Key Information Document - Contract for Difference (CFD)

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.

Black Pearl Securities Ltd (BP Prime) | Last Updated: 15 May 2026

BP Prime is a trading name of **BLACK PEARL SECURITIES LTD**, which is authorized and regulated by the Financial Conduct Authority (FCA) in the United Kingdom (FRN: 688456).

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- **Address:** 28 King Street, London, EC2V 8EH, United Kingdom

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

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What is this product?

Type

A contract for difference ("CFD") is a leveraged contract entered into with Black Pearl Securities on a bilateral basis. It allows investors to speculate on rising or falling prices on an underlying product.

An investor has the choice to buy (go "long") a CFD to benefit from rising prices; or to sell (go "short") a CFD to benefit from falling prices. The price of a CFD is derived from the price of the underlying commodity, security or currency. This means you will never own the underlying asset, but you will make gains or suffer losses as a result of price movements in the underlying asset to which you have indirect exposure.

Objectives

The objective of a CFD is to allow an investor to gain leveraged exposure to the price movement of an underlying product (whether up or down) without owning the physical asset. Exposure is leveraged because the contract only requires a small proportion of the notional value to be deposited upfront as initial margin.

As a compliant regulatory example, if an investor purchases 1 Major Index CFD with an initial margin requirement of 5%, and the underlying index price is 7,000, the initial margin investment will be £350.00 (5% x 7,000 x 1). The effect of leverage in this example is capped at the statutory FCA retail limit of 20:1 (1 ÷ 5%), establishing a total contract notional value of £7,000 (£350 x 20). This means that for each 1-point change in the price of the underlying index, the value of the CFD changes by £1.

The cash CFD does not have a pre-defined maturity date and is therefore open-ended; by contrast a future CFD has a pre-defined expiry date. As a result, there is no recommended holding period for either and it is down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives.

Failure to deposit additional funds in order to meet the margin requirement as a result of negative price movement may result in the CFD being auto-closed.

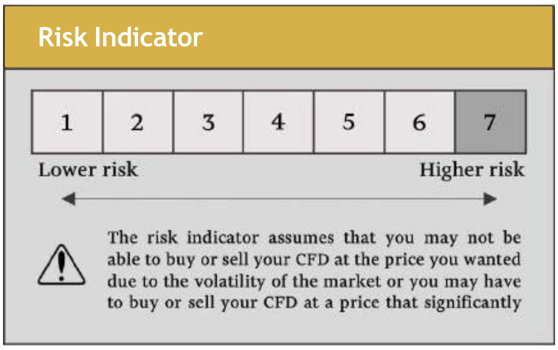
Intended Retail Investor

CFDs are intended for investors who possess comprehensive knowledge of, or are highly experienced with, leveraged trading products. Retail investors will understand how the prices of CFDs are dynamically derived, the core operational impacts of margin locks, and the fact that positions can rapidly move against them. Investors will have the appropriate financial means to bear maximum losses up to, but never exceeding, the total capital deposited within their active trading account.

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

Be aware of currency risk

It is possible to buy or sell CFDs in a currency which is different to the base currency of your account. The final return you may get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.



We have classified these products as 7 out of 7, which is the highest risk class. CFDs are complex, highly leveraged instruments that can generate financial losses rapidly due to underlying market volatility. Pursuant to mandatory FCA retail product protections, all Retail Clients are provided with absolute Negative Balance Protection. This ensures that your trading losses can never exceed the total capital deposited within your active trading account. There is no capital protection against market risk, credit risk, or liquidity risk.

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Performance scenarios

The scenarios shown illustrate how your investment could perform and can be compared against other products. The metrics presented are an estimate of future performance based on historical volatility and are not an exact indicator. What you get will vary depending on how the market performs and how long you hold the position.

The stress scenario illustrates how your investment could perform in extreme market circumstances. While market movements can rapidly lead to automatic stop-outs or position liquidations, absolute Negative Balance Protection applies. Consequently, a retail investor will never owe the Firm additional money for trading losses beyond the capital deposited in the account.

Index CFD (held intraday)		
Opening Price	P	700
Trade Size (per CFD)	TS	5
Margin %	M	0.5%
Notional Value of the trade	TN = P x MR / M	£35,000
Margin Requirement (£)	MR = P x TS x M	£175

LONG Performance Scenario	Closing price (inc Spread)	Price Change	Profit / Loss	SHORT Performance Scenario	Closing price (inc Spread)	Price Change	Profit / Loss
Favour Moderate	7105 7035	1.50% 0.50%	£525 £175	Favour Moderate	6895 6965	-1.50% -0.50%	£525 £175
Unfavourable Stress	6895 6650	-1.50% -5.00%	-£525 -£1750	Unfavourable Stress	7105 7350	1.50% 5.00%	-£525 -£1750

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What happens if BLACK PEARL SECURITIES LTD is unable to pay out?

If BLACK PEARL SECURITIES LTD is unable to meet its financial obligations to you, you may lose the value of your investment. Black Pearl Securities Ltd segregates all retail client funds from its own money in accordance with the UK FCA's Client Asset rules. Should segregation fail, your investment is covered by the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to £85,000 per person, per firm. See www.fscs.org.uk

This table shows the different type of cost categories and their meaning			
Cash and Futures	One-off entry or exit costs	Spread	The difference between the buy price and the sell price is called the spread. This cost is realised each time you open and close a trade
		Currency Conversion	Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account
Cash only	Ongoing costs	Daily holding Cost (swaps)	A fee is charged to your account for each night that your position is held. This means the longer you hold a position, the more it costs. The current swaps fee can be referenced within the trading platform in the symbol specification section.
Cash and Futures	Incidental costs	Distributor fee	We may from time to time share a proportion of our spread, commissions and other account fees with other persons including a distributor that may have introduced you.
Futures only	Other costs	Rollover costs	We charge you to roll over a future contract into the next month, or quarter, equal to half the applicable spread to open and close a trade.

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How can I complain?

If you wish to register a formal complaint, please contact our Compliance Department directly on +44 (0) 20 3745 7101, email compliance@bpprime.com, or submit your grievance in writing to: **Black Pearl Securities Ltd, 28 King Street, London, EC2V 8EH, United Kingdom**. If you do not feel that your complaint has been resolved satisfactorily by our team, you maintain the statutory right to refer your case directly to the Financial Ombudsman Service (FOS) via www.financial-ombudsman.org.uk.

Other relevant information

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. Ensure your internet signal strength is sufficient before trading.

The Terms and Policies section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account, these can be found on our website www.bpprime.com