

# Finovative AI

KEY FACTS SUMMARY

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**1. Finovative AI LTD.**

You are entering into an agreement with Finovative AI Ltd. ("we", "us" or "Finovative AI"), an international business company registered in Switzerland under registration number: CHE-498.237.014.

**2. CLIENT AGREEMENT**

The information provided in this Key Facts Summary is important and binding upon you. Additional legal terms governing our relationship are detailed in the Client Agreement. If you are applying online, you must complete the application in its entirety and then submit it electronically to Finovative AI for processing.

**3. EXECUTION-ONLY SERVICES**

Finovative AI offers execution-only services. Nothing in this Key Facts Summary or the Key Agreements issued by us should be considered as a recommendation from us or any other person to invest in CFDs, margin FX contracts, currencies, or any other financial products. You are responsible for selecting the product you wish to transact with us. We make no representation regarding the performance of any product. The product's performance will depend on the investment decisions made by you.

**4. LEVERAGE**

Investors are required to deposit funds before trading as security (initial margins) and to cover any net debit resulting from adverse market movements (variation margins), i.e., positions are monitored on a mark-to-market basis to account for market fluctuations. If clients incur a loss to the point where they no longer meet margin requirements, they must either "top up" their accounts or "close out" their position.

Leveraging magnifies both potential profits and losses, and thus carries significant risk. With a CFD or margin FX Contract, you only need to provide a small initial deposit (i.e., margin) to gain exposure to the underlying asset of the CFD or margin FX Contract. You are not required to provide the full value of the contract that the CFD or margin FX Contract relates to.

**5. RISKS OF TRADING OUR PRODUCTS**

This section does not cover *all* risks associated with the products, but rather highlights the key significant risks involved in trading these products.

### 5.1. Leverage

A high degree of leverage is available when trading our products due to the small margin requirements, which can work both in your favor and against you. Leverage can lead to substantial gains as well as substantial losses. The impact of leverage is such that even a slight market fluctuation could result in significant gains if the movement is favorable, but it could also lead to considerable losses if the fluctuations go against you.

### 5.2. Foreign Exchange Risk

Our products, which are denominated in foreign currency, may expose you to rapid and significant changes in the value of your account, potentially triggering the need for additional margin to be paid by you, often with little or no prior notice.

### 5.3. Margin Requirements

You are required to pay margin before opening a margin FX Contract or CFD position. After that, you may be required to pay additional margin before the position is closed. The required margin typically includes:

- The margin required by Finovative AI for the contract (both initially and later);
- The margin required by Finovative AI to cover any payments for Realized/Unrealized Loss on other positions in your account;
- Any margin required by Finovative AI to account for adjustments due to changes in foreign exchange rates.

If you fail to meet margin requirements, even with little or no notice, some or all of your contracts/positions may be closed without prior notice. An Imperfect Hedge may not trigger a margin call; however, it grants Finovative AI the right to close any open positions.

### 5.4. Stop Loss and Take Profit Orders Are Not Guaranteed

You may place Stop Loss or Take Profit orders within the Finovative AI Electronic Trading Platform; however, we cannot guarantee the effectiveness of these mechanisms. Market volatility and unforeseen events can cause your Stop Loss or Take Profit orders to either not be accepted or activate at the next available price, which could be worse than the price you originally set.

### 5.5. Operational Risks

Operational risks related to the Finovative AI Electronic Trading Platform are inherent in every margin FX Contract or CFD we offer. For example, disruptions in operational processes such as communications, computer systems, networks, or external events

may result in delays in executing or settling a transaction. We are not liable for losses arising from delays, errors, or failures in operational processes beyond our control, including but not limited to issues with the online trading platform or data provided by third parties.

#### **5.6. Corporate Actions**

There is a risk that a Corporate Action may affect a position. If a Corporate Action occurs, Finovative AI will reasonably determine the necessary adjustments, if any, to be made to the position to account for any dilutive or concentrative effects of such an event. The goal will be to preserve the economic equivalent of the position immediately prior to the relevant event or to reflect the effect of the event on the position. Any adjustments will take effect on a date reasonably determined by us.

