

# FlowBank

Seriously Simple 

# Key Information Document

**CFD on Cryptocurrencies**

## 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 it with other products.

## Product

FlowBank SA ("FlowBank"), a bank and securities dealers registered in Switzerland, is the manufacturer of this product. FlowBank is authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). See [www.flowbank.com](http://www.flowbank.com) for more information or contact us on +41 (0) 22 888 66 00.

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

**Please refer to our CFD Risk Disclosure Notice displayed on [www.flowbank.com](http://www.flowbank.com).**

## What is this product?

### Type

A CFD ("Contract for Difference") is a leveraged contract between an investor and FlowBank. It allows an investor to speculate on rising or falling prices in an underlying financial instrument or a cryptocurrency, without having to own it.

An investor has the choice to buy (or 'go long' on) the CFD to benefit from rising cryptocurrency prices; or to sell (or 'short') the CFD to benefit from falling cryptocurrency prices. The price of the CFD is derived from the price of the underlying cryptocurrency price. For instance, if an investor is long a Bitcoin CFD and the price of Bitcoin rises, the value of the CFD will rise. At the end of the contract FlowBank will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor is long and the price of Bitcoin falls, the value of the CFD will fall. At the end of the contract, the investor will pay FlowBank the difference between the closing value of the contract and the opening value of the contract.

Leverage has the effect of magnifying exposure, which magnifies profits and losses.

### Objectives

The objective of the CFD is to gain exposure to the movements of underlying financial assets (either up or down), without owning the underlying cryptocurrency. CFD exposure is leveraged since it only requires a small portion of the value of the contract as an initial margin.

If the price moves against the investor, additional funds may need to be deposited. Failure to do so could result in the CFD being auto-closed. FlowBank can also terminate any CFD if it deems that the contract has been breached.

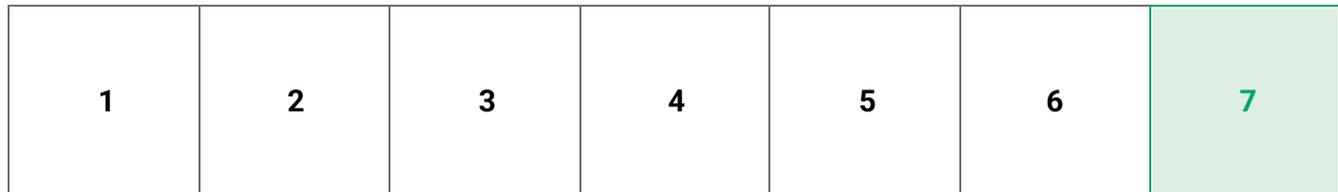
The CFD does not have a pre-defined expiration date. Each investor can determine the most appropriate holding period for them, based on their profile and objectives. There is no recommended holding period.

### Intended retail investor

CFDs are intended for investors who have knowledge or experience trading leveraged products. Investors should understand how the prices of CFDs are derived, how margin and leverage work, and the fact that losses can exceed deposits. They should understand the risk/reward profile of the product compared to traditional investments. Investors will also have appropriate financial means and the ability to bear losses that are bigger than the initial investment.

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

### Risk indicator



Lower risk

Higher risk



The risk indicator assumes that you may not be able to buy or sell your CFD at the price you wanted to due to volatility of the market or you may have to buy or sell your CFD at a price that significantly impacts how much you make or lose.

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 of the product at a very high level.

**CFDs are leveraged products that can generate losses rapidly due to underlying market movement. Trading risks are magnified by leverage – the total loss you may incur may significantly exceed the amount invested. You may be required to deposit additional funds in order to maintain your position. If you fail to maintain an adequate margin deposit to cover any losses, we may close your position without further reference to you. There is no capital protection against market risk, credit risk or liquidity risk.**

**Be aware of currency risk.** You may receive payments in different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

**This product does not include any protection from future market performance, so you could lose some or all of your investment.** Market conditions may mean that your CFD trade is closed at a less favorable price, which could significantly impact how much you make or lose. We may close your open CFD contract if you do not maintain the minimum required margin, if you are in debt to the company, or if you contravene market regulations. This process may be automated.

**If we are not able to pay you what is owed, you could lose your entire investment.**

## Performance scenarios

The scenarios illustrate how your investment could perform, but they are not an exact indicator. You are welcome to compare them with scenarios for other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment example varies. The market may perform differently in the future. What you make or lose will vary depending on how the market performs and how long you keep the CFD open. The stress scenario shows what you might get back in extreme market circumstances, but it is not the worst case, and it does not consider the situation where we are not able to pay you.

The following assumptions have been used to create the scenarios below:

Cryptocurrency (spot) CFD (held intraday)		
<b>Cryptocurrency opening price:</b>	<b>P</b>	\$31000
<b>Contract size (per CFD):</b>	<b>TS</b>	1 x cryptocurrency
<b>Margin %:</b>	<b>M</b>	10%
<b>Margin requirement (\$):</b>	<b>MR = P x TS x M</b>	\$3100
<b>Notional value of the trade (\$):</b>	<b>TN = MR/M</b>	\$31000

Long			
Performance scenario	Closing price (inc. spread)	Price change	Profit/loss

Stress	29450	-5.0%	-\$1550
Unfavorable	30535	-1.5%	-\$4654
Moderate	31155	0.5%	\$155
Favorable	31465	1.5%	\$465

Short			
Performance scenario	Closing price (inc. spread)	Price change	Profit/loss

Stress	32550	5.0%	-\$1550
Unfavorable	31465	1.5%	-\$465
Moderate	30845	-0.5%	\$155
Favorable	30535	-1.5%	\$465

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.

You can find additional information on pricing [here](#).

## What are the costs?

Trading a CFD on an underlying cryptocurrency incurs the following costs:

**This table shows the different types of costs and their definition**

<b>One-off entry or exit costs</b>	<b>Spread</b>	The difference between the buy price and the sell price is called the spread. This cost is realized each time you open and close a trade.
	<b>Currency conversion</b>	A currency conversion fee may be charged when your trade is denominated in a currency other than the base currency of your account.
<b>Current costs</b>	<b>Daily maintenance cost</b>	A financing cost of 25% will be applied for buyer positions; seller positions will receive 25%.
<b>Incidental costs</b>	<b>Distributor fee</b>	We may from time to time, after informing you, we may share a proportion of our spread, commissions and other account fees with other persons, including a distributor that may have introduced you.

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

CFDs are generally intended for short-term trading, often intraday. There is no minimum or recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a CFD on a commodity at any time during market hours.

## How can I complain?

If you wish to make a complaint about FlowBank, you should contact our client services team on +41 (0) 22 888 66 00, or email [support@flowbank.com](mailto:support@flowbank.com) or you can contact the Swiss Chamber's Arbitration Institution (SCAI) by means of the mediation request form and according to the instructions provided on their website: <https://www.swissarbitration.org/Ombuds-FIN>. FlowBank is affiliated with the SCAI.

## Other relevant information

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. Ensure your internet signal strength is sufficient before trading. Our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.

# FlowBank

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