

KEY INFORMATION DOCUMENT (KID)

CRYPTO FOREX CFD (“Crypto Fx”) - Generic

Purpose

This document provides you with key information about this investment product. It is not marketing material. This information is required by law to help you understand the nature, costs, risks and benefits of this product and to help you compare it with other products.

Product

Designation: CRYPTO FOREX CFD (“Crypto Fx”)

Seller: DIF BROKER - Sociedade Financeira de Corretagem, S.A. (“DIF Broker”): DIF BROKER markets this product as a result of a trading agreement with Saxo Bank A / S, a financial entity supervised by the Danish Financial Services Authority.

DIF Broker’s Contacts: For further information, you may contact DIF Broker on +(351) 211 201 595. Website: www.difbroker.com/pl Supervisory authority: Portuguese Securities Market Commission, CMVM.

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

What is this product?

Product: The “Contract for Difference” (“CFD”) is a derivative financial instrument, traded in OTC or unregulated market, which allows investors to use financial leverage to hedge or speculate on the price change of an underlying asset, costly replicating its behavior. CFDs allow indirect exposure (also referred to as “synthetic”) to a financial product or instrument. Crypto Fx have as underlying asset a contract where profit or loss depends on the fluctuations of the underlying cryptocurrency, for example, bitcoin (BTC) against the US dollar (USD), referred to as BTCUSD, for immediate delivery. The investor has no direct exposure to the underlying product or financial instrument, therefore, the investor may realize gains or suffer losses as a result of movements in the underlying product or financial instrument, to which will thus have indirect exposure.

Objectives: The objective of trading Crypto Fx is to gain exposure to price fluctuations in the cryptocurrency without owning it. The return on your investment depends on the performance (or movement) of the cryptocurrency and the size of your position.

This product is traded on margin. Margin refers to the use of a certain amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because while you can realise large profits if the price moves in your favour, you risk extensive losses if the price moves against you. For additional information on margins, please visit: <https://www.difbroker.com/en/esma-generaladditional-information/>

For each cryptocurrency, two different margin rates apply:

- 1) Initial Margin is the required collateral to open a new position. The Initial Margin requirement is dependent on the cryptocurrency traded.
- 2) Maintenance Margin is the amount required to maintain an open position.

For example, the Initial Margin requirement for BTCUSD is 100% and the Maintenance Margin requirement is 100%. If BTCUSD is trading at USD 50,000 and you trade an amount of 0.20 BTC, a margin of USD 10,000 ($50,000 \times 0.20 \times 100\%$) is required to open a Long/Short position. To hold the position, a maintenance margin of USD 10,000 ($50,000 \times 0.20 \times 100\%$) is required.

Maintenance Margin is used to calculate the margin utilisation. If your losses exceed 100% margin utilisation of the account, then automatic margin close-out will occur, meaning that market orders to close positions will be placed and existing orders will be cancelled.

Crypto Fx is an execution-only product and therefore does not have a recommended holding period (RHP).

Crypto Fx trades do not settle. Instead, open positions held at the end of a trading day are rolled forward to the next available business day. 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.

When trading Crypto Fx, Retail clients have negative balance protection on their trading account. Should your account fall into a negative balance, you will not be obliged to make additional payments.

Intended retail investors:

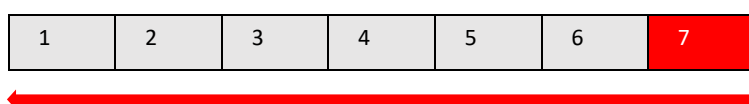
DIF Broker considers that Crypto Fx are appropriate for retail investors who have the following characteristics:

- **Knowledge and experience:** have high knowledge in capital markets and proven experience in trading complex financial instruments, particularly CFD; understand the impact and risks associated with margin trading.
- **Financial situation:** have a financial situation that allows the loss of the initial investment and even superior amounts;
- **Risk tolerance:** Seek speculative and high return investments, but understand the associated increased risks;
- **Objectives and needs:** seek investments in the very short term and always less than one year; Aim hedging and speculation.

Maturity: Crypto Fx are performing products and generally have no recommended maintenance period.

