



Key Information Document

eToro (Europe) Limited

June 2021



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Major Currencies Pairs CFDs

KEY INFORMATION DOCUMENT (KID)

CFD Major Currencies Pairs - the currency pairs (base/quote currency) composed with any two of the following: **USD / EUR / JPY / GBP / CAD / CHF**. You may refer [here](#) to view all the available FX pairs that the Company currently offers.

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

The Manufacturer of this product is **eToro (Europe) Limited ('eToro EU' or 'the Company')** (<https://www.etoro.com>), a company registered in the Republic of Cyprus and regulated by the Cyprus Securities and Exchange Commission. You can contact eToro EU on <https://www.etoro.com/support/> for more information. This KID was updated on June 2021.

ALERT: Contract for difference ('CFDs') is a complex financial product and may be difficult to understand. This product is not suitable for all investors. Before trading, please make sure that you understand the risks involved.

WHAT IS THIS PRODUCT?

Type

This is a Contract for Difference (CFD) that uses financial leverage mechanism. This product allows clients to speculate on the increases and decreases in the prices of major currencies pairs on international markets. Clients may open a long position (buy) if they think the price of the currency pair will increase or a short position (sell) if they believe that the price will fall.

OBJECTIVES

The objective of this product is to enable the client to derive benefits from price changes of the underlying assets without owning them. The return on this product is based on the position opening and closing prices. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of an amount of capital to support an investment of a larger exposure. Please note that margin/leverage trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. Only investors who understand how the prices of the product are derived, what is the margin and what is the financial leverage should choose this product. Investors must be aware of the investment risk; of the amount they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and have a good understanding of the impact of and risks associated with trading on margin.

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

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows the probability of loss on the product due to the product price changes, or because of the insolvency of the Company.

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LOWER RISK

HIGHER RISK

The Company has classified this product as 7 out of 7, which is the highest' risk class.

The product can be denominated in other currency than the initial investment, therefore the actual investment return can be subject to additional changes depending on the exchange rate of the currencies involved. Trading risk increase when trading with leverage, however, the total loss that you may incur will never exceed your invested amount. The Company



offers Negative Balance Protection to its Clients, meaning that they will never be able to lose more funds than the amounts invested with the Company. If the margin amount in your account falls below 50% of the total initial margin required for all the CFDs in your account, the Company must close out one or more of your open positions.

eToro EU CFDs are not listed on any trading venue (i.e., on an exchange), and the prices and other conditions are set by the Company. The contract can be bought/sold only with eToro EU and is not transferable to any other provider/third party. If you have multiple positions with eToro EU, your risk may be cumulative and not limited to one position.

PERFORMANCE SCENARIOS

This key information document is not specific to a particular major currency pair CFD, but it applies to a CFD on any Major currency pairs that the Company offers on its platform. However, each CFD invest with eToro EU is specific to you and your choices. You will be responsible for choosing: the underlying Major currency, when to open and to close your position, the size of your position and whether to use any risk management tools which eToro EU platform offers, i.e., stop loss/take profit orders. The specific choice you make on the underlying Major currency pair offered for each CFD would have a material impact on the risk and return of your investment.

The actual return on your investment will vary depending on how the market performs and how long you hold the CFD. The below listed stress scenario shows what the return of your investment may be in extreme market circumstances and it does not consider the situation where the Company is not able to pay you.

The following assumptions have been used to create the performance scenarios shown in **Table 1**:

CFD on a Major FX i.e. EUR/USD (held intraday) with leverage 1:30		
Opening price (either BID or ASK depending on the scenarios in table below)	P	1.1850 USD
Trade size (Per CFD):	TS	10,000
Margin %:	M	3.33% (1:30 leverage)
Margin requirement (USD):	$MR = P * TS * M$	395.60 USD
Notional value of the trade (USD):	$TN = MR/M$	11,850 USD

Table 1. - Performance Scenarios of Major Currencies Pairs CFDs

Position opened as BUY (ASK price) Open price: 1.1850 USD				Position opened as SELL (BID price) Open price: 1.1850 USD			
Performance Scenario	Closing (BID) price (incl. spread)	Price change	Profit/Loss	Performance Scenario	Closing (ASK) price (incl. spread)	Price change	Profit/Loss
Favorable	1.1900	0.42%	50 USD	Favorable	1.1800	0.42%	50 USD
Moderate	1.1875	0.21%	25 USD	Moderate	1.1825	0.21%	25 USD
Unfavorable	1.1825	-0.21%	-25 USD	Unfavorable	1.1875	-0.21%	-25 USD
Stress	1.1700	-1.27%	-150 USD	Stress	1.2000	-1.27%	-150 USD

DISCLAIMER: Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower. The figures shown include all the costs of the product itself. The figures do not consider your personal tax situation, which may also affect the actual return of your investment.

WHAT HAPPENS IF ETORO (EUROPE) LTD IS UNABLE TO PAY OUT?

eToro EU is a member of the Investor Compensation Fund for Customers of Cypriot Investment Firms (CIFs) (the 'Fund'). The objective of the Fund is to secure any claims of covered clients against members of the Fund and to compensate covered clients for any claims arising from malfunction by a member of the Fund in fulfilling its obligations whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the Fund. The payment of compensation by the Fund to the eligible clients of its members is subject to the existence of a well-founded claim by the clients against the member of the Fund. The Fund covers eligible investments up to 20,000 Euro per person. More information can be found [here](#). eToro (Europe) Limited clarifies that all retail client funds are segregated from the Company's own funds, as it is required.

WHAT ARE THE COSTS?

Before you invest on this product you should familiarize yourself with all commissions, fees and other charges for which you



will be liable. For more information about the composition of costs, please visit eToro website <https://www.etoro.com/trading/fees/>.

Table 2. - The different types of cost categories and their meaning		
One-off costs	Spread	The difference between the buy and sell price is called the spread.
	Currency Conversion	This is a charge for converting realized profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight fees	Overnight fees are for every day a Client keeps the position open. Depending on the position held and the Company's prevailing interest rates, the Client account may be credited/debited with the overnight cost.

CFDs on Major currencies are not suited to the long-term investor. If you hold a CFD open over a long period, the associated costs such as Overnight Fees/Credits will apply. The daily fee/credit will be multiplied threefold for positions carried over Wednesday nights. The fees/credit will be charged/credited at 17:00 New York time for any position open at this time.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

CFDs does not have any recommended holding period, and generally is used for short term trading. There is not any lock-up period, and the Investor can liquidate the trading position and monetize the financial result at any time during market hours.

HOW CAN I COMPLAIN?

If you have any questions that the Company can help you with, the Company has multiple tools for you to use, such as Frequently Asked Questions (FAQ), referring your enquiry via a Ticket system for the Customer Service department, or via a chat with a Customer Service representative.

If the Company is unable to answer your question or you feel that our answer is unsatisfactory, you may open an official complaint by filling in the required form found on the bottom of the text. The Company will do everything it can to address your complaint within 48 hours and provide you with a response. The Company will keep you updated on the progress of your complaint and a full written response will be provided to you no later than eight weeks from the date that the Company received the complaint.

