

**Specific Warning to the Investor.**

**CFD, Options and Futures are Complex Financial Products.**  
A responsible investment requires that you understand the implications and are willing to accept them.

- It may involve a sudden loss of all or more than the invested capital.
- It can provide zero or negative income.
- It is subject to Saxo Bank credit risk.
- It implies that costs, commissions or charges are incurred.
- It is not equivalent to initial acquisition or transaction of the underlying assets.

ALL INVESTMENTS HAVE RISKS

Risk of losing more than the capital invested

1 2 3 4

INCREASING ALERT LEVEL

Consult more in [www.cmvm.pt](http://www.cmvm.pt)

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage.

**86% of retail investor accounts lose money when trading CFDs with this provider.**

You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

**CFDs are complex products, only appropriate for professional or retail investors with extensive experience and capable of understanding all their characteristics and risks.**

## GENERAL INFORMATION

When hiring the service and access to these products you should keep in mind the following concepts applied by DIF Broker:

- 1) Initial margin: Means means any payment for the purpose of entering into a CFD, excluding commission, transaction fees and any other related costs, related with the notional value.
- 2) Initial margin protection: DIF Broker will always require an initial margin when opening a position in a CFD, equal our superior, according to the minimums required by ESMA, determined by Annex I of the Notice<sup>1</sup> and future updates as well as the CMVM Rule 5/2019<sup>2</sup>:
- 3) Margin close-out protection: DIF Broker through its risk control system and taking into account the margin utilization alerts described in the Pre-Contractual Information, will apply the protection of the closure, when the limit of 50% of the initial margin is reached. DIF Broker will close one or more of a retail client's open CFDs on terms most favorable to the client in accordance with Articles 24 and 27 of Directive 2014/65/EU, e o Portuguese Securities Code (Código de Valores Mobiliários<sup>3</sup>) when the sum of the funds in the CFD trading account and the unrealized net profits of all open CFDs connected to that account fall to less than half of the total *initial margin protection* for all those open CFDs. The final value of margin close out might be lower than 50% of the initial margin, when the market is very volatile, there is price suspension, in market opening or in Force Majeure events, which are not foreseeable.
- 4) Negative balance protection: DIF Broker will apply the negative balances protection as a result of closing positions of the CFD trading account. Financing costs, taxes, and securities in debt that may be due to DIF services are excluded from this protection. The limit of a retail client's aggregate liability for all CFDs connected to a CFD trading account with a CFD provider are limited to the funds in that CFD trading account.
- 5) Excluded non-monetary benefit: means any non-monetary benefit other than, insofar as they relate to CFDs, information and research tools;
- 6) Risk warnings: All DIF Broker communications regarding CFDs will carry the risk warning provided in the ESMA Decision, Annex I and CMVM Rule n.º. 5/2019

<sup>1</sup> [https://www.esma.europa.eu/sites/default/files/library/esma35-43-1135\\_notice\\_of\\_pi\\_decisions\\_on\\_cfds\\_and\\_binary\\_options.pdf](https://www.esma.europa.eu/sites/default/files/library/esma35-43-1135_notice_of_pi_decisions_on_cfds_and_binary_options.pdf)

<sup>2</sup> [https://www.cmvm.pt/pt/Legislacao/Legislacaonacional/Regulamentos/Documents/Regulamento da CMVM 5\\_2019.pdf](https://www.cmvm.pt/pt/Legislacao/Legislacaonacional/Regulamentos/Documents/Regulamento da CMVM 5_2019.pdf)

<sup>3</sup> n.º 7 of art. 294.º, n.ºs 1 and 2 of art. 304.º, art. 305.º, art. 309.º-H, n.ºs 1 and 2 of art. 309.º-I, letters a), d), e), h) of n.º 1 and n.ºs 4, 8, 9 and 11 of art. 312.º, n.º 1 of art. 313.º and 313.º-B, and art. 330.º of CVM (Código de Valores Mobiliários - Securities Code)