#### **5.7. Our Right to Exercise Certain Discretions**

You should be aware that several provisions in the Client Agreement grant us discretion, which could impact your product. These discretions include:

- Setting the price of the base currency used to open and close a position in a product. The price of the base currency is set with reference to the current market price offered to us by our hedging partners. However, in certain circumstances, the price we set may differ from the current market price. In particular:
- We act as a market maker, primarily due to system failures, and accordingly set prices at which we are prepared to deal with you; and
- If we cannot determine a price because trading is limited, then the price will be the price immediately preceding such limitation; or
- Determined by us in our absolute discretion, acting reasonably, but with regard to the prevailing market conditions affecting trading as a whole or trading in such currency.

We have the right to close out all or part of your position in a product, limit the total value of the position you can open, refuse an order, or terminate the agreement between us if certain circumstances arise, including when we:

- Decide in our absolute discretion, provided we give you prior written notice of such decision; or

- Reasonably consider it necessary for the protection of our rights under the Client Agreement.

You do not have the power to direct us in the exercise of our discretions.

### **5.8. Execution Risk**

Quotes for prices for dealing in our products are indicative only and subject to the actual price at the time of execution of your order. While Finovative AI strives to execute your order to the best of its ability, there is no guarantee that the order will be executed at the price you set. This phenomenon is known as "slippage" and occurs when there is increased volatility or volume. It typically happens during significant news events or "gapping" in the markets, creating conditions where orders are difficult to execute due to extreme price movements.

The execution of your order is always dependent on the available liquidity at all price levels. Although you may wish to execute at a specific price, the market may have moved significantly, or liquidity may have been exhausted. In such cases, your order will be filled at the next available price.

### **5.9. Electronic Trading Platform Risk**

You are responsible for providing and maintaining the necessary means to access the electronic trading platform, including, but not limited to, a personal computer, modem, telephone, or another access line. While the internet and the World Wide Web are generally reliable, technical problems or other conditions may cause delays or prevent access. If you cannot access the internet and, consequently, the electronic trading platform, you may be unable to trade in a product offered by Finovative AI when desired, and you may incur a loss as a result.

If the system is unavailable, clients may place closing orders via telephone with a representative of Finovative AI. Furthermore, in extreme and unforeseen market situations, such as events like September 11 or a global catastrophe, Finovative AI reserves the right to suspend the operation of the electronic trading platform or any part of it. In such cases, Finovative AI may, at its sole discretion (with or without notice), close out your open contracts at prices it considers fair and reasonable at that time. Finovative AI may also impose volume limits on client accounts at its sole discretion. Please note that such measures would only be implemented in extreme market conditions, and such discretion will be reasonably exercised in the best interests of the client.

### **5.10. Automated Trading Risks**

While you can connect and use third-party trading tools and systems with Finovative

AI's Electronic Trading Platform (such as automated trading strategies/expert advisors, copy traders, and robot traders), using these tools and systems is high-risk and could result in significant financial losses. We have no control over the logic or code that these third-party providers use when developing their tools and systems, and we are not responsible or liable for their operation in connection with the platform.

You should take steps to ensure that any third-party tools or systems you use to trade with us are developed by reputable providers that, where relevant, are appropriately licensed or permitted to provide the relevant services to you.

We will not be liable for any losses incurred as a result of unsuccessful automated trading algorithms or the actions of the provider.

#### **5.11. Auto-Liquidation**

Finovative AI may, without prior notice, liquidate some or all of your open margin FX Contract or CFD positions if the account balance reaches or falls below the liquidation level applicable to your account. This may result in realized losses in your account.

Finovative AI does not guarantee that it will exercise this right at any time or in respect of all or any of your margin FX Contract or CFD positions. This is not something you should rely upon to manage your risk, and it remains your responsibility to maintain sufficient margin.

### **6. Your Obligations**

When opening an account with us, it's important to understand the terms of the Client Agreement and ensure you have sufficient funds to meet margin calls. If your account balance becomes negative, you are required to fund it to return to a zero or positive balance. You must monitor your account and open positions frequently and ensure you are not trading in breach of the Client Agreement terms or any applicable law.

### **7. Key Features of Our Products**

A Contract for Difference (CFD) is a leveraged derivative product that allows you to trade on the upward or downward price movements of an underlying asset without directly buying or selling the asset. CFDs provide the opportunity to make profits (or losses) from a wide range of markets, including indices and commodities. Margin foreign exchange (margin FX) are economically equivalent products to CFDs, where currencies serve as the underlying asset.