If you then feel that your complaint was not resolved satisfactorily by the Company, within three (3) months of our final response letter, you are able to refer your complaint:

- To the **FINANCIAL OMBUDSMAN SERVICE**
Complaints can be addressed to the Financial Ombudsman to the following address:
Office address: Lord Byron Avenue 13, 1096, Nicosia, Cyprus, OR P.O. 25735, 1311, Nicosia, Cyprus
By fax: 00357 22 660 584 or 00357 22 660 118
By email: complaints@financialombudsman.gov.cy
The complaint form must be accompanied by the evidence of the paid fee (€20);
- To the **CYPRUS SECURITIES AND EXCHANGE COMMISSION**
Complaints can be addressed to the CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC), via the procedures and forms sited on the following e-address: <https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>

OTHER RELEVANT INFORMATION

All additional documents containing information regarding the product, including detailed information regarding fees and product features, can be found on the Company's website.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **67% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.



Minor Currencies Pairs CFDs

KEY INFORMATION DOCUMENT (KID)

CFD Minor Currencies Pairs – any currency pair, other than Major Currencies Pairs. You may refer [here](#) to view all the available FX pairs that the Company currently offers.

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WHAT IS THIS PRODUCT?

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OBJECTIVES

The objective of this product is to enable the client to derive benefits from price changes of the underlying assets without owning them. The return on this product is based on the position opening and closing prices. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of an amount of capital to support an investment of a larger exposure. Please note that margin/leverage trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

INTENDED RETAIL INVESTOR

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

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows the probability of loss on the product due to the product price changes, or because of the insolvency of the Company.

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LOWER RISK

HIGHER RISK

The Company has classified this product as 7 out of 7, which is the highest' risk class.

The product can be denominated in other currency than the initial investment, therefore the actual investment return can be subject to additional changes depending on the exchange rate of the currencies involved. Trading risk increase when



trading with leverage, however, the total loss that you may incur will never exceed your invested amount. The Company offers Negative Balance Protection to its Clients, meaning that they will never be able to lose more funds than the amounts invested with the Company. If the margin amount in your account falls below 50% of the total initial margin required for all the CFDs in your account, the Company must close out one or more of your open positions.

eToro EU CFDs are not listed on any trading venue (i.e., on an exchange), and the prices and other conditions are set by the Company. The contract can be bought/sold only with eToro EU and is not transferable to any other provider/third party. If you have multiple positions with eToro EU, your risk may be cumulative and not limited to one position.

PERFORMANCE SCENARIOS

This key information document is not specific to a particular minor currency pair CFD, but it applies to a CFD on any Minor currency pairs that the Company offers on its platform. However, each CFD you invest with eToro EU is specific to you and your choices. You will be responsible for choosing: the underlying currency, when to open and to close your position, the size of your position and whether to use any risk management tools which eToro EU platform offers, i.e., stop loss/take profit orders. The specific choice you make on the underlying currency pair offered for each CFD would have a material impact on the risk and return of your investment.

The actual return on your investment will vary depending on how the market performs and how long you hold the CFD. The below listed stress scenario shows what the return of your investment may be in extreme market circumstances, and it does not consider the situation where the Company is not able to pay you.

The following assumptions have been used to create the performance scenarios shown in **Table 1**:

FX CFD: NZD/USD (held intraday) with leverage 1:20		
Opening price (either BID or ASK depending on the scenarios in table below)	P	0.6980 USD
Trade size (Per CFD):	TS	10,000
Margin %:	M	5% (1:20 leverage)
Margin requirement (USD):	$MR = P * TS * M$	349 USD
Notional value of the trade (USD):	$TN = MR/M$	6,980 USD

Table 1 - Performance Scenarios of Minor Currencies Pairs CFDs

Position opened as BUY (ASK price) Open price: 0.6980 USD				Position opened as SELL (BID price) Open price: 0.6980 USD			
Performance Scenario	Closing (BID) price (incl. spread)	Price change	Profit/Loss	Performance Scenario	Closing (ASK) price (incl. spread)	Price change	Profit/Loss
Favorable	0.7080	1.43%	100 USD	Favorable	0.6880	1.43%	100 USD
Moderate	0.7030	0.72%	50 USD	Moderate	0.6930	0.72%	50 USD
Unfavorable	0.6930	-0.72%	-50 USD	Unfavorable	0.7030	-0.72%	-50 USD
Stress	0.6800	-2.57%	-180 USD	Stress	0.7160	-2.57%	-180 USD

DISCLAIMER: Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower. The figures shown include all the costs of the product itself. The figures do not consider your personal tax situation, which may also affect the actual return of your investment.

WHAT HAPPENS IF ETORO (EUROPE) LTD IS UNABLE TO PAY OUT?

eToro EU is a member of the Investor Compensation Fund for Customers of Cypriot Investment Firms (CIFs) (the 'Fund'). The objective of the Fund is to secure any claims of covered clients against members of the Fund and to compensate covered clients for any claims arising from malfunction by a member of the Fund in fulfilling its obligations whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the Fund. The payment of compensation by the Fund to the eligible clients of its members is subject to the existence of a well-founded claim by the clients against the member of the Fund. The Fund covers eligible investments up to 20,000 Euro per person. More information can be found [here](#). eToro (Europe) Limited clarifies that all retail client funds are segregated from the Company's own funds, as it is required.



WHAT ARE THE COSTS?

Before you invest on this product you should familiarize yourself with all commissions, fees and other charges for which you will be liable. For more information about the composition of costs, please visit eToro website <https://www.etoro.com/trading/fees/>.

Table 2. - The different types of cost categories and their meaning

One-off costs	Spread	The difference between the buy and sell price is called the spread.
	Currency Conversion	This is a charge for converting realized profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight fees	Overnight fees are for every day a Client keeps the position open. Depending on the position held and the Company's prevailing interest rates, the Client account may be credited/debited with the overnight cost.

CFDs on Minor currencies are not suited to the long-term investor. If you hold a CFD open over a long period, the associated costs such as Overnight Fees/Credits will apply. The daily fee/credit will be multiplied threefold for positions carried over Wednesday nights. The fees/credit will be charged/credited at 17:00 New York time for any position open at this time.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

CFD does not have any recommended holding period, and generally is used for short term trading. There is not any lock-up period, and the Investor can liquidate the trading position and monetize the financial result at any time during market hours.

HOW CAN I COMPLAIN?

If you have any questions that the Company can help you with, the Company has multiple tools for you to use, such as Frequently Asked Questions (FAQ), referring your enquiry via a Ticket system for the Customer Service department, or via a chat with a Customer Service representative.

If the Company is unable to answer your question or you feel that our answer is unsatisfactory, you may open an official complaint by filling in the required form found on the bottom of the text. The Company will do everything it can to address your complaint within 48 hours and provide you with a response. The Company will keep you updated on the progress of your complaint and a full written response will be provided to you no later than eight weeks from the date that the Company received the complaint.

If you then feel that your complaint was not resolved satisfactorily by the Company, within three (3) months of our final response letter, you are able to refer your complaint:

- To the **FINANCIAL OMBUDSMAN SERVICE**
Complaints can be addressed to the Financial Ombudsman to the following address:
Office address: Lord Byron Avenue 13, 1096, Nicosia, Cyprus, OR P.O. 25735, 1311, Nicosia, Cyprus
By fax: 00357 22 660 584 or 00357 22 660 118
By email: complaints@financialombudsman.gov.cy
The complaint form must be accompanied by the evidence of the paid fee (€20);
- To the **CYPRUS SECURITIES AND EXCHANGE COMMISSION**
Complaints can be addressed to the CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC), via the procedures and forms sited on the following e-address: <https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>

OTHER RELEVANT INFORMATION

All additional documents containing information regarding the product, including detailed information regarding fees and product features, can be found on the Company's website.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **67% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.



