

## KEY INFORMATION DOCUMENT

### 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 with other products.

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

### PRODUCT

<b>Product name:</b>	Contracts for Difference (CFD) on Rolling Spot Forex (FX)
<b>Distributor of the Product:</b>	Dukascopy Europe IBS AS
<b>Contact details of the distributor:</b>	<a href="http://www.dukascopy.eu">www.dukascopy.eu</a> / +371 67 399 000
<b>Competent authority of the distributor:</b>	Bank of Latvia (Latvijas Banka)
<b>Manufacturer of the Product:</b>	Dukascopy Bank SA
<b>Contact details of the manufacturer:</b>	<a href="http://www.dukascopy.com">www.dukascopy.com</a> / +41 22 799 4888
<b>Competent authority of the manufacturer:</b>	Swiss Financial Market Supervisory Authority (FINMA)
<b>Date of production of the KID:</b>	09.07.2024

### WHAT IS THIS PRODUCT?

#### Type

This financial product is known as “*contract for difference*” or a CFD. A CFD allows you to obtain an indirect exposure by opening long (buying) or short (selling) positions in an underlying asset such as security, commodity, index and other asset types. This means that you will never actually own the underlying asset, but you may gain profit or suffer loss as a result of price movements in the underlying asset as if you had actually owned it.

This document provides key information on CFD where the underlying instrument is currency pairs such as USD/EUR, GBP/USD etc.

The stock indices on which we currently offer CFDs can be found at: <https://www.dukascopy.com/europe/english/forex/forex-trading-accounts/margin/> (see *Forex* in the Margin Requirements table).

#### Objectives

The CFD on rolling spot forex is a form of tradable contract serving two main objectives, namely speculation and hedging:

1. **Speculation**  
You may use Rolling Spot Forex CFD to speculate on price movement in an underlying asset, for example in EUR/GBP currency pair. If you believe the EUR price will strengthen in the future against GBP - your objective is to buy EUR/GBP contract at a lower price and then to sell EUR/GBP contract at a higher price later. If you believe EUR will weaken against GBP in the future – your objective is to sell EUR/GBP contract at a particular price and expect it to be bought later at a lower price. Favorable market price movement will result in profit while opposite to yours price movement will result in a loss, both equal to difference between buy and sell prices multiplied by the contract/exposure amount. (hence the contract is “for difference”).
2. **Hedging**  
If you own the actual underlying asset (such as EUR, for example) you may be exposed to market risk meaning the price of your underlying asset (EUR) may decrease over time. To mitigate this risk you may use Rolling Spot Forex CFD by opening an opposite direction position, thus keeping the EUR price fixed at the date of entering into position.

#### Intended retail investors

The product might not be appropriate for all retail investors. Investors must possess in-depth financial knowledge, have previous experience in highly speculative financial markets and have free funds that may be lost completely.

The product may be of interest for investors that intend to (1) exploit price movements of the underlying without actually owning it; (2) hedge exposures in the underlying asset or its close peers, especially in the case where a minimization of capital outlay or short-selling is needed for the hedge.

### ■ Term of the Product

The Product has no maturity date, can be unilaterally terminated by Dukascopy under special conditions, which include, but are not limited to the following:

- ✓ Extraordinary market conditions;
- ✓ Termination or restructuring of the underlying;
- ✓ Lack of liquidity or degradation of execution conditions.

Termination is executed in form of closing existing open client exposures in the Product.

Termination dates and specific conditions are defined once (if ever) circumstances forcing to terminate the PRIIP are emerging and cannot be scheduled in advance.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

### ■ Summary Risk Indicator

The summary risk indicator is a guide to the level of risk of this Product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets. We have classified this Product as 7 out of 7, which is the highest risk class. This rates the potential losses from the future performance at very high level.



Presence of the currency risk. Note that in case if the Product is denominated in a currency different from the currency of your investments (base currency of the trading account) the final return is subject to the risk of exchange rate fluctuations between these currencies. This risk is not considered in the indicator presented above.

Liquidity risk. Although this Product shall be considered liquid in the interpretation of the [Regulation \(EU\) 2017/653](#) (Part 4 of Annex II), you shall take into consideration the presence of an inherent liquidity risk, which manifests itself in the fact that the difference between the Bid and Ask price (i.e. the spread) may vary at different times of the day, which affects the total effective costs of trading the Product.

This Product does not include any protection from future market performance so you could lose part or all of your investment.

Presence of leverage makes it possible that the total loss you may incur may exceed the amount invested. However, in this case you will not be held liable for clearing the negative balance. Neither the latter risk, nor the protection is considered in the risk indicator above.

If we are unable to pay you due to insolvency, you may benefit from the Investor Protection Law that ensures that clients of an insolvent institution have their protected deposits in the amount of up to 20'000 euro paid out to them within the period of three months. The risk indicator above does not consider this protection.

### ■ Performance scenarios

This key information document is not specific to a particular product. It applies to a CFD on rolling spot Forex Product offered by Dukascopy Europe IBS AS. For each CFD trade you place, you will be responsible for choosing the underlying instrument, when you open and close, the size (risk) and whether to use risk mitigation features (e.g. stop loss orders).

