



Key Information Document

Key information document – FX Option

Purpose

This document provides you with key information about this investment product. It is not marketing material. This 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

FX Options are offered by Ava Trade EU Limited trading as AvaTrade (“Ava”, “we” “us”), authorised and regulated by the Central Bank of Ireland C53877.

See www.avatrade.com for more information or contact us on +353 1 901 0120

This Key Information Document is dated 1 January 2025.



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

What is this product?

Type

An FX Option is a contract where the profit is to be secured or loss avoided by reference to fluctuations in the price, time, implied volatility and other market data of an underlying currency pair, such as the Euro (EUR) against the U.S. Dollar (USD), referred to as EURUSD. Visit <http://www.avatrade.com/trading-platforms/ava-options-trading> for further information.

Objectives


The objective of trading an FX Option is to gain exposure to fluctuations related to the underlying currency pair without owning it. Your return depends on the size of the performance (or movement) of the underlying currency pair and the size of your position. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of a small amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because whilst you can realise large profits if the price moves in your favour, you risk extensive losses if the price moves against you.

Intended Retail Investor

Trading in this product will not be appropriate for everyone. This product would commonly be used by persons who want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and understand the impact of and risks associated with margin trading. Clients should also satisfy themselves that they have the financial resources to trade and to bear any potential losses.

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

Risk Indicator



The risk indicator assumes that you may not be able to buy or sell your CFD at the price you wanted to due to volatility of the market or you may have to buy or sell your CFD at a price that significantly impacts how much you get back.

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 of the product at a very high level.

This risk is not considered in the indicator shown above. In some circumstances you may be required to make further payments to pay for losses. Trading risks are magnified by leverage – the total loss you may incur may significantly exceed the amount invested. 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. As a result, margin calls may be made quickly or frequently. In the event of default, AvaTrade shall seek to immediately terminate, cancel and close-out all of part of any outstanding positions, and any shortfall will be borne by you. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

What happens if Ava is unable to pay you?

In the unlikely event that Ava are unable to pay you, for example due to insolvency, you may lose the value of your investment. However, we segregate all retail client money from Ava money in accordance with the Client Asset Regulations. You have some protection from the Investor Compensation Scheme (“ICS”). This product is categorised as an investment product under the ICS so eligible claimants are covered up to the first €20,000 of loss. Further information about the compensation arrangements is available at www.investorcompensation.ie.

What are the costs?

The table below shows the different costs that you may incur in trading an FX Option

This table shows the different types of cost categories and their meaning		
One off costs on Entry and Exit	Spread	The difference between the bid (sell) price and the offer (buy) price. Spread is dependent on many different factors, including but not limited to, the underlying liquidity and volatility, time of day and notional trade size.
	Commission	The fee charged for the service of carrying out the transaction, subject to a minimum fee on small notional trade sizes.
	Premium Currency Conversion	The fee charged for converting premium from the instrument currency to the account currency

Ongoing costs	Financing of unrealised profit/loss (Financing Interest)	Any unrealised premium is subject to an interest credit or debit.
Incidental costs	Distributor Fees	We may share a one-off payment or a portion of our spreads, fees or other charges with other persons, including a distributor who may have introduced you or that provides you with an ongoing service.

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

An FX Option has no recommended holding period. Provided that AvaTrade is open for trading you can enter and exit positions at any time.

How can I complain?

To raise a complaint, please contact our Customer Support team via email at cs@avatrade.com. We will endeavour to resolve all issues within an expedient timeframe. If you are not satisfied with the response from our Customer Service agent, or you are unable to resolve the issue, then you may raise the matter as a complaint with our Complaints team by writing to us at complaints@avatrade.com or **Ava Trade EU Limited Compliance Department, Dockline, Mayor Street Lower, IFSC, Dublin 1, Dublin, D01 K8N7**. Our full Complaints Policy, including details of the Financial Ombudsman Service can be found here: <http://www.avatrade.com/about-avatrade/legal-documentation>

Other relevant information

This document is a summary of key information about Forex CFDs. It is designed to help you make an informed decision before your trade. This is a summary only and nothing in this document should be considered as advice.

Before deciding whether to open an account or to trade any of our products we strongly suggest that you read our full **terms and policies, including: our full Terms and Conditions, Conflicts of Interest Policy and Order Execution Policy**, among other things. These documents can be found here: <http://www.avatrade.com/about-avatrade/legal-documentation>