Major Indices CFDs

KEY INFORMATION DOCUMENT (KID)

CFD ON MAJOR INDICES: Such as the FTSE 100; CAC 40; DAX30; DJIA; S&P 500; NASDAQ 100; Nikkei 225; ASX 200. You may refer [here](#) to view all the Indices that the Company currently offers.

PURPOSE

This document provides you with key information about this investment product. This is a 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

The Manufacturer of this product is **eToro (Europe) Limited ('eToro EU' or 'the Company')** (<https://www.etoro.com>), a company registered in the Republic of Cyprus and regulated by the Cyprus Securities and Exchange Commission. You can contact eToro EU on <https://www.etoro.com/support/> for more information. This KID was updated on June 2021.

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WHAT IS THIS PRODUCT?

Type

This is a Contract for Difference (CFD) that uses financial leverage mechanism. This product allows clients to speculate on the increases and decreases in the prices of stock exchange indices on international markets. Clients may open a long position (buy) if they think the price of the stock exchange index will increase or a short position (sell) if they believe that the price will fall.

OBJECTIVES

The objective of this product is to enable the client to derive benefits from price changes of the underlying assets without owning them. The return on this product is based on the position opening and closing prices. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of an amount of capital to support an investment of a larger exposure. Please note that margin/leverage trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. Only investors who understand how the prices of the product are derived, what is the margin and what is the financial leverage should choose this product. Investors must be aware of the investment risk; of the amount they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and have a good understanding of the impact of and risks associated with trading on margin.

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

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.

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LOWER RISK

HIGHER RISK

The Company has classified this product as 7 out of 7, which is the highest' risk class.

The product can be denominated in other currency than the initial investment, therefore the return can be subject to additional changes depending on the exchange rate of the currencies involved. Trading risk increase when trading with leverage, however, the total loss that you may incur will never exceed your invested amount. The Company offers Negative Balance Protection to its Clients, meaning that they will never be able to lose more funds than the amounts invested with the Company. If the margin amount in your account falls below 50% of the total initial margin required for all the CFDs in your account, the Company must close out one or more of your open positions.



eToro EU CFDs are not listed on any trading venue (i.e., on an exchange), and the prices and other conditions are set by the Company. The contract can be bought/sold only with eToro EU and is not transferable to any other provider/third party. If you have multiple positions with eToro EU, your risk may be cumulative and not limited to one position.

PERFORMANCE SCENARIOS

This key information document is not specific to a particular major index CFD, but it applies to a CFD on any index that the Company offers on its platform. However, each CFD you invest with the Company is specific to you and your choices. You will be responsible for choosing the index; when you open and close your position; the size of your position; and whether to use any risk management tools which eToro EU platform offers, i.e., stop loss/take profit orders. The specific choice you make on the underlying index offered for each CFD would have a material impact on the risk and return of your investment.

The actual return on your investment will vary depending on how the market performs and how long you hold the CFD. The below listed stress scenario shows what the return of your investment may be in extreme market circumstances, and it does not consider the situation where we are not able to pay you.

The following assumptions have been used to create the performance scenarios shown in **Table 1**:

CFD on a Major INDEX i.e. AUS200 (held intraday) with leverage 1:20		
CFD on a Major Index Opening price (either BID or ASK depending on the scenarios in table below)	P	5,452 USD*
Trade size (Per CFD):	TS	10
Margin %:	M	5% (1:20 leverage)
Margin requirement (USD):	MR = P * TS * M	2,726 USD
Notional value of the trade (USD):	TN = MR/M	54,520 USD

*AUS200 price 7,280 AUD converted to USD with AUDUSD rate: 0.7489

Table 1 - Performance Scenarios of Major Indices CFDs

Position opened as BUY (ASK price) Open price: 5,452 USD				Position opened as SELL (BID price) Open price: 5,452 USD			
Performance Scenario	Closing (BID) price (incl. spread)	Price change	Profit/Loss	Performance Scenario	Closing (ASK) price (incl. spread)	Price change	Profit/Loss
Favorable	5,652	3.67%	2,000 USD	Favorable	5,252	3.67%	2,000 USD
Moderate	5,500	0.88%	480 USD	Moderate	5,404	0.88%	480 USD
Unfavorable	5,400	-0.95%	-520 USD	Unfavorable	5,504	-0.95%	-520 USD
Stress	5,200	-4.62%	-2,520 USD**	Stress	5,704	-4.62%	-2,520 USD**

** this loss is restricted to your trading position - the stop loss level is 50% of your margin (In this example 50% of 2,726 USD)

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WHAT HAPPENS IF ETORO (EUROPE) LTD IS UNABLE TO PAY OUT?

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Table 2 - The different types of cost categories and their meaning		
One-off costs	Spread	The difference between the buy and sell price is called the spread.
	Currency Conversion	This is a charge for converting realized profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight fees	Overnight fees are for every day a client keeps the position open. Depending on the position held and the Company's prevailing interest rates, the Client account may be credited/debited with the overnight cost.

CFDs on Indices are not suited to the long-term investor. If you hold a CFD open over a long period, the associated costs such as Overnight Fees/Credits will apply. The daily fee/credit will be multiplied threefold for positions carried over Wednesday nights. The fees/credit will be charged/credited at 17:00 New York time for any position open at this time.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

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By fax: 00357 22 660 584 or 00357 22 660 118
By email: complaints@financialombudsman.gov.cy
The complaint form must be accompanied by the evidence of the paid fee (€20);
- to the **CYPRUS SECURITIES AND EXCHANGE COMMISSION**
Complaints can be addressed to the CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC), via the procedures and forms sited on the following e-address: <https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>

OTHER RELEVANT INFORMATION

All additional documents containing information regarding the product, including detailed information regarding fees and product features, can be found on the Company's website.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **67% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.



Minor Indices CFDs

KEY INFORMATION DOCUMENT (KID)

CFD ON Minor Indices: All indices other than FTSE 100; CAC 40; DAX30; DJIA; S&P 500; NASDAQ 100; Nikkei 225; ASX 200. You may refer [here](#) to view all the Indices that the Company currently offers.

PURPOSE

This document provides you with key information about this investment product. This is a 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

The Manufacturer of this product is eToro (Europe) Limited ('eToro EU' or 'the Company') (<https://www.etoro.com>), a company registered in the Republic of Cyprus and regulated by the Cyprus Securities and Exchange Commission. You can contact eToro EU on <https://www.etoro.com/support/> for more information. This KID was updated on June 2021.

ALERT: Contract for difference ('CFDs') is a complex financial product and may be difficult to understand. This product is not suitable for all investors. Before trading, please make sure that you understand the risks involved.

WHAT IS THIS PRODUCT?

Type

This is a Contract for Difference (CFD) that uses financial leverage mechanism. This product allows clients to speculate on the increases and decreases in the prices of stock exchange indices on international markets. Clients may open a long position (buy) if they think the price of the stock exchange index will increase or a short position (sell) if they believe that the price will fall.

