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## Target Market Description for Financial Instruments

When manufacturing or distributing financial instruments falling within the scope of MiFID II, Dukascopy Europe IBS AS (registration number 40003344762) has certain product governance obligations arising from MiFID II Regulations, which are comprised of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MiFID II Directive) and Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing the MiFID II Directive.

**Important:** This material is for general information only. The provision of target market data does not include and does not constitute marketing, personal recommendation, investment advice or any other form of recommendation regarding financial instruments.

Dukascopy Europe IBS AS has conducted an assessment to identify the types of clients for whom the instrument it distributes is suitable. Below is the typology of criteria used to identify the target market and distribution channels for CFD instruments.

The criteria typology was formulated making reference to the ESMA Guidelines on MiFID II product governance requirements (ESMA35-43-3448) and the European MiFID Template (EMT) created by the Financial Data Exchange ([www.findatex.eu](http://www.findatex.eu)). Adjustments were made to account for the specifics of the financial instrument being distributed.

Criteria	Description	Attribute
<b>Client type</b>	Client categorization according to MiFID II for whom the Financial Instrument is intended	Retail client
		Professional client
		Eligible counterparty
<b>Knowledge and experience</b>	Knowledge and experience the client should have about the Financial Instrument	Basic investor
		Informed investor
		Advance investor
<b>Client's ability to bear losses</b>	Client ability to bear losses from no capital loss till loss beyond capital	Client is not able to suffer any loss of the invested amount
		Client is able to bear losses in the amount invested
		Client is able to bear losses exceeding the investment
<b>Risk tolerance</b>	Client's general attitude towards the risks associated with the Financial Instrument	PRIIPs SRI methodology for assessment of tolerable risk level from 1 (lowest risk) to 7 (highest risk)
<b>Client's objectives and needs</b>	Return preferences	Preservation of capital
		Capital growth
		Achieving regular income
		Speculation
	Investment term	Less than 1 year
		From 1 year to 5 years
		More than 5 years
<b>Distribution strategy</b>	Distribution channels of the Financial Instrument	Execution only
		Execution with appropriateness test

		Investment advice
		Portfolio Management

The below presented assessment refers to the financial instrument distributed by Dukascopy Europe, which is Contracts for Difference (CFDs) on the following types of underlyings:

1. Rolling spot FX
2. Rolling spot metals
3. Commodities
4. Stock Indexes
5. Single stocks
6. Bonds
7. Crypto-currencies

This financial instrument is categorized as Complex Financial Instrument according to MiFID II.

Criteria	Option	Evaluation
<b>Client type</b>	Retail client	Yes
	Professional client	Yes
	Eligible counterparty	Yes
<b>Knowledge and experience</b>	Basic investor	No
	Informed investor	Yes
	Advance investor	Yes
<b>Client's ability to bear losses</b>	Client is not able to suffer any loss of the invested amount	No
	Client is able to bear losses in the amount invested	Yes
	Client is able to bear losses exceeding the investment	Yes
<b>Risk tolerance</b>	PRIIPs SRI methodology for assessment of tolerable risk level from 1 (lowest risk) to 7 (highest risk)	7
<b>Client's objectives &amp; needs</b>	Preservation of capital	No
	Capital growth	No
	Achieving regular income	No
	Speculation	Yes
	Investment term - Less than 1 year	Yes
	Investment term - From 1 year to 5 years	Yes
	Investment term - More than 5 years	Yes
<b>Distribution Strategy</b>	Execution only	No
	Execution only with appropriateness test	Yes
	Investment advice	No
	Portfolio Management	No