

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.

Product

Name of the Product: Direct Market Access Contract For Differences

Name of the Manufacturer: BDSwiss Holding Ltd (“the Company” or “BDSwiss”), is authorised and regulated by the Cyprus Securities and Exchange Commission under the licence number 199/13. Call +49 3021446991 for more information or visit the Company’s websites at eu.bdswiss.com or eu.swissmarkets.com.

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CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 79.5% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

What is this product?

Type

A Direct Market Access Contract For Difference (“DMA CFD”) is a leveraged contract product entered into with the Company on a bilateral basis. A DMA CFD is an order that is passed directly through to the underlying physical market with no dealer or market maker intervention, resulting in real time execution and true market prices. Once the product (an equity or ETF) is brought or sold, it is confirmed in the form of a CFD trade to the trader. In the DMA model, pricing is identical to that in the underlying market, so DMA CFDs provide complete market transparency allowing clients to see their orders being hedged in the underlying market. When trading DMA CFDs you receive all the benefits of trading on the real market with the additional advantages that CFDs offer.

With a DMA CFD, you trade on the price development of nearly every underlying asset, including those which are considered difficult or nearly impossible to trade. The profit or loss is calculated by determining the difference in position opening and closing price of the underlying asset which can be a currency, commodity, index, share etc.

DMA CFDs are leveraged products, which means you only pay a margin (collateral), which corresponds to a fraction of the actual position value. Through this leverage, you have the opportunity to move large volumes with little capital outlay, which means that small price movements can create high profits. When opening a DMA CFD position, you decide if you want to invest in rising or falling prices for the underlying asset. Once you close and open a DMA CFD position, the price change will be determined. At closing the difference between the price at the opening of the position and the price at the closing of the position will be calculated. The difference multiplied by your traded volume determines your profit or loss, depending on if it has been set for falling or rising. DMA CFDs have no natural expiration time.



Objectives

The objective of trading DMA CFDs is to speculate on the price movement generally over a medium-term to long-term trading period. It allows investors to have a leveraged exposure on an underlying instrument without the need to buy the actual instrument.

Given the leveraged nature of DMA CFD trading the investor has to deposit only a portion of the notional value of the contract traded as initial margin. For example, if an investor deposits \$5,000 and opens 1 share of an APPLE Equity at a price of 240 with a leverage on the account at 1:5 then it will require an initial margin of \$48. In case of any negative price movement, the investor will be losing \$1 per each 1 USD move in price.

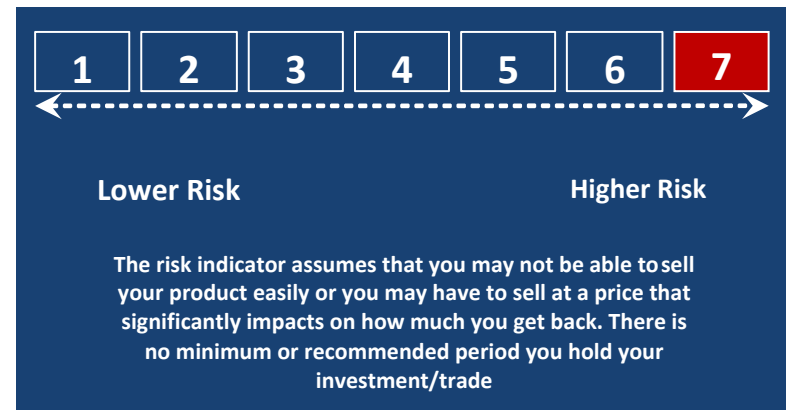
The spot DMA CFD instrument does not have any maturity date. There is no recommended holding period and it is up to the investor to decide when to open and close a DMA CFD trade.

You will need to have adequate balance in your account and where applicable deposit additional funds in order to avoid any closures on your open positions or reach a stop out.

Intended Retail Investor

DMA CFDs are intended for investors who have the necessary trading experience and/or investment knowledge with leveraged products. Investors should only trade with capital they can afford to lose. Investors should be aware and knowledgeable that trading on the Company's products could result in them losing all the funds deposited for trading (including any profits in the account). The investors will understand the risk/reward profile of the product compared to the traditional shares trading. Given the risky nature of the Company's products, investors can have high returns as well as high losses in a short period of time.

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



Summary Risk Indicator (SRI)

Due to the trading characteristics, this product obtains the highest risk scoring which is 7 out of 7.

DMA CFDs are traded on margin and carry a risk of losing all your initial deposit and/or investment. You should maintain adequate margin in your account to avoid any stop outs and keep your position(s) open.

Before deciding to trade on margin products you should consider your investment objectives, risk

tolerance and your level of experience on these products. Trading in DMA CFDs is highly speculative and carries a high level of risk. It is possible to lose all your capital. These products may not be suitable for everyone and you should ensure that you understand the risks involved. Seek independent advice if necessary. Speculate only with funds that you can afford to lose. For more information, please refer to the Company's [General Risk Disclosure](#).

Performance Scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

The Key Information Document applies to any DMA CFD instrument. For each trade, you will be responsible for choosing the instrument, when you open and close, the trade size and whether to use any risk mitigation features (such as stop loss orders). Each instrument has different characteristics such as lot sizes (number of units i.e. DMA CFD on US Equities are traded on 1 units or 1 share).

The scenarios below include only a price movement and under the stress scenario the position goes on stop out with a 50% margin level (margin level = equity / margin).

