

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: Contract For Differences

Name of the Manufacturer: BDSwiss Holding PLC (“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. 85.4% 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 contract for difference (“CFD”) is a leveraged contract product entered into with the Company on a bilateral basis. It is a derivative product with an underlying asset as its basis. With a 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.

A CFD is a leveraged product, 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 CFD position, you decide if you want to invest in rising or falling prices for the underlying asset. Once you close and open a 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. Unless you are trading a futures contract on certain commodities, CFDs have no natural expiration time. 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.



Objectives

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

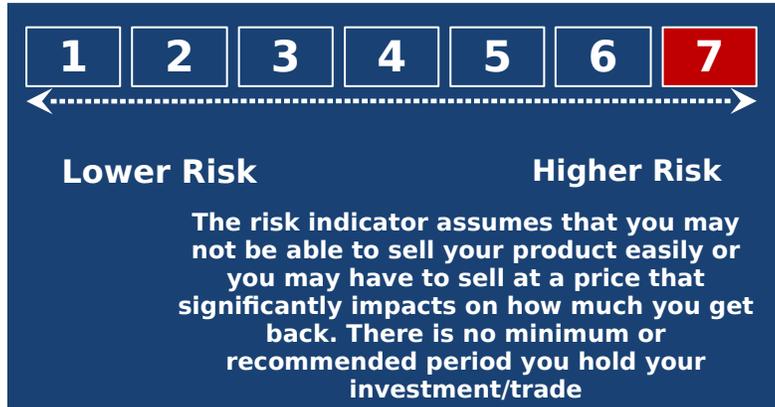
Given the leveraged nature of CFD trading the investor has to deposit only a portion of the notional value of the contract traded as initial margin. For example, if an investor deposits \$5,000 and opens 1 lot on EURUSD at a price of 1.1958 with a leverage on the account at 1:30 then it will require an initial margin of \$3985,9. In case of any negative price movement, the investor will be losing \$10 per each tick move.

The spot 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 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

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.

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 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

The Key Information Document applies to any 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. CFD on currency pairs are traded on 100,000 units) or pip value (price move).

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:

CFD on Currency Pair		
Opening Price	OP	1.1958
Trade size (per CFD)	TS	1 Lot
Lots size	LS	100,000
Margin %	M	1.00%
Margin Requirement (USD)	$MR = OP \times TS \times M \times LS$	1,195.80
Notional Value of the Trade (USD)	$N = MR/M$	119,580
Account Balance	AB (USD)	5,000.00

Performance scenarios:

LONG					SHORT			
Performance Scenario	Closing Price	Price Change	Profit /Loss		Performance Scenario	Closing Price	Price Change	Profit /Loss
Favorable	1.2197	2.00%	\$2,392		Favorable	1.1719	-2.00%	\$2,392
Moderate	1.2078	1.00%	\$1,200		Moderate	1.1838	-1.00%	\$1,200
No Change	1.1958	0.00%	\$0		No Change	1.1958	0.00%	\$0

Unfavorable	1.1838	-1.00%	(\$1,200)	Unfavorable	1.2078	1.00%	(\$1,200)
Stress	1.1482	-3.68%	(\$4,403)	Stress	1.2434	3.68%	(\$4,403)

What happens if BDSwiss Holding PLC 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 CFDs on futures and CFDs on shares	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?

CFDs are mainly intended for short-term trading and in some cases for intraday trading. In general, CFDs are not suitable for long-term investments. Some investors may also hold 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 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.

How can I complain?

You should submit a complaint to the Company via email at complaints@bdswiss.com or at support@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