## ADDITIONAL INFORMATION

### PROTECTION MEASURES - CFD TRANSACTIONS FOR RETAIL CLIENTS.

#### 1 -INITIAL MARGIN INFORMATION by UNDERLYING TYPE

DIF Broker may require higher initial margin levels, in order to provide greater protection in the negotiation of complex product, than those of CMVM in accordance with ESMA in the following chart:

Underlying asset	Maximum Leverage	Initial Margin requirements	Notes / Examples
Forex (Major currency pairs)	30:1	3,33%	Pairs that include two of the following currencies: USD, EUR, JPY, GBP, CAD and CHF.
Forex (Minor currency pairs)	20:1	5%	All currency pairs that do not include two of the following currencies: USD, EUR JPY, GBP, CAD and CHF.
Index (Major)	20:1	5%	FTSE100, CAC40, DAX30, DJIA, S&P500, Nasdaq, Nasdaq100, Nikkei 225, ASX200, Euro Stoxx 50.
Index (Minor)	10:1	10%	All indices that were not considered previously (ex. PSI20, IBEX 35).
Gold	20:1	5%	Example: XAUUSD, XAUEUR, XAUJPY.
Commodity or commodity equity index	5:1	20%	Any stock such as: Airbus, Microsoft, Santander, EDP.
Cryptocurrencies **	2:1	50%	Example: Bitcoin, Ethereum, Litecoin.
Others	5:1	20%	When the CFD underlying asset is not mentioned above.

\* It is recommended that you always check the initial margin for each financial instrument in the trading platform, given that, for the greater protection of the client's interests, DIF Broker may require higher initial margins than those established by CMVM in accordance with ESMA. DIF Broker reviews the margin requirements periodically assessing the risks of leveraged financial instruments.

\*\* DIF Broker does not commercialize CFDs over cryptocurrency.

#### 1- MARGIN CLOSE OUT PROTECTION

DIF Broker, acting in the best interest of the client and to comply with the regulations, may require higher margins than those requested by CMVM in accordance with ESMA. DIF Broker, through its risk control system and risk warnings, will apply the margin close out protection when the sum of required margin in derivative positions and the unrealized net profit of derivative open positions, reach 50 % of the initial margin. Before closing the derivative positions (Stop Out) at market price, DIF Broker will notify clients in accordance with the provisions of the Pre-contractual Information.<sup>4</sup>

#### 2-NEGATIVE BALANCE PROTECTION:

The limit of a retail client's total liability for all CFDs connected to a CFD trading account will be limited to the existing funds in that trading account. DIF Broker tries to mitigate higher risk situations for its clients, by informing them through margin calls listed in the Pre-Contractual Information. DIF Broker, taking into account aforementioned situations, will apply the negative balance protection, protecting its clients and compensating the negative account values for losses exclusively in CFD trading, without the need to be requested by the client.

#### 3-EXCLUDED NON-MONETARY BENEFITS

DIF does not offer incentives to its client to trade CFDs, be they monetary or non-monetary, through marketing campaigns or other means of media communication, as a protection measure for its current and potential clients, since CFDs are considered products not appropriate for retail clients. DIF Broker will not incentive the negotiation of CFD regarding any other financial instrument.

#### 4 - MARKETING COMMUNICATIONS:

All and any communication, as well as accessible public information for retail clients related to CFDs, will be accompanied by risk warnings, so that retail investors understand the risks associated with these financial products in a clear manner. Nevertheless, DIF Broker will provide generic and educational information about the client, as well as investigation/search tools with the purpose to assist the clients to understand CFDs, and therefore, to make more informed and appropriate investment decisions.

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<sup>4</sup> [https://www.difbroker.com/pl/wp-content/uploads/sites/3/2019/04/en\\_201904v1.0\\_Pre\\_Contractual\\_Information\\_all\\_EN.pdf](https://www.difbroker.com/pl/wp-content/uploads/sites/3/2019/04/en_201904v1.0_Pre_Contractual_Information_all_EN.pdf)