#### **7.1. Types of Products Issued by Us**

We offer the following products:



- Margin FX
- Index CFDs
- Energy CFDs
- Share CFDs
- Soft Commodities CFDs
- Precious Metals CFDs
- Cryptocurrencies CFDs
- Other products offered from time to time, as set out on the Website or the Electronic Trading Platform.

## **8. Fees and Other Costs**

Please note that our charges for trading may include trading commissions, a mark-up of the spread, and overnight financing charges. All of these costs reduce your account balance accordingly and may increase your losses or reduce your profits on your trades. In certain cases, we pay an introducer who has introduced you to our firm. Our banks may charge you fees for deposits and withdrawals, depending on the currency and timing of the transaction. We, as a firm, do not charge for these actions.

### **8.1. Administration Fee (Swap-Free Accounts Only)**

Swap-Free Accounts do not pay or receive financing and rollover charges and benefits. Swap-Free Accounts will be charged an administration fee, which consists of the fees imposed by our liquidity providers plus an internal processing fee (approximately 10%).

### **8.2. Transaction Fee**

We may charge a transaction fee on your account when you trade in Share CFDs. Typically:

- Trading US Share CFDs attracts a fee of 6 USD per transaction, converted to the currency of your account.
- Trading Hong Kong Share CFDs attracts a fee of 50 HKD or 0.25% of the transaction value (Number of contracts \* share price \* 0.25%), whichever is

greater, converted to the currency of your account.

- Trading Australian Share CFDs attracts a fee of 0.08% of the transaction value (Number of contracts \* share price \* 0.08%). The minimum charge is 8 AUD per transaction.

### **8.3. Market Data Subscription Fees**

We may charge a market data subscription fee on your account when you trade Share CFDs. While market data is available to all clients trading with Finovative AI, you are deemed a subscriber only if you transact in Share CFDs. Finovative AI reserves the right to cancel any market data subscription at its discretion, without prior notice to you.

### **8.4. Variation of Fees and Costs**

Under the Client Agreement, we may charge you an additional fee and/or spread or increase the current fees and/or spread set out in this Key Facts Summary, provided we give you notice.

## **9. Best Execution**

We are committed to ensuring that our clients are treated fairly and receive the best possible price when executing a trade, regardless of the product. Our Best Execution Policy applies to both retail and professional clients.

## **10. Onboarding and KYC Requirements**

When you apply for an account or during the course of our relationship to maintain your account with us, we will ask for identity, address, proof and source of deposit, as well as knowledge and experience information, to comply with all applicable laws, including those relating to financial crime prevention. This is also to determine if margin trading is an appropriate investment activity for you. We are required to report information relating to your trades to relevant competent authorities as applicable.

## **11. Market Abuse, Suspicious Transaction and Order Reporting**

Finovative AI is obligated to report any instances of market abuse and suspicious transactions. You must not engage in any activity that distorts or manipulates prices or the normal functioning of the relevant market or is based on insider information. If you are suspected or found to have engaged in any Suspicious Trading Activity as defined in the Client Agreement, Finovative AI reserves the right to temporarily or permanently suspend your trading account, recover any losses incurred, void all orders, and cancel any associated profits, with immediate effect.

**12. Consequences of Breach of Contract and Termination**

Either party may terminate this Agreement upon written notice to the other party, but without prejudice to any accrued rights hereunder. Finovative AI can manage any open trades in order to protect the interests of the firm and its counterparties at any time, upon the termination of the Agreement or as a result of an Event of Default.

**13. Force Majeure**

If an event outside of our control occurs (such as a power, broadband, or trading connection outage) affecting you, us, or our liquidity providers (a "Force Majeure Event"), and this in any way prevents us from providing our investment or ancillary services to you, then our obligations under the Client Agreement will be deferred for the duration of the Force Majeure Event.

**14. Complaint Procedure**

If you are unsatisfied with any aspect of our service, please contact your account manager. If you wish to make a formal complaint, please reach out to our support team via the contact us page. Please refer to our Complaints Handling Policy on the website for how we manage your complaint.