

Key Information Document

Equity CFD

Purpose: This document provides key information about this investment product. It is not marketing material. The information is required by law to help you understand its nature, costs, risks, and rewards and to compare it with other products.

Product: Contracts for Differences (the "CFD") on equity. **Manufacturer of the Product:** The manufacturer of this product is Trading 212 UK Limited (the "Trading 212" and/or the "Company"), and its website is www.trading212.com. Contact us at info@trading212.com for more information. Trading 212 UK Limited Ltd is supervised by the Financial Conduct Authority (the "FCA") and its firm reference number is 609146.

Last Revision Date: This KID was last updated on **23 December 2024**.



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

What is this product?

Type: Trading 212 offers CFDs across a range of underlying asset classes, including, but not limited to, equity. CFD on equity is a derivative product which is traded over the counter (OTC) and is a leveraged financial instrument, the value of which is based on the value of the underlying asset. A CFD is a type of transaction that makes either profit or loss to investors depending on fluctuations in the value of the price of the underlying asset. A list of the equity we offer on CFDs can be found on our [Trading Instruments](#) webpage.

Term: CFDs on equity have no maturity nor any minimum holding period. You decide when to open and close your position(s). Trading 212 is entitled to, though, (automatically) close open position(s) without seeking your prior consent if you do not maintain sufficient margin in your account and have not responded to the margin call or investor protection mechanisms triggered, such as the Close Out Margin Rule. Also, the investor never loses more than the invested amount due to the Negative Balance Protection (the "NBP") in place.

Objective: This product aims to allow investors to take advantage of prices moving up (long positions) or down (short positions) on underlying equity. Trading this product enables investors to have a leveraged exposure to price movements of an underlying equity without actually owning them. For example, being long means you are buying the product by speculating that the underlying asset's market price will rise between the purchase and its sale. As the owner of a long position, you will make a profit if the market price of the underlying asset rises whilst your long position is open.

On the other hand, you will suffer a loss if the market price of the underlying asset falls whilst your long position is still open. CFDs are leveraged products, thus allowing investors to generate high returns with a small initial deposit. However, leverage can also lead to the loss of the total amount invested. To open a position, you are required to deposit a percentage of the total value of the CFD in your account (more information regarding the initial margin requirements is outlined below).

Intended retail investor: This product is intended for Retail investors who have the necessary (i.e. sufficient) experience and knowledge in trading and are able to understand and are willing to take the risks associated with, in the short term, leveraged products. Retail investors should understand how the prices of CFDs are derived, the key concepts of margin and leverage, as well as the possibility of capital loss. Additionally, the product targets Retail investors who have speculative and hedging objectives, wish to diversify their portfolio, have appropriate financial means and have the ability to bear the loss of the initial amount invested, subject to the NBP offered by the Company.

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



Lower risk

Higher risk



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.

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 unable 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 and poor market conditions are very likely to impact our capacity to pay you.

CFDs are leveraged products which carry a significant risk of losing all your investment. A small market movement in the underlying market may have a large impact on the value of CFDs. If you are a Retail Client, the total loss you may incur will never exceed the entirety of the invested amount since you benefit from NBP measures (please refer

to our [Disclosure Notice](#) for more details). However, there is no capital protection against market risk, credit risk or liquidity risk.

Be aware of currency risk. You will not receive payments in a different currency, so the final return you get will depend on the exchange rate between the two currencies. The risk is not considered in the indicator shown above.

This product does not include any protection from future market performance protection, so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from the investment compensation fund (see the section “What happens if we are unable to pay you”). The indicator shown above does not consider this protection. You should also be aware of, inter alia, counterparty risk, margin rates, leverage, related risks, which may impact your investment. Further details of these risks may be found in our [Disclosure Notice](#)

Investment Performance Information

What is likely to affect my returns?

Your returns will be primarily affected by the performance of the underlying equity of your CFD. For example if you are long on a CFD on an equity, and the cash or future price of the equity increases, this is likely to affect your returns positively. However, if the equity value decreases, this is likely to affect your returns negatively.

The return on your investment may be affected by a combination of factors such as general market direction, market volatility including potential market shocks, exchange rates, inflationary pressure and related government interventions, in addition to the independent performance of the underlying share.

Should you buy or sell a CFD in a currency which is not the base currency of your account, the final return will depend on the exchange rate between the base currency and the currency of the CFD.

It is important to note that CFDs are leveraged products which means that losses and profits are magnified by the price movements of the underlying shares.

The independent performance of the share itself can in turn be affected by success (or otherwise) of the underlying business, corporate actions, major company news, regulatory interventions and so on.

At individual company level any of these factors can have a dramatic impact on the performance of the stock, including rendering it worthless.

You should compare the performance of your CFD portfolio to a well-established relevant market index, such as the FTSE 100 for UK shares or S&P 500 for US shares. This will enable you to better understand the performance of your portfolio, and individual CFDs in it, in comparison to the market as a whole.

What could affect my return positively?