The table below shows potential profit and loss under different scenarios. These scenarios assume that you have a starting equity of 1'500 EUR and choose to buy/sell 40'000 EUR versus GBP. The point value of this instrument is 0.0001 GBP, meaning that every 1-point shift (4<sup>th</sup> digit after the decimal place) in price will bring a profit/loss of 4 GBP (given the position size is 40'000). It is assumed that the position is held intraday only (i.e. no overnight holding costs apply):

*EUR/GBP, 40'000*

*Opening price: 0.875*

*Initial position amount: 40'000 EUR*

Min. margin requirement: 1'333.33 EUR (instrument leverage is 1:30)  
Initial equity: 1'500 EUR

	Long position (Buy)			Short position (sell)		
	Price shift / new price	Profit/Loss	New equity	Price shift / new price	Profit/Loss	New equity
Stress scenario	-5% / 0.83125	-1'750 GBP	Fully lost	+5% / 0.91875	-1'750 GBP	Fully lost
Unfavorable scenario	-2% / 0.8575	-700 GBP	683.67 EUR	+2% / 0.8925	-700 GBP	715.69 EUR
Moderate scenario	0.25% / 0.87281	-87.5 GBP	1'399.75 EUR	+0.25% / 0.87719	-87.5 GBP	1'400.25 EUR
Favorable scenario	+1% / 0.88375	+350 GBP	1'896.04 EUR	-1% / 0.86625	+350 GBP	1'904.04 EUR

Also, there are several types of trading risks, including leverage risk, which you should be aware of before beginning to trade. Some of those (the list is not exhaustive) include Leverage risk, Margin risk, Foreign exchange risk, Market risk, Market disruption risk, Online trading platform and IT risk.

The market may perform differently in the future. Intraday movements may exceed daily movements. What you make or lose will vary depending on how the market performs and how long you keep the contract open. Note that your contract may be closed automatically if you do not maintain sufficient margin on your account. The stress scenario shows what you might get back in extreme market circumstances, but it is not the worst case and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the Product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## WHAT HAPPENS IF DUKASCOPY EUROPE IS UNABLE TO PAY OUT?

Dukascopy Europe IBS AS is a European Union licensed Investment Brokerage Company which is regulated by the Bank of Latvia (Latvijas Banka).

In accordance with the Investor Protection Law and Investor Compensation Schemes Directive (Directive 97/9/EC) compensation at 90% of the irrevocably lost value of financial instruments, or of losses incurred by the non-performance of investment services is guaranteed for an investor, but not more than 20'000 EUR for each client. Further and more detailed information is available on the official web pages of the [Bank of Latvia](#).

## WHAT ARE THE COSTS?

The person selling you or advising you about this Product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

### ■ Costs over time

The table below shows the amounts that are taken from your investment to cover different types of costs. These costs depend on how much you invest, how long you hold the Product and what are the exact commission rates applicable in your situation. The amounts shown are illustrations based on an example used previously, i.e. a position of 40'000 EUR/GBP.

Assumptions used:

- ✓ The position is opened long (Buy).
- ✓ Maximum trading commission is applied.
- ✓ Least advantageous overnight policy is used.
- ✓ The position is held overnight and closed the next day.
- ✓ You would get back the amount that you invested (0% return)

	If you cash in after 1 day (Holding period used in the example)
Total costs	-9.79 EUR
Holding period cost impact*	-0.03%

\* This illustrates how costs reduce your return within the conditions and holding period described in the example. For example, it shows that if you exit the investment after the period in the example (2 days), your holding period expected return is projected to be 0.03% before costs and 0.00 % after costs.

### ■ Composition of costs

The table below shows the exact composition of costs from the example referred to in the previous table. For comparison purposes a Short position is also presented in addition to the Long example. The percentage figures show the impact of the cost on return during the holding period used in the example.

		Long		Short		
One-off costs upon entry or exit	Spread	-4.57 EUR	-0.01%	-4.57 EUR	-0.01%	<i>The spread is the difference between the Bid (Sell) and Ask (Buy) price quoted on our trading platform and is payable on opening and closing a contract. The spread is variable and largely depends on market liquidity.</i>
	Trading commission	-2.80 EUR	-0.01%	-2.80 EUR	-0.01%	<i>Trading commission is payable for every executed order. Its amount depends on Net deposit, Equity. Refer to <a href="#">Fee Schedule</a> for more details.</i>
Ongoing costs	Overnight swap cost	-2.32 EUR	-0.01%	+0.72 EUR	0.00%	<i>If you hold a long or short position after the market close, an overnight holding cost may be debited or credited to your account. Its amount is commonly determined by the reference rates and also depends on your trading activity.</i>
Incidental costs	Performance fees	Not applicable				
	Carried interest	Not applicable				
Total costs		-9.79 EUR	-0.03%	-6.65 EUR	-0.02%	

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

There is no required minimum holding or recommended period that you must keep your investment open for. CFDs are generally used for short term trading on price movements, often intraday. Your investment can be opened and closed at any time during market hours.

Available funds on your account can be withdrawn at any time by way of submitting a withdrawal request from your [client area](#) or by contacting your account manager or the support team.

## HOW CAN I COMPLAIN?

You may submit a complaint directly to Account Manager appointed to you or by sending an e-mail to [legal@dukascopy.eu](mailto:legal@dukascopy.eu). You may send hard-copy complaints to: Lāčplēša iela 20A-1, Rīga, LV-1011, Latvia.

## OTHER RELEVANT INFORMATION

Other relevant information on the Product can be found under the following links:

- ✓ Product description: <https://www.dukascopy.com/europe/english/cfd/what-are-cfds/>
- ✓ Margin requirements: <https://www.dukascopy.com/europe/english/cfd/margin-requirements/>
- ✓ Overnight policy: <https://www.dukascopy.com/europe/english/cfd/cfd-overnight-policy/>
- ✓ Fee schedule: <https://www.dukascopy.com/europe/english/about/fee-schedule/>
- ✓ Target market description: <https://www.dukascopy.com/media-storage/2058405796/i/>