

Key Information Document – FOREX CFDs

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.

Product

Product Name Contract for difference on a forex pair.

Product manufacturer Hirose Financial UK Ltd ("Hirose"), authorised and regulated by the Financial Conduct Authority in the United Kingdom (FCA#540244).

Further information You can find more information about Hirose and our products at [the Trading Information section](#) of our website. You can contact us using the [details](#) on our website or by calling +44 203 687 0348.

This document was last updated on 29 December 2017.

Alert

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

What is this product?

Type

This document relates to products known as 'contracts for difference', which are also known as **CFDs**. A CFD allows you to obtain an indirect exposure to an underlying asset such as a security, commodity, forex pair or index. 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.

This document provides key information on CFDs where the underlying investment option that you choose is a forex pair such as EURUSD or GBPUSD. A forex pair is the price of one currency expressed in another currency e.g. EURUSD is the price of EUR (the 'base' currency) expressed in USD (the 'quote' currency).

You can visit [the Market Information section](#) of our website for information on the underlying assets available to you.

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. Your return depends on movements in the price of the underlying asset and the size of your position. For example, if you believe the price of a forex pair is going to increase, you would buy a number of CFDs (this is also known as "going long"), with the intention to later sell them when they are at a higher price. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs (detailed below). If you think the value of a forex pair is going to decrease, you would sell a number of CFDs (this is also known as "going short") at a specific price, expecting to later buy them back at a lower price than you previously agreed to sell them for, resulting in us paying you the difference, minus any relevant costs (detailed below). However, in either circumstance if the forex pair moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed below), you would owe us the amount of any loss you have incurred together with any costs.

To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the contract in your account. This is referred to as the margin requirement (see further below). Trading on margin can enhance any losses or gains you make.

Intended Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

- (i) have a high risk tolerance;
- (ii) are trading with money they can afford to lose;
- (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 savings.

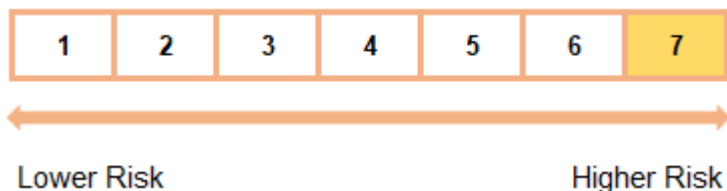
Term

CFDs have no maturity date or minimum holding period. You decide when to open and close your positions.

We may close your position without seeking your prior consent if you do not maintain sufficient margin in your account, but we are under no obligation to do this. More information about when we can close your position is set out below.

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 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 we are not able to pay you. We have classified these products as 7 out of 7, which is the highest risk class. This is because there is a very high chance that you could lose more than your initial investment. Figures published by the Financial Conduct Authority show that approximately 82% of retail clients lose money on CFD products.

Be aware of currency risk. You may receive payments in a different currency, so the final return you will 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. The total loss you may incur may significantly exceed the amount invested. Your losses can materialise quickly due to the use of margin (see further below).

CFD trading requires you to maintain a certain level of funds in your account to keep your positions open. This is called margin. You will be able to open a position by depositing only a small percentage of the notional value of the position, creating a leveraged position. Leverage can significantly magnify your gains and losses. If the funds in your account are no longer sufficient to keep your position open, you will be required to make up this shortfall. This is a margin call. If you do not meet your margin call, we may close your position (immediately and without notice) and you will realise any losses. You could, therefore, lose more than your entire investment.

Our CFDs are not listed on any exchange, and the prices and other conditions are set by us in accordance with our best execution policy. The contract can be closed only with us, and are not transferable to any other provider. If you have multiple positions with us, your risk may be cumulative and not limited to one position.

The tax regime of the country in which you are domiciled may impact your return.

This product does not include any protection from future market performance so you could lose some or all of your investment. 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 the section 'what happens if Hirose is unable to pay out'). The indicator shown above does not consider this protection.

Performance Scenarios

This key information document is not specific to a particular product. It applies to a CFD on any forex pair. However, each CFD you enter into with us is specific to you and your choices. You will be responsible for choosing the underlying forex pair; when you open and close your position; the size of your position and your margin; and whether to use any risk mitigation features we offer (such as stop loss orders), for example. Each of your positions will also be impacted by any other open position you have with us.

