

KEY INFORMATION DOCUMENT

FX SWAP

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 A/S. Contact us on +45 3977 4000 for more information. Saxo Bank A/S is under the supervision of the Danish Financial Services Authority. This Key Information Document was published on 19th November 2018.

ALERT

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

WHAT IS THIS PRODUCT?

TYPE

An FX Swap is a simultaneous purchase and sale, or vice-versa, of one currency for another currency with two different value dates; two parties agree upon a currency exchange on one day and simultaneously agree to unwind or reverse that transaction on a specified date in the future. An FX Swap effectively results in no, or very little, exposure to fluctuations in the prevailing spot price. Visit home.saxo for further information in relation to the underlying currency pairs available.

OBJECTIVES

An FX Swap is commonly used for hedging exposure from currency risk, or to modify the value date of an open FX Spot or FX Forward Outright position. This product is entered into for the purpose of speculation or hedging and 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.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. This product would commonly be used 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.

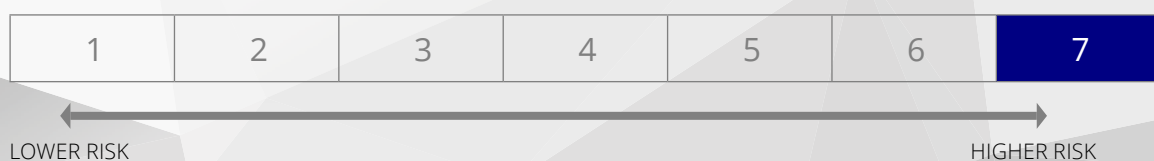
TERM

An FX Swap is an execution-only product and generally therefore has no recommended holding period. An FX Swap has tradable tenors from Spot ("T+2") to 12 months. An FX Swap is booked as two separate positions; as a combination of either a Spot and a Forward Outright position, or two Forward Outright positions. FX Forward Outright trades do not settle. Instead, when the value date of an open FX Forward Outright position equals the current spot value date, it will be treated as a normal Rolling FX Spot position. From that point on, positions held at the end of a trading day are rolled forward to the next available business day.

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

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

RISK INDICATOR



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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 depends 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. In the event of default, Saxo shall seek to immediately terminate, cancel and close-out all or part of any outstanding positions. 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
- Risk of unlimited loss
- Margin risk
- Foreign exchange risk
- Market risk
- Unregulated market risk
- Market disruption risk
- Counterparty risk
- Online trading platform and IT risk
- Conflicts of interest

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

WHAT HAPPENS IF SCML IS UNABLE TO PAY OUT?

Saxo Bank A/S is a fully accredited European Bank and is a member of The Guarantee Fund for Depositors and Investors (www.gii.dk); an institution established by the Danish parliament which is supervised by the Ministry of Finance and Business in Denmark. In the unlikely event that Saxo Bank is declared bankrupt, The Guarantee Fund covers cash deposits up to EUR 100,000. 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 Saxo Bank is unable to return the securities held in safe-custody, administered or managed, The Guarantee Fund as a rule covers losses of up to EUR 20,000 per investor. For more information you can visit the Danish Financial Supervisory Authority at www.finanstilsynet.dk.

WHAT ARE THE COSTS?

Before you begin to trade an FX Swap you should familiarise yourself with all commissions, fees, and other charges for which you will be liable. These charges will reduce any net profit or increase your losses. For more information please visit our [website](#).

BREAKDOWN OF POSSIBLE COSTS ASSOCIATED WITH AN FX SWAP OUTRIGHT

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.
	Commission	The fee charged for the service of carrying out the transaction, subject to a minimum fee on small notional trade sizes.
	Profit/Loss Currency Conversion	The fee charged for converting realised profit/loss from the instrument currency to the account currency.
Ongoing costs	Tom/Next swap points (Forward Price)	The swap points used are calculated using the tom/next swap feeds from Tier-1 banks, plus/minus a mark-up.
	Financing of unrealised profit/loss (Financing Interest)	Any unrealised profit/loss is subject to an interest credit or debit.

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

Recommended holding period: NO RECOMMENDED HOLDING PERIOD

An FX Swap has no recommended holding period. Provided that Saxo 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 A/S have raised a question or an issue with Saxo Bank A/S for instance with your account manager or another employee of Saxo Bank A/S without receiving a satisfactory answer you may file a complaint with Saxo Bank A/S as per below.

If the person advising or selling to you is not Saxo Bank A/S directly please contact them directly.

Attn: Complaints, Saxo Bank A/S, Philip Heymans Allé 15, 2900 Hellerup, Denmark

Or by e-mail to complaints@saxobank.com

If you are not satisfied with the response to your complaint, you may file a complaint directly with The Danish Complaint Board of Banking Services: Pengeinstitutankenævnet, Amaliegade 8 B, 2. sal, Postboks 9029, DK-1022 København K, Denmark.

www.pengeinstitutankenævnet.dk

OTHER RELEVANT INFORMATION

Please refer to our [website](#) for any other information.