A long position (buying a CFD contract) will make a profit if the Sell price moves higher than your entry Buy price. A short position (selling a CFD contract) will make a profit if the Buy price moves lower than your entry Sell price. Favourable developments in any, or in a combination of the factors mentioned above could positively impact your investment. In such circumstances the level of leverage inherent in a CFD will further enhance returns. For example, if the independent performance of the underlying share is strong and market conditions are good you may see excellent performance. If independent performance is poor but markets are generally performing well, you may also see a positive return.

What could affect my return negatively?

The movement in the value of the share price in the opposite direction to that you have chosen for your CFD could affect your return negatively. For example, if you are long on an equity, the share price of the equity falling is likely to negatively affect your return, whereas if you are short on an equity, the share price of the equity rising is likely to affect your return negatively.

Adverse developments in these factors will in turn affect your investment negatively, and if they do, the leverage deployed in the CFD will multiply the loss. Your CFD investment may become worthless even if the underlying share does not. Should the value of your account fall below the maintenance margin requirement, Trading 212 may close out your position and may result in the loss of your entire account balance.

A mandatory margin close-out rule is applied on an account level basis for retail clients. This means that when the value of your account (i.e., the net profit and loss, and any deposited margin and any other funds) falls below 50% of the initial margin requirement (that was paid to enter all of the open CFD positions at any point in time), one or more of your CFD positions will be closed out. We may set a higher percentage than 50%. Retail clients who trade leveraged CFDs benefit from negative account balance protection. Where this is the case, your liability will be limited to the funds in your account (which includes any funds that are not required to be maintained as margin to keep your positions open, regardless of whether those positions relate to this product). The value of CFDs under stressful market conditions can be volatile, leading to you being required to post additional margin or having your account closed out and losing your entire investment.

It is important to note that a well-diversified portfolio reduces the risk to your investment overall. By contrast, a concentrated portfolio makes your entire investment vulnerable to extreme moves in individual shares. Even well diversified portfolios may see significant losses during periods of high market volatility due to leverage. As set out above, such volatility, even if temporary, can trigger automatic liquidations realizing your losses before the underlying shares have an opportunity to recover.

What happens if Trading 212 UK Limited is unable to pay out?

If we are unable to pay out, you may lose the value of your investment. Trading 212 UK Ltd segregates all funds from its own money as required by the UK FCA Client Assets rules. Trading 212 also participates in the UK's Financial Services Compensation Scheme (FSCS). This means that if we are unable to pay out, retail investors and certain other investors may be eligible to make a claim of up to £85,000 but may otherwise lose all of their initial investment and any returns generated on their initial investment. Please refer to www.fscs.org.uk for detailed information and eligibility criteria.

What are the costs?

Before you begin trading, you should familiarize yourself with the associated costs and charges, which may be found on our website.

Costs over time

The tables show the amounts that are taken from your investment to cover the different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment (notional) amount of £ 10,000 and exit from the investment (closure of the position) of the same day.

This illustrates costs in relation to the notional value of the PRIIP. This percentage cannot be directly compared to the cost impact figures provided for other PRIIPs.

Composition of costs

This table shows the different costs involved with our CFD products, if you exit (close your position) on the same day:

One-Off costs	Spread	The spread is the difference between the buy price and the sell price that we quote on our trading platform and is payable on opening and closing a contract. Spreads are dynamic and change depending on the underlying market conditions. Check the average spread for each instrument here .
	Currency Conversion	The fee charged for converting cash, realized profit or losses, adjustments from the instrument currency to the account currency. An FX fee 0.5% applies on the result when closing a position with an instrument priced in a currency other than the currency of your account.
Ongoing Costs	Overnight Holding Fee	Positions held in your account past 22:00 GMT will incur an overnight holding fee. The fee can be positive or negative, depending on the direction of the trade and the product. Find the fees for each instrument in the app, listed on its 'Instrument details' page.
Incidental Costs	Distributor Fee	We may occasionally share a proportion of our spread, commission and other account fees with other persons, including a distributor that may have introduced you.

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

Recommended holding period: N/A

CFDs on equity generally have no recommended holding period, no cancellation period, thus, no cancellation fees, since you decide when to close your position(s). You should monitor the product to determine the appropriate time to close your position(s), which can be done at any time during normal trading hours. This may temporarily be unavailable in exceptional market situations, though, during which you should contact us. Besides the costs outlined under "What are the costs?" section above, there are no additional costs for closing an open position.

How can I complain?

If you wish to make a complaint, you should contact us using the T212 app chat function, by emailing us at info@trading212.com, or by writing to us at Trading 212 UK Limited, Aldermay House, 10-15 Queen Street, London, EC4N 1TX.

Your concerns will then be investigated and we will provide you with a formal written response within 8 weeks of the date of your complaint. If you do not feel that your complaint has been resolved satisfactorily, you can then refer your complaint to the Financial Ombudsman Service ("FOS"). See www.financial-ombudsman.org.uk for further information.

Other relevant information

Further information with regards to this product can be found on our website in the "CFD" section. You should ensure that you read our legal documents, which include the Terms, Disclosure Notice, Order Execution Policy, Investor Compensation Fund and other. An indicative list with links to the relevant documents can be traced [here](#). Such information may also be provided to you upon request.