OBJECTIVES

The objective of this product is to enable the client to derive benefits from price changes of the underlying assets without owning them. The return on this product is based on the position opening and closing prices. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of an amount of capital to support an investment of a larger exposure. Please note that margin/leverage trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. Only investors who understand how the prices of the product are derived, what is the margin and what is the financial leverage should choose this product. Investors must be aware of the investment risk; of the amount they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and have a good understanding of the impact of and risks associated with trading on margin.

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

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.

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LOWER RISK

HIGHER RISK

The Company has classified this product as 7 out of 7, which is the highest' risk class.

The product can be denominated in other currency than the initial investment, therefore the return can be subject to additional changes depending on the exchange rate of the currencies involved. Trading risk increase when trading with leverage, however, the total loss that you may incur will never exceed your invested amount. The Company offers Negative Balance Protection to its Clients, meaning that they will never be able to lose more funds than the amounts invested with the Company. If the margin amount in your account falls below 50% of the total initial margin required for all the CFDs in your account, the Company must close out one or more of your open positions.



eToro EU CFDs are not listed on any trading venue (i.e., on an exchange), and the prices and other conditions are set by the Company. The contract can be bought/sold only with eToro EU and is not transferable to any other provider/third party. If you have multiple positions with eToro EU, your risk may be cumulative and not limited to one position.

PERFORMANCE SCENARIOS

This key information document is not specific to a particular minor index CFD, but it applies to a CFD on any index that the Company offers on its platform. However, each CFD you invest with the Company is specific to you and your choices. You will be responsible for choosing an index; when you open and close your position; the size of your position; and whether to use any risk management tools which eToro EU platform offers, i.e. stop loss/take profit orders. The specific choice you make on the underlying index offered for each CFD would have a material impact on the risk and return of your investment.

The actual return on your investment will vary depending on how the market performs and how long you hold the CFD. The below listed stress scenario shows what the return of your investment may be in extreme market circumstances, and it does not consider the situation where we are not able to pay you.

The following assumptions have been used to create the performance scenarios shown in **Table 1**:

CFD on a Minor INDEX i.e. USDOLLAR (held intraday) with leverage 1:10		
CFD on a Minor Index Opening price (either BID or ASK depending on the scenarios in table below)	P	92.50 USD
Trade size (Per CFD):	TS	1,000
Margin %:	M	10% (1:10 leverage)
Margin requirement (USD):	MR = P * TS * M	9,250 USD
Notional value of the trade (USD):	TN = MR/M	92,500 USD

Table 1: Performance Scenarios of Minor Indices CFDs

Position opened as BUY (ASK price) Open price: 92.50 USD				Position opened as SELL (BID price) Open price: 92.50 USD			
Performance Scenario	Closing (BID) price (incl. spread)	Price change	Profit/Loss	Performance Scenario	Closing (ASK) price (incl. spread)	Price change	Profit/Loss
Favorable	93.50	1.08%	1,000 USD	Favorable	91.50	1.08%	1,000 USD
Moderate	92.90	0.43%	400 USD	Moderate	92.10	0.43%	400 USD
Unfavorable	92.00	-0.54%	-500 USD	Unfavorable	93.00	-0.54%	-500 USD
Stress	85.00	-8.11%	-7,500 USD**	Stress	100.00	-8.11%	-7,500 USD**

**** this loss is restricted to your trading position - the stop loss level is 50% of your margin (In this example 50% of 9,250 USD)**

DISCLAIMER: Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower. 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 the actual return of your investment.

WHAT HAPPENS IF ETORO (EUROPE) LTD IS UNABLE TO PAY OUT?

eToro EU is a member of the Investor Compensation Fund for Customers of Cypriot Investment Firms (CIFs) (the 'Fund'). The objective of the Fund is to secure any claims of covered clients against members of the Fund and to compensate covered clients for any claims arising from malfunction by a member of the Fund in fulfilling its obligations whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the Fund. The payment of compensation by the Fund to the eligible clients of its members is subject to the existence of a well-founded claim by the clients against the member of the Fund. The Fund covers eligible investments up to 20,000 Euro per person. More information can be found [here](#). eToro (Europe) Limited clarifies that all retail client funds are segregated from the Company's own funds, as it is required.

WHAT ARE THE COSTS?

Before you invest on CFDs on Indices, you should familiarize yourself with all commissions, fees and other charges for which you will be liable. These charges will reduce any net profit or increase your losses. For more information about the composition



of costs please click [here](#).

Table 2. - The different types of cost categories and their meaning		
One-off costs	Spread	The difference between the buy and sell price is called the spread.
	Currency Conversion	This is a charge for converting realized profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight fees	Overnight fees are for every day a client keeps the position open. Depending on the position held and the Company's prevailing interest rates, the Client account may be credited/debited with the overnight cost.

CFDs on Indices are not suited to the long-term investor. If you hold a CFD open over a long period, the associated costs such as Overnight Fees/Credits will apply. The daily fee/credit will be multiplied threefold for positions carried over Wednesday nights. The fees/credit will be charged/credited at 17:00 New York time for any position open at this time.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

CFD does not have any recommended holding period, and generally is used for short term trading. There is not any lock-up period, and the Investor can liquidate the trading position and monetize the financial result at any time during market hours.

HOW CAN I COMPLAIN?

If you have any questions that the Company can help you with, the Company has multiple tools for you to use, such as Frequently Asked Questions (FAQ), referring your enquiry via a Ticket system for the Customer Service department, or via a chat with a Customer Service representative.

If the Company is unable to answer your question or you feel that our answer is unsatisfactory, you may open an official complaint by filling in the required form found on the bottom of the text. We will do everything we can to address your complaint within 48 hours and provide you with a response. The Company will keep you updated on the progress of your complaint and a full written response will be provided to you no later than eight weeks from the date that we received the complaint. If you then feel that your complaint was not resolved satisfactorily by the Company, within three (3) months of our final response letter, you are able to refer your complaint:

- to the **FINANCIAL OMBUDSMAN SERVICE**
Complaints can be addressed to the Financial Ombudsman to the following address:
Office address: Lord Byron Avenue 13, 1096, Nicosia, Cyprus, OR P.O. 25735, 1311, Nicosia, Cyprus
By fax: 00357 22 660 584 or 00357 22 660 118
By email: complaints@financialombudsman.gov.cy
The complaint form must be accompanied by the evidence of the paid fee (€20);
- to the **CYPRUS SECURITIES AND EXCHANGE COMMISSION**
Complaints can be addressed to the CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC), via the procedures and forms sited on the following e-address: <https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>

OTHER RELEVANT INFORMATION

All additional documents containing information regarding the product, including detailed information regarding fees and product features, can be found on the Company's website.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **67% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.



Commodities CFDs

KEY INFORMATION DOCUMENT (KID)CFD ON COMMODITIES: Such as **Natural Gas, Copper, Silver, Oil and Platinum**. You may refer [here](#) to view all the commodities CFDs that the Company currently offers.

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

The Manufacturer of this product is **eToro (Europe) Limited ('eToro EU' or 'the Company')** (<https://www.eto.com>), a company registered in the Republic of Cyprus and regulated by the Cyprus Securities and Exchange Commission. You can contact eToro EU on <https://www.eto.com/support/> for more information. This KID was updated on June 2021.

