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# ROLLING SPOT FOREX (FX)

Dukascopy Bank SA

[www.dukascopy.com](http://www.dukascopy.com); call +41 (22) 799 48 88 for more information

Regulating authority: Autorité fédérale de surveillance des marchés financiers  
(FINMA), Berne, Switzerland

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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.

## Alert

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

## WHAT IS THIS PRODUCT?

### Type

This financial product is known as Rolling Spot Forex, which is a 'contract for difference' or a CFD with currency pair (for example EUR/GBP) as the contract's underlying. CFD allows you to obtain an indirect exposure to an underlying asset such as currency pair, 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, USD/JPN, GBP/USD etc.

List of currency pairs on which we currently offer CFDs can be found at : <https://www.dukascopy.com/swiss/english/forex/forex-trading-accounts/margin/>.

### Objectives

Rolling Spot Forex is a form of tradable contract serving two main objectives, namely speculation and hedging.

### 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 at a lower price and then to sell EUR/GBP contract at a higher price later on. 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”).

### Hedging

If you own the actual underlying asset (such as CHF, for example) you may be exposed to market risk meaning the price of your underlying asset (CHF) 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 investor

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. Losses could exceed invested funds and could theoretically be unlimited.

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.

### Terms of the Product

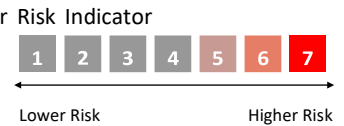
The product has no maturity date. The product can be unilaterally terminated by Dukascopy under special conditions, which includes, but is not limited to the following:

- ✓ 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?

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, 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.

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. Margin trading activity carries substantial risks and suits only to persons who can assume the risk of a total loss of funds that may exceed initial margins. The potential loss may theoretically be unlimited.

If we are unable to pay you due to insolvency, you may benefit from the Swiss Banking Act that ensures that clients of an insolvent institution have their protected deposits in the amount of up to CHF 100 000 paid out to them within the period of one month. 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 Rolling Spot Forex orders offered by Dukascopy Europe. For each trade you place, you will be responsible for choosing the 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. The scenarios assume 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 (4th 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*

*Minimum margin requirement: 1,333.33 EUR (instrument leverage is 1:30)*

*Initial equity: 1 500 EUR*

	Long position			Short position		
	Price shift / new Price	Profit / Loss	New equity	Price shift / new Price	Profit / Loss	New equity
Stress scenario	-5% / 0.83125	-1750 GBP	Fully lost	+5% / 0.91875	-1750 GBP	Fully lost
Unfavourable scenario	-2% / 0.8575	-700 GBP	683.67 EUR	+2% / 0.8925	-700 GBP	715.69 EUR
Moderate scenario	-0% / 0.875	0 GBP	1500 EUR	+0% / 0.875	0 GBP	1500 EUR
Favourable scenario	+1% / 0.88375	+350 GBP	1896.04 EUR	-1% / 0.86625	+350 GBP	1904.04 EUR

Also, there are several 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 in 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 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 BANK IS UNABLE TO PAY OUT?

Dukascopy Bank SA is a Swiss licensed Bank which is regulated by the Swiss Financial Market Supervisory Authority (FINMA). In accordance with the Swiss Banking Act of 2005, all Swiss branches of banks and securities firms must have their preferential deposits protected by Esisuisse. If a bank or securities firm in Switzerland becomes insolvent, the other members of Esisuisse will immediately provide the required funds. This collective scheme ensures that the clients of such an insolvent bank have their protected deposits paid out to them within one month. Deposits totalling no more than CHF 100 000 per client are protected. Further and more detailed information on the protection scheme is available on the official web pages of the Swiss Banks' and Securities Dealers' Depositor Protection Association (Esisuisse): <https://www.esisuisse.ch/en>

## WHAT ARE THE COSTS?

This table shows the different types of costs involved when you trade Rolling Spot Forex CFD products based on the example used previously, i.e. a position of 40,000 EUR/GBP. Maximum volume commission rate and least advantageous overnight policy are assumed.

		Long	Short	
<b>One-off costs</b>	Entry and exit costs - Spread	-2 EUR	-2 EUR	<i>The spread is the difference between the buy (ask) and sell (bid) price quoted on our trading platform and is payable on opening and closing a contract. You could pay more or less depending on the spread rates at the time of contract.</i>
	Entry and exit costs - Volume commission	-2.8 EUR	-2.8 EUR	<i>Volume commission is payable for every executed order. Its amount depends on Net deposit, Equity. Detailed breakdown can be found in <a href="#">Fee Schedule</a>.</i>
<b>Recurring costs</b>	Overnight holding costs	-1.35 EUR	+0.77 EUR	<i>Where you hold a daily position overnight, 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>
<b>Aggregated cost</b>		<b>-6.15 EUR</b>	<b>-5.57 EUR</b>	<i>These are total costs and charges for scenario described.</i>
What you get in favorable scenario without applying costs and charges?		350 EUR	350 EUR	
<b>What you get in favorable scenario after costs and charges?</b>		<b>343.85 EUR</b>	<b>344.43 EUR</b>	
<b>Incidental costs</b>	Currency conversion			<i>A currency conversion fee may be charged where your trades are denominated in a currency other than the base currency of your account.</i>

## 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: [legal@dukascopy.com](mailto:legal@dukascopy.com). You may send hard-copy complaints to: Dukascopy Bank SA, Head Office – ICC, Route de Pré-Bois, CH-1215 Geneva 15, Switzerland.

Any complaints will first be investigated by our Compliance/Legal Department and, if they are unable to resolve the dispute to your satisfaction by our Compliance/Legal Department. If the Compliance/Legal Department is unable to resolve the matter you may refer the matter to the Swiss Banking Ombudsman. If you would like more information on how complaints are handled, please contact our Trading Services Department.

The Swiss Banking Ombudsman can be contacted at: Bahnhofplatz 9 P.O. Box 1818 CH-8021 Zurich

Phone: +41 43 266 14 14 Deutsch / English +41 21 311 29 83 Français / Italiano

## OTHER RELEVANT INFORMATION

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

- ✓ Product description: <https://www.dukascopy.com/swiss/english/cfd/what-are-cfds/>
- ✓ Margin requirements: <https://www.dukascopy.com/swiss/english/cfd/margin-requirements/>
- ✓ Overnight policy: <https://www.dukascopy.com/swiss/english/cfd/cfd-overnight-policy/>
- ✓ Fee schedule: <https://www.dukascopy.com/swiss/english/about/fee-schedule/>