

# Key Information Document

## CFD Stocks

### 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, costs, risks and rewards of this product and to help you compare it with other products.

### Product

The Manufacturer of this product is Saxo Bank (Switzerland) Ltd. (hereinafter referred to as "Saxo Bank"). Contact us on +41 58 317 95 10 for more information. Saxo Bank is under the supervision of the Swiss Financial Market Supervisory Authority FINMA. This Key Information Document was revised on 28 February 2018.

### Warning

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

### What is this product?

#### Type

This is a 'Contract for Difference' ("CFD"). It allows you an indirect (also described as "synthetic") exposure to an underlying product or financial instrument (for example, to a security, commodity or index). You will have no direct interest in the underlying product/financial instrument. Accordingly, you can make gains or suffer losses as a result of price or value movements in relation to the underlying product or financial instrument to which you have the indirect exposure.

Visit [our website](#) for further information in relation to the CFD on Stocks available.

#### Objectives

The objective of trading a CFD is to gain exposure to movements related to a financial product, benchmark or instrument without owning it. Your return depends on the size of the performance (or movement) of the underlying instrument and the size of your position. For example, if you believe the value of a Stock is going to increase, you would buy a number of CFDs ("going long"), with the intention to later sell them when they are at a higher value. The difference between the buy price and your subsequent sell price would equate to your profit, minus any relevant costs (detailed below). If you think the value of an index is going to decrease, you would sell a number of CFDs ("going short") at a specific value, expecting to later buy them back at a lower value than you previously agreed to sell them for, resulting in Saxo Bank paying you the difference, minus any relevant costs (detailed below). However, if the underlying instrument moves in the opposite direction, and your position is closed, you would owe Saxo Bank for the amount of loss you have incurred (together with any costs).

This product is commonly traded on margin. Margin refers to the use of a small amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because whilst you can realise large profits if the price moves in your favour, you risk extensive losses if the price moves against you.

More information about margin trading can be found [here](#) and on our [website](#).

#### Intended retail investor

Trading in this product will not be appropriate for everyone. The product would most commonly be utilised by persons who want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings portfolio; have a high risk tolerance; and understand the impact of and risks associated with margin trading.

#### Term

CFDs on Stocks are execution only products and therefore, in general, have no fixed or suggested maturity date. It is up to you to open and close your position, however, your position will only be kept open to the extent that you have available margin.

Specific information on each underlying investment option can be found [here](#).

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

### Risk indicator



Lower risk

Higher risk

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 or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level. Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. In some circumstances you may be required to make further payments to pay for losses. Trading risks are magnified by leverage – the total loss you may incur may significantly exceed the amount invested. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. As a result, Margin calls may be made quickly or frequently, and in the event of default, your positions may be closed. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

### Performance scenarios

There are a number of types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Information on factors that affect the performance of this product are detailed [here](#) - including but not limited to:

- |                           |                            |  |
|---------------------------|----------------------------|--|
| // Leverage risk          | // Market risk             | // Counterparty risk                   |
| // Risk of unlimited loss | // Unregulated market risk | // Online trading platform and IT risk |
| // Margin risk            | // Margin disruption risk  | // Conflicts of interest               |
| // Foreign exchange risk  |                            |  |

Specific trading examples in this product can be found [here](#).

## What happens if Saxo Bank is unable to pay out?

Like any bank or securities dealer in Switzerland, Saxo Bank is required to sign the Agreement by Swiss Banks and Securities Dealers on Deposit Insurance and as such is a member of esisuisse.

### How does deposit insurance work?

When FINMA initiates liquidation proceedings against a bank or securities dealer in the event of its insolvency, the available liquid assets of the financial institution are used for the immediate payment of preferential deposits (immediate payment). The deposit insurance (esisuisse) is set in motion if the available liquid assets are not sufficient to immediately repay the protected client deposits. esisuisse will make the funds available to ensure that the assets that are protected in the event of insolvency can be paid out by the statutory deadline, irrespective of the state of the financial institution's assets. esisuisse requests the required funds from its members and forwards these to FINMA or the liquidator appointed by FINMA within 20 working days. The funds are then transferred according to your instructions.

### Which deposits are paid out in the event of insolvency?

**Preferential deposits** - In the event of insolvency, deposits of up to CHF 100,000 per depositor and financial institution are given preferential treatment. Preferential treatment means that these deposits are assigned to the second creditor class. This is an important advantage when it comes to distributing the institution's liquidity, as first and second-class creditor claims are paid out before third-class claims.

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**Protected deposits** - esisuisse protects preferential deposits held with a Swiss branch of up to CHF 100,000 per client, per financial institution in the event of insolvency and if the institution would be unable to repay the client deposits. As such, these deposits enjoy the advantage of preferential repayment as well as protection by esisuisse.

**Securities** - Securities deposited with a financial institution do not fall under the deposit insurance, as they are merely held in custody by the financial institution. In the event of an insolvency, they are separated out and placed directly at the disposal of the client.

### Who enjoys protection by esisuisse?

All legal and natural persons (with the exception of financial institutions) with deposits at branches of banks or securities dealers in Switzerland, regardless of whether the person is resident in Switzerland or another country.

All relevant information on the deposit insurance can be found at [www.esisuisse.ch](http://www.esisuisse.ch).

### What are the costs?

Before you begin to trade CFDs on Stocks you should familiarise yourself with all one-off, ongoing, and incidental costs for which you will be liable. These charges will reduce any net profit or increase your losses.

For more information please visit [our website](#).

#### This table illustrates the different types of costs for CFDs on Stocks

One-off costs	Commission	The fee charged for the service of carrying out the transaction.
	Minimum Commission	The minimum fee charged for the service of carrying out the transaction.
	Currency Conversion Fee	The fee charged for converting realised profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight Financing	If you hold a long or a short position open after the market close, you will be subject to an Overnight Financing charge.
	Borrowing costs (Short position only)	If you hold a short CFD Single Stock positions overnight you may be subject to a borrowing cost. The cost is dependent on the liquidity of the Stocks and may be zero (0) for high liquidity.
Incidental costs	-	-

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## How long should I hold it and can I take money out early?

### **Recommended holding period: NO RECOMMENDED HOLDING PERIOD**

CFDs on Stocks have no recommended holding period. Provided that Saxo Bank is open for trading you can enter and exit positions at any time.

## How can I complain?

If you as a client or a prospective client of Saxo Bank have raised a question or an issue with Saxo Bank for instance with your account manager or another employee of Saxo Bank without receiving a satisfactory answer you may file a complaint with Saxo Bank as per below. If the person advising or selling to you is not Saxo Bank directly, please contact this person directly.

By mail to: Saxo Bank (Switzerland) Ltd., attn: Complaints, Beethovenstrasse 33, 8002 Zürich, Switzerland  
or by e-mail to: [complaints@saxobank.ch](mailto:complaints@saxobank.ch)

If you are not satisfied with the response to your complaint, you may file a complaint directly with the Swiss Banking Ombudsman, Bahnhofplatz 9, P.O. Box, 8021 Zürich, Switzerland.  
[www.bankingombudsman.ch](http://www.bankingombudsman.ch)

## Contact

Saxo Bank (Switzerland) Ltd.  
Beethovenstrasse 33  
CH-8002 Zürich  
Phone: +41 58 317 95 10