ALERT: Contract for difference ('CFDs') is a complex financial product and may be difficult to understand. This product is not suitable for all investors. Before trading, please make sure that you understand the risks involved.

WHAT IS THIS PRODUCT?

Type

This is a Contract for Difference (CFD) that uses financial leverage mechanism. This product allows clients to speculate on the increases and decreases in the prices of different commodities like natural gas, copper, silver, oil, platinum etc. Clients may open a long position (buy) if they think the price of the commodity will increase or a short position (sell) if they believe that the price will fall.

A commodity is a raw material or primary agricultural product used in commerce.

OBJECTIVES

The objective of this product is to enable the client to derive benefits from price changes of the underlying assets without owning them. The return on this product is based on the position opening and closing prices. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of an amount of capital to support an investment of a larger exposure. Please note that margin/leverage trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. Only investors who understand how the prices of the product are derived, what is the margin and what is the financial leverage should choose this product. Investors must be aware of the investment risk; of the amount they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and have a good understanding of the impact of and risks associated with trading on margin.

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

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 the Company is not able to pay you.

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LOWER RISK

HIGHER RISK

The Company has classified this product as 7 out of 7, which is the highest' risk class.

The product can be denominated in other currency than the initial investment, therefore the return can be subject to additional changes depending on the exchange rate of currencies involved. Trading risk increase when trading with leverage, however, the total loss that you may incur will never exceed your invested amount. The Company offers Negative Balance Protection to its



Clients, meaning that they will never be able to lose more funds than the amounts invested with the Company. If the margin amount in your account falls below 50% of the total initial margin required for all the CFDs in your account, the Company must close out one or more of your open positions.

eToro EU CFDs are not listed on any trading venue (i.e., on an exchange), and the prices and other conditions are set by the Company. The contract can be bought/sold only with eToro EU and is not transferable to any other provider/third party. If you have multiple positions with eToro EU, your risk may be cumulative and not limited to one position.

PERFORMANCE SCENARIOS:

This key information document is not specific to a particular commodity CFD, but it applies to a CFD on any commodity that that the Company offers on its platform. However, each CFD you invest with the Company is specific to you and your choices. You will be responsible for choosing the commodity; when you open and close your position; the size of your position; and whether to use any risk management tools which the Company offers such as stop loss orders. The specific choice you make on the underlying commodity offered for each CFD would have a material impact on the risk and return of your investment.

The actual return on your investment will vary depending on how the market performs and how long you hold the CFD. The below listed stress scenario shows what the return of your investment may be in extreme market circumstances, and it does not consider the situation where the Company is not able to pay you.

The following assumptions have been used to create the performance scenarios shown in **Table 1**:

CFD of a Commodity i.e. Oil (held intraday) with leverage 1:10		
CFD on a Commodity Opening price (either BID or ASK depending on the scenarios in table below)	P	75.00 USD
Trade size (Per CFD):	TS	100
Margin %:	M	10% (1:10 leverage)
Margin requirement (USD):	MR = P * TS * M	750 USD
Notional value of the trade (USD):	TN = MR/M	7,500 USD

Table 1- Performance Scenarios of Commodities CFDs

Position opened as BUY (ASK price) Open price: 75.00 USD				Position opened as SELL (BID price) Open price: 75.00 USD			
Performance Scenario	Closing (BID) price (incl. spread)	Price change	Profit/Loss	Performance Scenario	Closing (ASK) price (incl. spread)	Price change	Profit/Loss
Favorable	77.50	3.33%	250 USD	Favorable	72.50	3.33%	250 USD
Moderate	75.90	1.20%	90 USD	Moderate	74.10	1.20%	90 USD
Unfavorable	74.00	-1.33%	-100 USD	Unfavorable	76.00	-1.33%	-100 USD
Stress	72.00	-4.00%	-300 USD	Stress	78.00	-4.00%	-300 USD

DISCLAIMER: Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower. The figures shown include all the costs of the product itself. The figures do not consider your personal tax situation, which may also affect the actual return of your investment.

WHAT HAPPENS IF ETORO (EUROPE) LTD IS UNABLE TO PAY OUT?

eToro EU is a member of the Investor Compensation Fund for Customers of Cypriot Investment Firms (CIFs) (the 'Fund'). The objective of the Fund is to secure any claims of covered clients against members of the Fund and to compensate covered clients for any claims arising from malfunction by a member of the Fund in fulfilling its obligations whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the Fund. The payment of compensation by the Fund to the eligible clients of its members is subject to the existence of a well-founded claim by the clients against the member of the Fund. The Fund covers eligible investments up to 20,000 Euro per person. More information can be found [here](#). eToro (Europe) Limited clarifies that all retail client funds are segregated from the Company's own funds, as it is required.



WHAT ARE THE COSTS?

Before you begin to invest on CFDs on commodities, you should familiarize yourself with all commissions, fees and other charges for which you will be liable. These charges will reduce any net profit or increase your losses. For more information about the composition of costs, please visit [here](#).

Table 2 - The different types of cost categories and their meaning

One-off costs	Spread	The difference between the buy and sell price is called the spread.
	Currency Conversion	This is a charge for converting realized profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight fees	Overnight fees are for every day a Client keeps the position open. Depending on the position held and the Company's prevailing interest rates, the Client account may be credited/debited with the overnight cost.

CFDs on commodities are not suited to the long-term investor. If you hold a CFD open over a long period, the associated costs such as Overnight Fees/Credits will apply. The daily fee/credit will be multiplied threefold for positions carried over Wednesday nights. The fees/credit will be charged/credited at 17:00 New York time for any position open at this time.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

CFD does not have any recommended holding period, and generally is used for short term trading. There is not any lock-up period and the Investor can liquidate the trading position and monetize the financial result at any time during market hours.

HOW CAN I COMPLAIN?

If you have any questions that the Company can help you with, the Company has multiple tools for you to use, such as Frequently Asked Questions (FAQ), referring your enquiry via a Ticket system for the Customer Service department, or via a chat with a Customer Service representative. If the Company is unable to answer your question or you feel that our answer is unsatisfactory, you may open an official complaint by filling in the required form found on the bottom of the text. The Company will do everything it can to address your complaint within 48 hours and provide you with a response. The Company will keep you updated on the progress of your complaint and a full written response will be provided to you no later than eight weeks from the date that the Company received the complaint.

If you then feel that your complaint was not resolved satisfactorily by the Company, within three (3) months of our final response letter, you are able to refer your complaint:

- to the **FINANCIAL OMBUDSMAN SERVICE**
Complaints can be addressed to the Financial Ombudsman to the following address:
Office address: Lord Byron Avenue 13, 1096, Nicosia, Cyprus, OR P.O. 25735, 1311, Nicosia, Cyprus
By fax: 00357 22 660 584 or 00357 22 660 118
By email: complaints@financialombudsman.gov.cy
The complaint form must be accompanied by the evidence of the paid fee (€20);
- to the **CYPRUS SECURITIES AND EXCHANGE COMMISSION**
Complaints can be addressed to the CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC), via the procedures and forms sited on the following e-address: <https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>

OTHER RELEVANT INFORMATION

All additional documents containing information regarding the product, including detailed information regarding fees and product features, can be found on the Company's website.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **67% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.



