



Your **Investment House**

ICM Capital Limited

**KEY INFORMATION DOCUMENT**

Over The Counter (OTC) US Stocks

## 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, costs, risks and rewards of this product and to help you compare it with other products.

## PRODUCT

The Manufacturer of this product is ICM Capital UK. Contact us on +44 20 7634 9770 for more information. ICM Capital Limited is authorised and regulated by the Financial Conduct Authority (FCA) Register Number: 520965. ICM Capital Limited is a wholly owned subsidiary of ICM Holding SARL, registered address: 121, Avenue De La Faïencerie, L-1511 Luxembourg. ICM Capital Limited is a company registered in England and Wales, registered number: 07101360. Registered address: ICM Capital Limited, New Broad Street House, 35 New Broad St, London EC2M 1NH, United Kingdom. This Key Information Document was published on 15th January 2018.

## ALERT

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

## WHAT IS THIS PRODUCT?

### TYPE

This product is OTC US Stocks. It allows you an indirect (also described as “synthetic”) exposure to an underlying product or financial instrument (for example, to IBM or CAT). You will have no direct interest in the underlying product/financial instrument. Accordingly, you can make gains or suffer losses as a result of price or value movements in relation to the underlying product or financial instrument to which you have the indirect exposure. Visit [www.icmcapital.co.uk](http://www.icmcapital.co.uk) for further information in relation to OTC US Stocks.

## OBJECTIVES

The objective of trading OTC US Stocks is to gain exposure to movements related to a financial product, benchmark or instrument without owning it. Your return depends on the size of the performance (or movement) of the underlying instrument and the size of your position. For example, if you believe the value of International Business Machines (IBM) is going to increase, you would buy a number of IBM positions (“going long”), with the intention to later sell them when they are at a higher value. The difference between the buy price and your subsequent sell price would equate to your profit, minus any relevant costs (detailed below). If you think the value of IBM is going to decrease, you would sell a number of gold positions (“going short”) at a specific value, expecting to later buy them back at a lower value than you previously agreed to sell them for, resulting in ICM Capital paying you the difference, minus any relevant costs (detailed below). However, if the underlying instrument moves in the opposite direction, and your position is closed, you would owe ICM Capital for the amount of loss you have incurred (together with any costs). This product 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. More information about margin trading can be found [here](#).

## INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. The product would most commonly be utilised 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.

## TERM

OTC US Stocks are execution only products and generally therefore have no fixed or suggested maturity date. It is up to you to open and close your position, however your position will only be kept open to the extent that you have available margin. Specific information on each underlying investment option can be found [here](#).

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

### RISK INDICATOR



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will

lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level. Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. 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, and in the event of default, your positions maybe closed out 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.

## PERFORMANCE SCENARIOS

There are a number of types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Information on factors that affect the performance of this product are detailed [here](#) - including but not limited to;

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

The scenarios shown below illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The following assumptions have been made to complete the scenarios in Table 1:

US Stock (held intraday)	
Opening price	176.00
Trade size	1 lot
Margin Requirement (USD)	4,000
Notional Value (USD)	17,600

Table 1

LONG Performance scenario	Closing price	Price change	Profit/loss	SHORT Performance scenario	Closing price	Price change	Profit/loss
Favourable	178.64	1.5%	\$264	Favourable	173.36	-1.50%	\$264
Moderate	176.88	0.50%	\$88	Moderate	175.12	-0.50%	\$88
Unfavourable	173.36	-1.50%	-\$264	Unfavourable	178.64	1.50%	-\$264
Stress	167.20	-5.00%	-\$880	Stress	184.80	5.00%	-\$880

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 how much you get back.

## WHAT HAPPENS IF ICM CAPITAL IS UNABLE TO PAY OUT?

ICM Capital is regulated by the Financial Conduct Authority (FCA) and therefore we need to adhere to the regulator's rules and obligations. The FCA performs frequent checks to ensure businesses are fully compliant. Under FCA client money rules, ICM Capital is required to segregate all retail client funds from our own funds. This separation of accounts ensures that your money can never be used as a recoverable asset by UK's general creditors. These funds are held in separate bank accounts. We take great care and diligence in their selection. Currently the client funds are held in Barclays Bank, one of the world's top-tier banks.

The FSCS also protects the money in our segregated retail accounts. If a bank holding the funds you have deposited with ICM Capital goes into liquidation, you will be able to claim up to £50,000 per person and per institution. Eligibility depends on the status and the nature of your claim. In addition to the Financial Services Compensation Scheme (FSCS) covering up to £50,000, the protection has now been enhanced to offer an additional protection up to £1,000,000, in the unlikely event ICM Capital becomes insolvent. ICM Capital is one of few brokers to provide clients with enhanced and extended protection for their trading funds via Lloyd's of London, one of the world's leading insurance organisations. Lloyd's is

known as the world's specialist insurance market and works with a global network to enhance the insurance possibilities for organisations as well as individuals. It is backed by substantial global capital and has excellent financial ratings. Further details are available [here](#).

## WHAT ARE THE COSTS?

Before you begin to trade OTC US Stocks you should familiarise yourself with all one-off, ongoing, and incidental costs for which you will be liable. These charges will reduce any net profit or increase your losses. For more information please visit our [website](#).

One-off costs	Spread	The difference between the Bid (Sell) and the Ask (Buy) price is called the spread.
	Currency Conversion Fee	The fee charged for converting realised profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight Financing	If you hold a long or a short position open after the market close, you will be subject to an Overnight Financing charge.
Incidental costs	–	–

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

**OTC US Stocks positions have no recommended holding period. Provided that ICM Capital is open for trading you can enter and exit positions at any time.**

## HOW CAN I COMPLAIN?

If you as a client or a prospective client of have raised a question or an issue with ICM Capital for instance with your account manager or another employee of ICM Capital without receiving a satisfactory answer you may file a complaint with ICM Capital as per below.

If the dispute or complaint is not satisfactorily resolved it should be referred, again with all details, to the Client Services team of ICM Capital Ltd and, if not then resolved to your satisfaction, it should be further referred to the Compliance Officer of ICM Capital Ltd either by email to [compliance@icmcapital.co.uk](mailto:compliance@icmcapital.co.uk) or by post to Compliance, ICM Capital Limited, New Broad Street House, 35 New Broad St, London EC2M 1NH, United Kingdom. ICM would look to investigate and resolve the complaint within 8 weeks. If you are in any way dissatisfied with the final resolution of any dispute you have the right to refer the matter to [the Financial Ombudsman Service \(the "FOS"\)](#). The matter should be referred to the Ombudsman within six months of the Compliance Officer's final resolution of the dispute.

## OTHER RELEVANT INFORMATION

PRIIP manufacturers shall indicate any additional information documents that may be provided, and whether such additional information documents are made available based on a legal requirement or only at the request of the retail investor.

The information may be provided in summary format, including a link to the website where further details other than the documents referred to are made available.