Assumptions used:

| DMA CFD on Apple Share | | |
|-----------------------------------|--|----------|
| Opening Price | OP | 240 |
| Trade size (per DMA CFD) | TS | 1 Lot |
| Lots size | LS | 1 |
| Margin % | M | 20.00% |
| Margin Requirement (USD) | $MR = OP \times TS \times M \times LS$ | 48 |
| Notional Value of the Trade (USD) | $N = OP \times TS \times LS$ | 240 |
| Account Balance | AB (USD) | 5,000.00 |

Performance scenarios:

| LONG Performance Scenario | Closing Price | Price Change | Profit /Loss | SHORT Performance Scenario | Closing Price | Price Change | Profit /Loss |
|---------------------------------|------------------|-----------------|--------------|----------------------------------|------------------|-----------------|--------------|
| Favorable | 360 | 50.0% | \$120 | Favorable | 120 | -50% | \$120 |
| Moderate | 300 | 25.0% | \$60 | Moderate | 180 | -25% | \$60 |
| No Change | 240 | 0.00% | \$0 | No Change | 240 | 0.00% | \$0 |
| Unfavorable | 120 | -50% | (\$120) | Unfavorable | 360 | 50% | (\$120) |
| Stress | 60 | -75% | (\$180) | Stress | 420 | 75% | (\$180) |

What happens if BDSwiss Holding Ltd is unable to pay out?

In the case where the Company is unable to pay out its financial obligation then you may lose the entire value of your investment (i.e. account balance held with the Company). However, the Company segregates all retail clients funds from its own funds in accordance with the CySEC's rules on safeguarding of financial instruments and funds belonging to clients. The Company is also a member of the Investor Compensation Fund, which covers eligible clients up to a maximum of €20,000 per person. Further details can be found [here](#).

What are the costs?

Depending on the product you trade, you may incur some or all of the following costs:

| This table shows the different types of costs related to trading CFDs | | | |
|---|----------------------|--|---|
| One-off entry or exit costs | Spread | Applicable to all instruments | A spread is the difference between the bid (buy) and the ask (sell) price on the specific instrument you trade. This cost is realised every time you open and close a trade. |
| | Commission | Applicable only to DMA CFDs on Equities and ETFs | This is the commission you pay when you buy and sell an instrument. |
| | Currency conversion | Applicable to all instruments | This is the cost for converting realised profits and losses as well as any costs and charges that are denominated in a currency other than the base currency of your trading account. |
| Ongoing costs | Swap (Financing Fee) | Applicable to all instruments | This is the swap cost for keeping your position open overnight. The swap cost can be positive or negative depending of the instrument to be traded |

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

DMA CFDs are mainly intended for medium-term to long-term trading and in some cases for short-term or intraday trading. Some investors may also hold DMA CFD positions for hedging or speculative trading. There is no recommended holding period, no cancellation period and therefore no cancellation fees. Investors can trade (open and close) on DMA CFDs at any time during market trading hours.

New ESMA measures! How it affects your trading

The Product Intervention Measures adopted by ESMA on the marketing, distribution or sale of CFDs to Retail Investors take effect from 1 August 2018:

1. Leverage limits;
2. Margin close out rule on a per account basis and standardization of the percentage at which CFDs providers are required to close-out one or more investor's open CFDs, at the level of 50%;
3. Negative balance protection implementation on a per account basis;
4. Restriction on the incentivization of CFD trading;
5. Standardized risk warning, including the percentage of losses on a CFD provider's retail investor accounts.

Most importantly, the ESMA CFD regulation introduces maximum leverage caps, based on the volatility of the given instrument.

- 30:1 for major currency pairs (EURUSD, GBPUSD, AUDUSD)
- 20:1 for non-major currency pairs, gold and major indices (EURPLN, USDRUB, US500)
- 10:1 for commodities, non-major equity indices (Silver, Oil, Czech Stock Index)
- 5:1 for individual equities (Google, Apple, BMW)
- 2:1 for cryptocurrencies (Bitcoin, Ethereum, Ripple)

With the new regulation, traders will have to place at least 3.3% of their capital as a margin deposit in case of major FX pairs and even more for other instruments. This means that for a typical mini lot position (0.1 lot = 10.000 USD value for an FX pair) will be required to have at least 333 USD on the account. Please visit [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018X0601\(02\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018X0601(02)&from=EN) for more information.

How can I complain?

You should submit a complaint to the Company via email at complaints@eu.bdswiss.com or at support@eu.bdswiss.com or by completing the relevant form on the [Contact us page](#). Once a written complaint is submitted, a member of the Support Department will send an electronic acknowledgment of receipt to the Complainant's registered email address within five (5) working days following receipt, to verify that the Company has received the written complaint. A copy of the Company's complaint procedure can be found [here](#).

If you are not satisfied with the Company's final decision then you can submit a complaint to the Financial Ombudsman at <http://www.financialombudsman.gov.cy>

Other relevant information

Additional important documents that you should read and understand are the below:

[Terms and Conditions](#) – these are the binding legal terms you accept when you open a trading account with the Company. Any dispute will be resolved based on these Terms and Conditions

[Privacy Policy](#) – it describes some or all of the ways a party gathers, uses, discloses, and manages existing or former clients' data

[Risk Disclosure Statement](#) – it explains number of risks that the investor is exposed by trading the Company's Financial Instruments