Cryptocurrencies CFDs

KEY INFORMATION DOCUMENT (KID)

CFD ON CRYPTOASSETS: Such as Bitcoin, Litecoin, XRP etc. You may refer [here](#) to see all the cryptoassets CFD that the Company currently offers.

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

The Manufacturer of this product is **eToro (Europe) Limited ('eToro EU' or 'the Company')** (<https://www.etoro.com>), a company registered in the Republic of Cyprus and regulated by the Cyprus Securities and Exchange Commission. You can contact eToro EU on <https://www.etoro.com/support/> for more information. This KID was updated on June 2021.

ALERT: Contract for difference ('CFDs') is a complex financial product and may be difficult to understand. This product is not suitable for all investors. Before trading, please make sure that you understand the risks involved.

WHAT IS THIS PRODUCT?

Type

This is a Contract for Difference (CFD) that uses financial leverage mechanism. This product allows clients to speculate on the increases and decreases in the prices of cryptocurrencies. Clients may open a long position (buy) if they think the price of the cryptocurrency will increase or a short position (sell) if they believe that the price will fall.

OBJECTIVES

The objective of this product is to enable the client to derive benefits from price changes of the underlying assets without owning them. The return on this product is based on the position opening and closing prices. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of an amount of capital to support an investment of a larger exposure. Please note that margin/leverage trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. Only investors who understand how the prices of the product are derived, what is the margin and what is the financial leverage should choose this product. Investors must be aware of the investment risk; of the amount they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and have a good understanding of the impact of and risks associated with trading on margin.

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

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.

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LOWER RISK

HIGHER RISK

The Company has classified this product as 7 out of 7, which is the highest' risk class.

The product can be denominated in other currency than the initial investment, therefore the return can be subject to additional changes depending on the exchange rate of the currencies involved. Trading risk increase when trading with leverage, however, the total loss that you may incur will never exceed your invested amount. The Company offers Negative Balance Protection to its Clients, meaning that they will never be able to lose more funds than the amounts invested with the Company. If the margin amount in your account falls below 50% of the total initial margin required for all the CFDs in your account, the Company must close out one or more of your open positions.

eToro EU CFDs are not listed on any trading venue (i.e., on an exchange), and the prices and other conditions are set by the Company. The



contract can be bought/sold only with eToro EU and is not transferable to any other provider/third party. If you have multiple positions with eToro EU, your risk may be cumulative and not limited to one position.

PERFORMANCE SCENARIOS

This key information document is not specific to a particular cryptocurrency CFD, but it applies to a CFD on any cryptocurrency that we offer on eToro EU platform. However, each CFD you invest with eToro EU is specific to you and your choices. You will be responsible for choosing: the cryptocurrency; when to open and to close your position, the size of your position and whether to use any risk management tools which eToro EU platform offers, i.e. stop loss/take profit orders. The specific choice you make on the underlying cryptocurrency offered for each CFD will have a material impact on the risk and return of your investment.

The actual return on your investment will vary depending on how the market performs and how long you hold the CFD. The below listed stress scenario shows what the return of your investment may be in extreme market circumstances, and it does not consider the situation where we are not able to pay you.

The following assumptions have been used to create the performance scenarios shown in **Table 1**:

CFD Crypto assets i.e. BTC (held intraday) with leverage 1:2		
CFD on Crypto asset Opening price (either BID or ASK depending on the scenarios in table below)	P	33,000 USD
Trade size (Per CFD):	TS	1
Margin %:	M	50% (1:2 leverage)
Margin requirement (USD):	MR = P * TS * M	16,500 USD
Notional value of the trade (USD):	TN = MR/M	33,000 USD

Table 1 - Performance Scenarios of Cryptocurrencies CFDs Position opened as BUY (ASK price) Open price: 33,000 USD				Position opened as SELL (BID price) Open price: 33,000 USD			
Performance Scenario	Closing (BID) price (incl. spread)	Price change	Profit/Loss	Performance Scenario	Closing (ASK) price (incl. spread)	Price change	Profit/Loss
Favorable	39,000	18.18%	3,000 USD	Favorable	27,000	18.18%	3,000 USD
Moderate	34,000	3.03%	1,000 USD	Moderate	32,000	3.03%	1,000 USD
Unfavorable	30,000	-9.09%	-3,000 USD	Unfavorable	36,000	-9.09%	-3,000 USD
Stress	25,000	-24.24%	-8,000 USD	Stress	41,000	-24.24%	-8,000 USD

DISCLAIMER: Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower. 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 the actual return of your investment..

WHAT HAPPENS IF ETORO (EUROPE) LTD IS UNABLE TO PAY OUT?

eToro EU is a member of the Investor Compensation Fund for Customers of Cypriot Investment Firms (CIFs) (the 'Fund'). The objective of the Fund is to secure any claims of covered clients against members of the Fund and to compensate covered clients for any claims arising from malfunction by a member of the Fund in fulfilling its obligations whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the Fund. The payment of compensation by the Fund to the eligible clients of its members is subject to the existence of a well-founded claim by the clients against the member of the Fund. The Fund covers eligible investments up to 20,000 Euro per person. More information can be found [here](#). eToro (Europe) Limited clarifies that all retail client funds are segregated from the Company's own funds, as it is required.

WHAT ARE THE COSTS?

Before you begin to trade CFDs on cryptocurrencies, you should familiarize yourself with all commissions, fees, and other charges for which you will be liable. These charges will reduce any net profit or increase your losses. For more information about the composition of costs, please visit [here](#).



Table 2 - The different types of cost categories and their meaning

One-off costs	Spread	The difference between the buy and sell price is called the spread.
	Currency Conversion	This is a charge for converting realized profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight fees	Overnight fees are for every day a client keeps the position open. Depending on the position held and the Company's prevailing interest rates, the Client account may be credited/debited with the overnight cost.

CFDs on cryptocurrencies are not suited to the long-term investor. If you hold a CFD open over a long period, the associated costs such as Overnight Fees/Credits will apply. The daily fee/credit will be multiplied threefold for positions carried over Wednesday nights. The fees/credit will be charged/credited at 17:00 New York time for any position open at this time.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

CFD does not have any recommended holding period, and generally is used for short term trading. There is not any lock-up period, and the Investor can liquidate the trading position and monetize the financial result at any time during market hours.

HOW CAN I COMPLAIN?

If you have any questions that the Company can help you with, the Company has multiple tools for you to use, such as Frequently Asked Questions (FAQ), referring your enquiry via a Ticket system for the Customer Service department, or via a chat with a Customer Service representative. If the Company is unable to answer your question or you feel that our answer is unsatisfactory, you may open an official complaint by filling in the required form found on the bottom of the text. The Company will do everything we can to address your complaint within 48 hours and provide you with a response. The Company will keep you updated on the progress of your complaint and a full written response will be provided to you no later than eight weeks from the date that we received the complaint.