The table below shows the money you could get back under different scenarios. The scenarios assume you choose to buy 1 CFD contract relating to the forex pair EURUSD. This particular CFD contract size is 100,000 EUR (measured in the 'base' currency), meaning you will make or lose 10 USD (quoted in the 'quote' currency) for every pip the price moves (a pip is 0.0001 in the case of EURUSD). The price at which you can buy is 1.2000. This means you will have notional exposure to the underlying asset of 100,000 EUR (1 contract x 100,000 EUR per contract). You will have to deposit 500 EUR as margin, which is 0.5% of your notional exposure of 100,000 EUR, leading to a leveraged exposure of 200:1. The scenarios also assume we charge an overnight financing fee of 8.5 EUR per contract (see our [overnight rollover financing](#)) in addition to our spread but there are no other fees. The spread is the difference between the 'sell' price (the 'bid') and the 'buy' price (the 'ask'). We will assume the spread is 1.0 pips in this case. Therefore the corresponding bid would be 1.1999.

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 exact indicators. What you get will vary depending on how the market performs and how long you keep the investment.

The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back. This performance scenario assumes you only have one position open, and does not take into account the negative or positive cumulative balance you may have if you have multiple open positions with us.

The stress scenario below shows how small price movements can rapidly lead to losses and in this circumstance will result in a forced close out of your position. In this stress scenario you may owe us additional money for your trading losses and lose more than your investment. This does not take into account a situation where we are unable to pay you.

Notional exposure of 100,000 EUR Initial margin 500 EUR Leverage 200:1			
Scenarios		<i>Intra-day</i>	<i>10 days</i>
Stress scenario: <i>The price falls by 6 pips and we close you out</i>	What you will lose after costs Percentage return	-\$70 -11.7%	-\$155 -25.8%
Unfavourable scenario: <i>The price falls by 3 pips and you exit the position</i>	What you will lose after costs Percentage return	-\$40 -6.7%	-\$125 -20.8%
Moderate scenario: <i>The price does not change and you exit the position</i>	What you will lose after costs Percentage return	-\$10 -1.7%	-\$95 -15.8%
Favourable scenario: <i>The price increases by 3 pips and you exit the position</i>	What you might get back after costs Percentage return	\$20 3.3%	-\$65 -10.8%

What happens if Hirose is unable to pay out?

If Hirose is unable to meet its financial obligations to you, this could cause you to lose the value of your account (your 'equity' as seen on our platform) you have with Hirose. Hirose segregates your funds from its own money in accordance with the UK FCA's Client Asset rules. Should segregation fail, your investment is covered by 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.

What are the costs?

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

One off costs	Spread	The spread is the difference between the buy (offer) and sell (bid) price that we quote. For example, if the underlying asset is trading at 100, our offer price (the price at which you can buy) might be 101 and our bid price (the price at which you can sell) might be 99. You pay the spread on opening and closing a contract.
	Currency conversion	A currency conversion rate is charged if dealing in a currency other than your account currency.
Ongoing costs	Overnight holding costs	Cash positions on your account at the end of a trading day (17:00 New York time) will be subject to overnight financial costs . These can be positive or negative depending on the direction of the position, and the current holding rate. See our costs here .
Other costs	Distributor fees	We may make payments from time to time to certain partners who introduce business to us. These payments made be based on the revenues we earn and your trading activity. We only make these payments if they do not breach the Financial Conduct Authority's rules on inducements.

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

This product generally has no fixed term and will expire when you choose to exit the product or in the event you do not have enough available margin. You should monitor the product to determine when the appropriate time is to exit. **You can close your contract at any time.**

How can I complain?

If you wish to make a complaint, you should contact our compliance team on +44 20 3687 0348, or email at compliance@hiroseuk.com. If you do not feel your complaint has been resolved satisfactorily, you are able to refer your complaint to the Financial Ombudsman Service (FOS). See <http://www.financial-ombudsman.org.uk/> for further information.

Other relevant information

You will find detailed information on our products by reviewing the [trading information](#) on our website. You should ensure that you read the terms of business, order execution policy and risk warning notice displayed in the legal section of our website, at <http://hiroseuk.com/>. Such information is also available on request.