



Always
by your side

Tradestone Ltd
CySEC License 331/17

Address: 89, Vasileos Georgiou A' street, Office 101
Potamos Germasogeias 4048, Limassol, Cyprus
www.fbs.eu

Key Information Document – CFD on a Cryptocurrency

Purpose

The 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

CFDs on Cryptocurrencies are offered by Tradestone Limited (hereinafter the “Company”, “We” or “Us”), registered in the Republic of Cyprus. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission in the Republic of Cyprus, with license number 331/17. For further information please call +357 25 313540 or visit <https://www.fbs.eu/en>. This document was last updated on the 21st of April 2023.



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

What is this product?

Type

This investment product is a Contract for Differences (hereinafter the “CFD”) on a cryptocurrency. A CFD is an Over the Counter (hereinafter the “OTC”) leveraged financial instrument and its value is determined based on the value of an underlying asset. The investor makes a profit or a loss on the CFD based on the direction chosen (Buy or Sell) and the direction of the value of the underlying asset. The CFD is settled in cash only and the investor has no rights whatsoever on the actual underlying asset. This document provides key information on CFDs where the underlying investment that you choose is a cryptocurrency derivative instrument such as BTCUSD.

CFDs on Cryptocurrencies are derived from the relevant underlying cryptocurrency pair that involves the simultaneous purchase/sale of one CFD of a cryptocurrency and purchase/sale of a fiat currency. The currency that is used as the reference is called quote currency (USD) and the currency that is quoted in relation is called the base currency (BTC). 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

Investors opt to trade in CFDs on Cryptocurrencies for many reasons, be it hedging their physical wallet crypto holdings, gaining indirect exposure to Cryptocurrencies as an inflation hedge, diversifying an existing portfolio of classic asset classes or even simply for speculation of price differences to generate income. CFDs are traded on margin. This means that you are able to leverage your investment by opening larger positions than the funds you have to place as margin collateral. The margin is the amount reserved on your trading account to cover any potential losses from an open CFD position. It is possible that a loss may exceed the required margin. Margin requirements can be changed at any time to reflect market conditions. It should be noted that the underlying instrument is never actually owned by you and the profit or loss is determined by the difference between the buying and the selling price of the CFD, minus any relevant costs (detailed below).

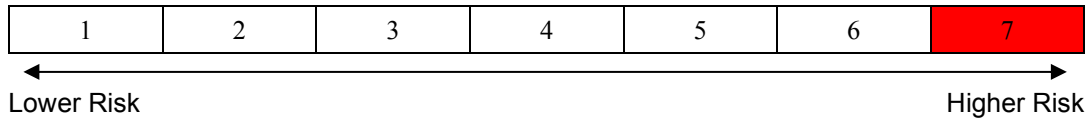
Intended Investor

CFDs are intended for investors who have knowledge of, or are experienced with, leveraged products and that understand how the prices of CFDs are derived, the key concepts of margin and leverage, the fact that losses may exceed deposits and have the appropriate financial means to bear losses of the entire amount invested over an unknown investment horizon in the case of cryptocurrency CFDs.



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

Risk Indicator



- Summary Risk Indicator: 7.
- The risk indicator assumes that a CFD contract is held for a reasonable amount of time thereby mitigating the effect of costs of opening and closing transactions on the overall return. The actual risk can vary significantly if you cash in at an early stage and you may get back less. CFDs on Cryptocurrencies have high risk.
- 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 unable to pay you.
- We have classified this product as 7 out of 7, which is the highest risk class. This rates potential losses from future performance at a very high level. This can result in large gains or losses.
- The total loss you may incur may exceed the amount posted as collateral since CFDs are leveraged products. In the event of high market volatility or low liquidity, your position can be severely affected, and your positions may be closed out due to margin calls.
- This product does not include any protection from future market performance so you could lose some or all your investment. However, you may benefit from a consumer protection scheme. The indicator shown above does not consider this protection.
- Be aware of currency risk. You may receive payments in a different currency depending on the product, so the final return you get may depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.
- CFDs on cryptocurrencies have no expiration/maturity date and therefore it is up to you to open and close your position.
- Cryptocurrencies are subject to forks. Hard Forks mean that a specific cryptocurrency might split into two different cryptocurrencies, while each depicts a distinct pricing that might not necessarily add up to converging to the original unique price. Adjustments shall be made to clients' accounts holding CFDs on that specific cryptocurrency affected by the fork to ensure that the account's market value is the same before and after the fork event.