If you then feel that your complaint was not resolved satisfactorily by the Company, within three (3) months of our final response letter, you are able to refer your complaint:

- to the **FINANCIAL OMBUDSMAN SERVICE**

Complaints can be addressed to the Financial Ombudsman to the following address:

Office address: Lord Byron Avenue 13, 1096, Nicosia, Cyprus, OR P.O. 25735, 1311, Nicosia, Cyprus

Tax: 00357 22 660 584 or 00357 22 660 118

email: complaints@financialombudsman.gov.cy

complaint form must be accompanied by the evidence of the paid fee (€20);

- to the **CYPRUS SECURITIES AND EXCHANGE COMMISSION**

Complaints can be addressed to the CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC), via the procedures and forms sited on the following e-address: <https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>

OTHER RELEVANT INFORMATION

All additional documents containing information regarding the product, including detailed information regarding fees and product features, can be found on the Company's website.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **67% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.



Stocks CFDs

Key Information Document KEY INFORMATION DOCUMENT (KID)

CFD ON STOCKS: Such as Apple, IBM, Tesla Motors etc. You may refer [here](#) to view all the stocks that the Company currently offers.

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

The Manufacturer of this product is **eToro (Europe) Limited ('eToro EU' or 'the Company')** (<https://www.etoro.com>), a company registered in the Republic of Cyprus and regulated by the Cyprus Securities and Exchange Commission. You can contact eToro EU on <https://www.etoro.com/support/> for more information. This KID was updated on June 2021.

ALERT: Contract for difference ('CFDs') is a complex financial product and may be difficult to understand. This product is not suitable for all investors. Before trading, please make sure that you understand the risks involved.

WHAT IS THIS PRODUCT?

Type

This is a Contract for Difference (CFD) that uses financial leverage mechanism. This product allows clients to speculate on the increases and decreases in the prices of stocks of public companies, listed in different stock exchanges. Clients may open a long position (buy) if they think the price of the stock will increase or a short position (sell) if they believe that the price will fall.

OBJECTIVES

The objective of this product is to enable the client to derive benefits from price changes of the underlying assets without owning them. The return on this product is based on the position opening and closing prices. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of an amount of capital to support an investment of a larger exposure. Please note that margin/leverage trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. Only investors who understand how the prices of the product are derived, what is the margin and what is the financial leverage should choose this product. Investors must be aware of the investment risk; of the amount they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and have a good understanding of the impact of and risks associated with trading on margin.

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

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.

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LOWER RISK

HIGHER RISK

The Company has classified this product as 7 out of 7, which is the highest' risk class.

The product can be denominated in other currency than the initial investment, therefore the return can be subject to additional changes depending on the currencies exchange rate. Trading risk increase when trading with leverage, however, the total loss that you may incur will never exceed your invested amount. The Company offers Negative Balance Protection to its Clients, meaning that they will never be able to lose more funds than the amounts invested with the Company. If the margin amount in your account falls below 50% of the total initial margin required for all the CFDs in your account, the Company must close out



one or more of your open positions.

eToro EU CFDs are not listed on any trading venue (i.e., on an exchange), and the prices and other conditions are set by the Company. The contract can be bought/sold only with eToro EU and is not transferable to any other provider/third party. If you have multiple positions with eToro EU, your risk may be cumulative and not limited to one position.

PERFORMANCE SCENARIOS

This key information document is not specific to a particular stock CFD, but it applies to a CFD on any stock that we offer on eToro EU platform. However, each CFD you invest with eToro EU is specific to you and your choices. You will be responsible for choosing: the stock, when to open and to close your position, the size of your position and whether to use any risk management tools which eToro EU platform offers, i.e., stop loss/take profit orders. The specific choice you make on the underlying stock offered for each CFD will have material impact on the risk and return of your investment.

The actual return on your investment will vary depending on how the market performs and how long you hold the CFD. The below listed stress scenario shows what the return of your investment may be in extreme market circumstances, and it does not consider the situation where we are not able to pay you.

The following assumptions have been used to create the performance scenarios shown in **Table 1**:

CFD on Stock, i.e. an Apple (held intraday) with leverage 1:5		
CFD on Stock opening price (either BID or ASK depending on the scenarios in table below)	P	135 USD
Trade size (Per CFD):	TS	15
Margin %:	M	20% (1:5 leverage)
Margin requirement (USD):	$MR = P * TS * M$	405 USD
Notional value of the trade (USD):	$TN = MR/M$	2,025 USD

Table 1: - Performance Scenarios of Stocks CFDs

Position opened as BUY (ASK price) Open price: 135 USD				Position opened as SELL (BID price) Open price: 135 USD			
Performance Scenario	Closing (BID) price (incl. spread)	Price change	Profit/Loss	Performance Scenario	Closing (ASK) price (incl. spread)	Price change	Profit/Loss
Favorable	145	7.41%	150 USD	Favorable	125	7.41%	150 USD
Moderate	138.50	2.59%	52.50 USD	Moderate	131.50	2.59%	52.50 USD
Unfavorable	133	-1.48%	-30 USD	Unfavorable	137	-1.48%	-30 USD
Stress	120	-11.11%	-225 USD**	Stress	150	-11.11%	-225 USD**

** this loss is restricted to your trading position - the stop loss level is 50% of your margin (In this example 50% of 202.50 USD)

DISCLAIMER: Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower. The figures shown include all the costs of the product itself. The figures do not consider your personal tax situation, which may also affect the actual return of your investment.

WHAT HAPPENS IF ETORO (EUROPE) LTD IS UNABLE TO PAY OUT?

eToro EU is a member of the Investor Compensation Fund for Customers of Cypriot Investment Firms (CIFs) (the 'Fund'). The objective of the Fund is to secure any claims of covered clients against members of the Fund and to compensate covered clients for any claims arising from malfunction by a member of the Fund in fulfilling its obligations whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the Fund. The payment of compensation by the Fund to the eligible clients of its members is subject to the existence of a well-founded claim by the clients against the member of the Fund. The Fund covers eligible investments up to 20,000 Euro per person. More information can be found [here](#). eToro (Europe) Limited clarifies that all retail client funds are segregated from the Company's own funds, as it is required.

WHAT ARE THE COSTS?

Before you begin to trade CFDs on Stocks, you should familiarize yourself with all commissions, fees, and other charges for which you will be liable. These charges will reduce any net profit or increase your losses. For more information about the composition of costs, please visit [here](#). CFDs on stocks are not suited to the long-term investor.



Table 2 - The different types of cost categories and their meaning		
One-off costs	Spread	The difference between the buy and sell price is called the spread.
	Currency Conversion	This is a charge for converting realized profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight fees	Overnight fees are for every day a client keeps the position open. Depending on the position held and the Company's prevailing interest rates, the Client account may be credited/debited with the overnight cost.

CFDs on Stocks are not suited to the long-term investor. If you hold a CFD open over a long period, the associated costs such as Overnight Fees/Credits will apply. The daily fee/credit will be multiplied threefold for positions carried over Wednesday nights. The fees/credit will be charged/credited at 17:00 New York time for any position open at this time.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

CFD does not have any recommended holding period, and generally is used for short term trading. There is not any lock-up period, and the Investor can liquidate the trading position and monetize the financial result at any time during market hours.

HOW CAN I COMPLAIN?

If you have any questions that the Company can help you with, the Company has multiple tools for you to use, such as Frequently Asked Questions (FAQ), referring your enquiry via a Ticket system for the Customer Service department, or via a chat with a Customer Service representative. If the Company is unable to answer your question or you feel that our answer is unsatisfactory, you may open an official complaint by filling in the required form found on the bottom of the text. We will do everything we can to address your complaint within 48 hours and provide you with a response. The Company will keep you updated on the progress of your complaint and a full written response will be provided to you no later than eight weeks from the date that we received the complaint.

