



Contract for Difference (CFD)

Quality FX (Pty) Ltd, operating under the trading name QF Markets, is an Authorised Financial Services Provider registered and existing in the Republic of South Africa under registration number 2014/148132/07. The registered office is at 4 Haven Lane, Queensburgh, Durban, Kwazulu Natal, 4093, South Africa. The company is regulated by the Financial Sector Conduct Authority under license number 46087, pursuant to the Financial Intermediary and Services Act 37 of 2002 ('FAIS').

A Contract for Difference (CFD) is an over-the-counter (OTC) derivative which enables investors to trade on the exposure created from the price movements of an underlying financial instrument and in this way, the investor participates in the returns (positive or negative). By trading on a CFD of an underlying financial instrument, the owner of the CFD does not physically acquire the financial instrument.

A CFD is a contract between two parties who agree to exchange the difference in value between the opening and closing value of the contract.

Please note that Quality FX (Pty) Ltd acts as intermediary between the investor and the Market Maker, the counterparty to the contract for difference purchased by the investor via BKFX, more commonly known as a liquidity provider.

Rollover interest

Positions held open overnight are charged rollover interest. In the case of forex instruments, the amount credited or charged depends on both the position taken (i.e. long or short) and the interest rate differentials between the two currencies traded. In the case of stocks and stock indices, the amount credited or charged depends on whether a short or a long position has been taken.

Kindly note that rollover interest is only applied to cash instruments. In the case of futures products, which have an expiry date, there are no overnight charges.

CFDs on Stocks

A stock is a type of security, that allows an investor to own a part of a company with the right to vote on management issues and to receive profit based on the results of the corporate work. A stock CFD is the contract-for-difference of a specific stock that allows traders to speculate on the direction of the stock price and open a position accordingly, long/buy position if they believe the price will rise, short/sell position if the speculation is that the price will fall.