our relationships with our own clients. It is important for our clients to consider CFH Clearing as their sole execution venue. Reference to this is also made in the Order Execution Policy.

HOW YOU CAN HELP US

In order to assist us with providing you with the best possible services, please kindly:

- Review the information contained in this document
- Keep us informed of any changes of your license
- Inform us if you think of ways to improve our service