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 exchange rate risk as the investor may receive payments in a different currency, so the final return will depend on the exchange rate between the two currencies. This risk is not considered in the indicator presented above.** Trading risks are increased by leverage: the total loss an investor may incur to the full amount invested for CFD trading, but not higher due to the negative balance protection rules for non-professional clients in place. Quotes may change significantly in times of high volatility or market / economic uncertainty; Such fluctuations are even more significant if investor positions are leveraged and may also adversely affect their position. As a result, margin enhancement requirements may be requested quickly or frequently and, in the event of default, the investor's positions may be closed and any outstanding amount will be borne by the investor.

Performance Scenarios:

There are several types of trading risk, including leverage risk, which you should be aware of before you start trading. Factors affecting the performance of this product include, but are not limited to;

- Leverage risk
- Liquidity risk
- Unlimited loss risk
- Margin risk
- Currency risk
- Market risk
- Unregulated market risk
- Market risk of the underlying asset
- Risk of market disruption
- Counterparty risk
- Online trading platform and information technology risk
- Taxes / Tax Procedures applicable according to investor typology and / or nature of capital gains / Income.

Specific examples of trading on Crypto Fx can be found [here](#).

What happens if DIF Broker is unable to pay out?

DIF Broker is a fully accredited Portuguese Brokerage company and is a member of The Investor Compensation Scheme ([here](#)). The Investor Compensation Scheme ("Sistema de Indemnização aos Investidores" or "SII") is a legal entity, established under the terms of Decree-Law 222/99 of 22 June, which operates jointly with the Portuguese Securities Market Commission (CMVM). Its aims are to protect small investors. In the unlikely event that DIF Broker is declared bankrupt, SII covers cash amounts, securities and margin positions as follows. Securities, for example stocks, held in an individual custody account will be returned to the owner, irrespective of a winding-up order. In the unlikely event that

DIF Broker is unable to return the securities held in safe-custody, administered or managed, cash or margin positions, SII as a rule covers losses of up to EUR 25,000 per investor. For more information, you can visit Portuguese Securities Market Commission, CMVM [here](#). If the person advising or selling to you is not DIF Broker directly please contact them directly.

DIF Broker as a distributor of Saxo Bank A / S products or other financial counterparties, in due diligence, monitors and selects solvency and liquidity counterparties to minimize the impact of counterparty risk.

What are the costs?

Before you begin to trade Crypto Fx you should familiarize 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 <https://www.difbroker.com/pl/#pricing>

Breakdown of possible costs associated with Crypto Fx			
One-off costs	Spread	The difference between the bid (sell) price and the offer (buy) price. Spread is dependent on many different factors, including but not limited to, the underlying liquidity and volatility, time of day and notional trade size.	BTCUSD default spread 242 (minimum).
	Profit/Loss Currency Conversion	The fee charged for converting realised profit/loss and ticket fees from the instrument currency to the account currency.	Currency conversion up to 2.75%
Ongoing costs	FX Value Date Rollover	Tom/Next swap points (Forward Price) The swap points used are calculated using the implied interest on the futures market, plus/minus a fixed mark-up depending on account level. The final rate is used to adjust the opening price of the position.	Tom/Next markup up to +/-3.45%
		Financing of unrealised profit/loss (Financing Interest) Any unrealised profit/loss that is rolled from one day to the next is subject to an interest credit or debit.	Financing Interest markup rate up to +/2%
Incidental costs	-	-	-

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

Recommended holding period: **NO RECOMMENDED HOLDING PERIOD**. Regarding the capital withdrawal, the profits obtained with the product can be withdrawn once the position is closed, by sending the respective reimbursement request. IMPORTANT NOTE: The Saxo Bank market - in which Cripto Fx are traded - closes on Friday at 22:00 (GMT) and reopens on Sunday at 23:00 (GMT).

How can I complain?

As a customer or potential customer of DIF Broker, if you have raised a question or identified a problem with DIF Broker, you may file a complaint directly to DIF BROKER to claims@difbroker.com or by phone 00 (351) 211 201 595. If you are not satisfied with the response to your complaint, you may file a complaint directly to:

- Securities Market Commission, CMVM: R. Laura Alves Street, No. 4, 1064-003 Lisbon, through the CMVM website - Investor Support [Here](#).
- Lisbon Consumer Conflict Arbitration Center: R. dos Douradores, nº 116 - 2º, 1100-207 Lisbon; By Phone - Support Line +351 21 880 70 30; By email - juridico@centroarbiturholisboa.pt or director@centroarbiturholisboa.pt; Online <http://www.centroarbitragemlisboa.pt>.

Other Relevant Information:

For more detailed information you may want to consider visit our webpage www.difbroker.com