Performance Scenarios

There are several types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Information on factors that affect the performance of this product are detailed below including but not limited to:

- | | |
|------------------------|-------------------------------------|
| Leverage Risk | Unregulated Market Risk |
| Risk of unlimited loss | Market disruption risk |
| Margin risk | Foreign exchange risk |
| Conflicts of Interest | Online trading platform and IT risk |
| Market Risk | Counterparty risk |

Future market developments cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns can be lower.

The scenarios shown 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 based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you will get vary depending on how the market performs and how long you hold the CFD. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

For more specific trading examples in this specific product can be found [here](#).



**Always
by your side**

Tradestone Ltd
CySEC License 331/17

Address: 89, Vasileos Georgiou A' street, Office 101
Potamos Germasogeias 4048, Limassol, Cyprus
www.fbs.eu

CFDs on Cryptos		BTC/USD
Opening Price	P	40000
Trade size (per CFD)	TS	1 LOT(equivalent to 1 units)
Margin %	M	50%
Margin Required	MR=P x TS x M	20000USD
Notional value of the trade	TN=TS x P	40000USD

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss in \$	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss in \$
Favourable	41,600.00	4%	1,600.00	Favourable	38,400.00	-4%	1,600.00
Moderate	40,800.00	2%	800.00	Moderate	39,200.00	-2%	800.00
Unfavourable	38,400.00	-4%	-1,600.00	Unfavourable	41,600.00	4%	-1,600.00
Stress	37,200.00	-7%	-2,800.00	Stress	42,800.00	7%	-2,800.00

Please be aware that if you are classified as Retail Client, the loss will be restricted to your account balance as we offer negative balance protection. The figures shown in the performance scenarios do not consider your personal tax situation, therefore the tax legislation of your home member state may have an impact on the actual pay-out.

What happens if Tradestone Ltd is unable to pay out?

If the Company becomes insolvent and is unable to pay out to its investors, Retail Clients may be eligible to compensation of up to €20,000 by the Investor Compensation Fund ("ICF") set up by the Cyprus Securities and Exchange Commission. For more information, please review our [Investor Compensation Fund Policy](#)

What are the costs?

The Company charges only a spread when an investor trades CFDs on a Cryptocurrency. The spread per each underlying asset is detailed on the Company's website by clicking [here](#). The below table portrays an illustration of types of costs along with their meaning:

One-off costs	<i>Spread</i>	This is the difference between the Bid and Ask price
	<i>Commission</i>	This is a charge applied to each transaction in percentage terms with respect to the notional value of the trade. It is set at 0.05% for entry and 0.05% for exit. Total charge for one closed transaction is 0.1%.
	<i>Currency conversion</i>	The cost of converting the Profit or Loss resulting from the trades from the quote currency to the currency of your Trading Account
Recurring costs	<i>Swap fees</i>	This is the financing cost in case the client decides to roll back the position to an earlier date or roll over the position to a later date than the maturity date. Depending on whether the position is long or short and the prevailing interest rates of the relevant currency, your account may be credited or debited with the Swap fee. Please refer to our website by clicking here

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

CFDs on Cryptocurrencies do not have a recommended holding period and it is at the investors' discretion to decide the appropriate holding period according to their individual trading strategy and objectives. In general, CFDs are intended for short term trading, in some cases intraday and are not suitable for long-term investments. You can open and close a CFD on Cryptocurrency at any time during the market trading hours of the CFD. Opening and closing transactions in CFDs on cryptocurrencies can occur during the weekdays and weekends.

How can I Complain?

Clients who wish to file a complaint can do so by submitting the complaint form to the below email address: complaints@fbs.eu. The complete complaints handling procedure and the complaint form can be found on the Company's website

Other Relevant information

We draw your attention to the following documents that are required to be made available by Law, which are available on our website: <https://fbs.eu>

Legal Documents: Client Agreement // Order Execution Policy // Risk Disclosure Notice // Conflict of Interest Policy // Privacy Policy