



Key Information Document ("KID")

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

IQOPTION EUROPE LTD (the "Company"), a Cypriot Investment Firm regulated by the Cyprus Securities and Exchange Commission (CySEC) with licence number 247/14, is the Manufacturer of Financial Contracts for differences ("CFDs) with underlying assets commodities. For more information you can visit the Company's website at www.eu.iqoption.com. This Key Information Document ("KID") was published on 6th June 2018.

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

What is this product?

Type:

CFDs on commodities are leveraged derivative financial instruments traded Over the Counter ("OTC") i.e. the trading is concluded outside a regulated exchange or venue and between the client and the Company where the Company agrees to settle in cash the performance of the asset the client decides to speculate on. The client speculates on the price movement on rising or falling prices on the underlying commodity without actually investing in or owning these commodities, by buying and selling contracts i.e. speculate on the rise or fall of the price of the commodity. For instance, the client has a choice to go short ("sell") the CFD contract in order to benefit from falling commodity prices or the client has a choice to go long ("buy") the CFD contract in order to benefit from rising commodity prices.

Objectives:

The objective of a CFD on commodities is to speculate on the price movement on rising or falling prices on the underlying commodity without actually owning this commodity. The client will achieve profit if his speculation on the performance (positive or negative performance) was correct, with the difference between the opening price and closing price of the underlying asset as the performance, or suffer a loss in your trading balance. Please note that your trading balance cannot go beyond 50% of your total investment amount.

For further information regarding "margin" please read the Company's [Order Execution Policy](#)

Intended retail client:

Retail clients with knowledge and/or experience of the characteristics of CFDs and commodities trading including the main market factors that determine commodity prices fluctuations, the concept, effects and risks of leveraged trading, ability to understand the risks involved including the risk of loss in his trading balance. The client's trading balance cannot go beyond 50% of his total investment amount. CFDs on commodities are compatible with the needs of clients who seek short term capital gain and/or with a short-term investment horizon by investing in highly liquid markets which can provide the benefit of quick pay-out. Clients should have a high-risk tolerance and willing to accept rapid price fluctuations and the specific risk of leverage in exchange for the opportunity of higher returns.

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

Summary Risk Indicator:



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 highest risk class. This rates the potential losses from future performance at a very high level. Trading risks are magnified by leverage – However, your trading balance cannot go beyond 50% of your total investment amount. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

Be aware of currency risk. The realized return of a CFD contract denominated in a currency other than your account currency is affected by both the performance of the underlying asset and the exchange rate between both currencies. This risk is not considered in the indicator shown above.

You may benefit from the protection from the Investor Compensation Fund (hereinafter called the "Fund") of which the Company is a member and which covers non-professional clients defined in the [Investor Compensation Fund](#) policy in circumstances when the Company is either unable to return to its covered clients funds owed to them and/or unable to return financial instruments to the covered clients which the Company holds or controls in its accounts on behalf of the clients. The maximum amount of compensation that a covered client can receive by the Fund is €20,000 (Euro Twenty Thousand). The indicator shown above does not consider this protection.

Performance Scenarios

The table below shows the money you could get back under different scenarios, assuming that you buy 1 CFD on CORN/ USD, investment amount is 100 USD at 1560 USD and your position is closed on the same day. The multiplier used is 10, i.e. notional investment amount = $100 \times 10 = 1000$ USD. Profit and loss accrues based on percentage change of underlying asset. The position is closed on the same day.

Long Performance Scenario	Closing Price	Price Change	Profit/Loss in USD
Favourable	1575.6	+1%	$(1575.6/1560 - 1) \times 10 \times 100 = 10$ profit
Moderate	1552.2	-0.5%	$(1552.2/1560 - 1) \times 10 \times 100 = -5$ loss
Unfavourable	1544.4	-1%	$(1544.4/1560 - 1) \times 10 \times 100 = -10$ loss
Stress	1482	-5%	$(1482/1560 - 1) \times 10 \times 100 = -50$ loss

These scenarios illustrate how your investment could perform. You can compare them with other derivatives. The scenarios give a range of possible outcomes and are not an exact indication of what you might get back. What you get will vary depending on how the underlying will perform as well as the leverage selected.

Buying this product allows you to speculate on commodity movements i.e. whether their prices will increase or decrease. Your trading balance cannot go beyond 50% of your total investment amount.

The figures shown include all the costs of the product itself excluding commission and other fees which can be found at the section **General Fees** in the Company's website. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if the Company is unable to pay out?

The Company is a member of the **Investor Compensation Fund** (hereinafter called the "Fund") which covers nonprofessional clients as defined in the Investor Compensation Fund policy in circumstances when the Company is either unable to return to its covered clients funds owed to them and/or unable to return financial instruments to the covered clients which the Company holds or controls in its accounts on behalf of the clients. The maximum amount of compensation that a covered client can receive by the Fund is €20,000 (Euro Twenty Thousand).

What are the costs?

Before you begin to trade CFDs on commodities you should familiarise yourself with all one-off, ongoing, and incidental costs for which you will be liable. These charges will reduce any net profit or increase your losses. For more information please visit the section **General Fees** found on our website

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

Recommended holding period: NO RECOMMENDED HOLDING PERIOD

CFDs on commodities have no recommended holding period. Provided that the Company is open for trading you can enter and exit positions at any time. The Company shall proceed with the settlement of all trades upon the execution and/or time of expiration of the specific trade.

How can I complain?

For any complaints regarding the content and/or related to this KID email us at complaints@iqoption.com or by post at Yiannis Nicolaides Business Center, 33 Agiou Athanasiou Avenue, 4102, Agios Athanasios, Limassol, Cyprus.

Other relevant information

For any information not found in this KID or the Company's website at www.eu.iqoption.com contact us by e-mail at support@iqoption.com or by post to Yiannis Nicolaides Business Center, 33 Agiou Athanasiou Avenue, 4102, Agios Athanasios, Limassol, Cyprus.