If you then feel that your complaint was not resolved satisfactorily by us, within three (3) months of our final response letter, you are able to refer your complaint:

- to the **FINANCIAL OMBUDSMAN SERVICE**
Complaints can be addressed to the Financial Ombudsman to the following address:
Office address: Lord Byron Avenue 13, 1096, Nicosia, Cyprus, OR P.O. 25735, 1311, Nicosia, Cyprus
By fax: 00357 22 660 584 or 00357 22 660 118
By email: complaints@financialombudsman.gov.cy
The complaint form must be accompanied by the evidence of the paid fee (€20);
- to the **CYPRUS SECURITIES AND EXCHANGE COMMISSION**
Complaints can be addressed to the CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC), via the procedures and forms sited on the following e-address: <https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>

OTHER RELEVANT INFORMATION

All additional documents containing information regarding the product, including detailed information regarding fees and product features, can be found on the Company's website.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **67% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.



Exchange-traded funds (ETFs) CFDs

KEY INFORMATION DOCUMENT (KID)

CFD ON ETFs: Such as, the Proshares Ultra S&P 500 (SSO), SPDR Gold (GLD), Emerging Markets Index (EEM) etc. You may refer [here](#) to view all the ETFs that the Company currently offers.

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

The Manufacturer of this product is **eToro (Europe) Limited ('eToro EU' or 'the Company')** (<https://www.etoro.com>), a company registered in the Republic of Cyprus and regulated by the Cyprus Securities and Exchange Commission. You can contact eToro EU on <https://www.etoro.com/support/> for more information. This KID was updated on June 2021.

ALERT: Contract for difference ('CFDs') is a complex financial product and may be difficult to understand. This product is not suitable for all investors. Before trading, please make sure that you understand the risks involved.

WHAT IS THIS PRODUCT?

Type

This is a Contract for Difference (CFD) that uses financial leverage mechanism. This product allows clients to speculate on the increases and decreases in the prices of Exchange Traded Funds (ETF). Clients may open a long position (buy) if they think the price of an ETF will increase or a short position (sell) if they believe that the price will fall.

An ETF is an investment fund that trades on a stock exchange as a single security. It is designed to track an underlying benchmark. ETFs are open-ended, which means ETF shares can be created as necessary to meet demand. An ETF can track different asset types, i.e., equities (including specific sectors or different regions or countries), fixed income, commodities, property, volatility etc.

OBJECTIVES

The objective of this product is to enable the client to derive benefits from price changes of the underlying assets without owning them. The return on this product is based on the position opening and closing prices. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of an amount of capital to support an investment of a larger exposure. Please note that margin/leverage trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. Only investors who understand how the prices of the product are derived, what is the margin and what is the financial leverage should choose this product. Investors must be aware of the investment risk; of the amount they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and have a good understanding of the impact of and risks associated with trading on margin.

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

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.

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LOWER RISK

HIGHER RISK

The Company has classified this product as 7 out of 7, which is the highest' risk class.

The product can be denominated in other currency than the initial investment, therefore the return can be subject to additional changes depending on the exchange rate of the currencies involved. Trading risk increase when trading with leverage, however,



the total loss that you may incur will never exceed your invested amount. The Company offers Negative Balance Protection to its Clients, meaning that they will never be able to lose more funds than the amounts invested with the Company. If the margin amount in your account falls below 50% of the total initial margin required for all the CFDs in your account, the Company must close out one or more of your open positions.

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PERFORMANCE SCENARIOS

This key information document is not specific to a particular Exchange Traded Fund CFD but it applies to a CFD on any ETF that we offer on our platform. However, each CFD you invest with the Company is specific to you and your choices. You will be responsible for choosing the ETF on CFD; when you open and close your position; the size of your position; and whether to use any risk management tools which eToro EU platform offers i.e. stop loss/take profit orders.

The actual return on your investment will vary depending on how the market performs and how long you hold the CFD. The below listed stress scenario shows what the return of your investment may be in extreme market circumstances, and it does not consider the situation where we are not able to pay you.

The following assumptions have been used to create the performance scenarios shown in **Table 1**:

CFD on ETFs i.e. ProShares UltraPro S&P500 (held intraday) with leverage 1:5		
CFD on ETF opening price (either BID or ASK depending on the scenarios in table below)	P	113 USD
Trade size (Per CFD):	TS	100
Margin %:	M	20% (1:5 leverage)
Margin requirement (USD):	$MR = P * TS * M$	2,260 USD
Notional value of the trade (USD):	$TN = MR/M$	11,300 USD

Table 1 - Performance Scenarios of ETFs CFDs

Position opened as BUY (ASK price) Open price: 113 USD				Position opened as SELL (BID price) Open price: 113 USD			
Performance Scenario	Closing (BID) price (incl. spread)	Price change	Profit/Loss	Performance Scenario	Closing (ASK) price (incl. spread)	Price change	Profit/Loss
Favorable	133	17.70%	2,000 USD	Favorable	93	17.70%	2,000 USD
Moderate	116	2.65%	300 USD	Moderate	110	2.65%	300 USD
Unfavorable	108	-4.42%	-500 USD	Unfavorable	118	-4.42%	-500 USD
Stress	95	-13.27%	-1,800 USD	Stress	131	-13.27%	-1,800 USD

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WHAT HAPPENS IF ETORO (EUROPE) LTD IS UNABLE TO PAY OUT?

eToro EU is a member of the Investor Compensation Fund for Customers of Cypriot Investment Firms (CIFs) (the 'Fund'). The objective of the Fund is to secure any claims of covered clients against members of the Fund and to compensate covered clients for any claims arising from malfunction by a member of the Fund in fulfilling its obligations whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the Fund. The payment of compensation by the Fund to the eligible clients of its members is subject to the existence of a well-founded claim by the clients against the member of the Fund. The Fund covers eligible investments up to 20,000 Euro per person. More information can be found [here](#). eToro (Europe) Limited clarifies that all retail client funds are segregated from the Company's own funds, as it is required.



WHAT ARE THE COSTS?

Before you begin to trade CFDs on ETFs, you should familiarize yourself with all commissions, fees, and other charges for which you will be liable. These charges will reduce any net profit or increase your losses. For more information about the composition of costs, please visit [here](#).

Table 2 The types of cost categories and their meaning

One-off costs	Spread	The difference between the buy and sell price is called the spread.
	Currency Conversion	This is a charge for converting realized profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight fees	Overnight fees are for every day a client keeps the position open. Depending on the position held and the Company's prevailing interest rates, the Client account may be credited/debited with the overnight cost.

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If you then feel that your complaint was not resolved satisfactorily by the Company, within three (3) months of our final response letter, you are able to refer your complaint:

- to the **FINANCIAL OMBUDSMAN SERVICE**
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By email: complaints@financialombudsman.gov.cy
The complaint form must be accompanied by the evidence of the paid fee (€20).
- to the **CYPRUS SECURITIES AND EXCHANGE COMMISSION**
Complaints can be addressed to the CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC), via the procedures and forms sited on the following e-address: <https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>

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