

**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**

**Product Name** Contract for difference (CFD) on a Precious Metal, excludes Copper.

**Product manufacturer** OANDA Europe Markets Ltd ("OEM"), authorised and regulated by the Malta Financial Services Authority, Malta.

**Further information** You can find more information about OEM and our products at [www.oanda.com](http://www.oanda.com). You can contact us using the details on our website or by calling +356 2778 0403 from Monday to Friday between 8am and 6pm (CET). This document was last updated on November 2020.

**ALERT**

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

**WHAT IS THIS PRODUCT?****Type**

This document relates to products known as 'contracts for difference', which are also known as **CFDs**. A CFD allows you to obtain an indirect exposure to an underlying asset such as a precious metal, commodity or index. This means you will never own the underlying asset, but you will make gains or suffer losses as a result of price movements in the underlying asset to which you have an indirect exposure.

This document provides key information on CFDs where the underlying investment option that you choose is a precious metal such as Gold, Silver or Palladium. You can visit the website for information on the underlying assets available to you.

**Objectives**

The objective of trading CFDs is to gain a leveraged exposure to price movements and speculate on price movements (generally over the short term) in an underlying asset by obtaining an indirect exposure to the underlying asset. Your return depends on movements in the price of the underlying asset and the size of your stake. For example, if you believe the value of a precious metal is going to increase, you would buy a number of units of the CFD (this is also known as "going long"), with the intention to later sell them when they are at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs (detailed below). If you think the value of a precious metal is going to decrease, you would sell a number of units of the CFDs (this is also known as "going short") at a specific value, expecting to later buy them back at a lower price than you previously agreed to sell them for, resulting in us paying you the difference, minus any relevant costs (detailed below). However, in either circumstance, if the precious metal price moves in the opposite direction and your position is closed, either by you or as a result of a margin closeout (detailed below), you would owe us the amount of any loss you have incurred together with any costs; although you could not lose more than the funds on your account as you have what is known as 'negative balance protection', you could lose your entire investment.

To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the position in your account. This is referred to as margin (see further below). Trading on margin can enhance any losses or gains you make.

**Intended Retail Investor**

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

- (i) have a high risk tolerance;
- (ii) are trading with money they can afford to lose;
- (iii) have experience with, and are comfortable trading on, financial markets and, separately understand the impact of and risks associated with margin trading; and
- (iv) want to generally gain short term exposures to financial instruments/markets and have a diversified investment and savings portfolio.

**Term**

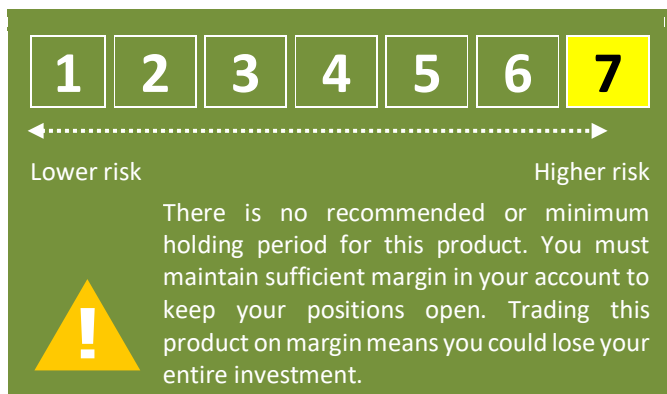
CFDs have no maturity date or minimum holding period. You decide when to open and close your positions.

We may close your position without seeking your prior consent if you do not maintain sufficient margin in your account. If the available funds in your account falls below 50% of the total margin needed to open all the trades you have open in your account we must close out open positions. We will do this in accordance with our margin close-out policy, which can be found on our website.

More information about when we can close your position is set out below.

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

### Risk Indicator



The summary risk indicator is a guide to the level of risk associated with 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 these products as 7 out of 7, which is the highest risk class. This is because there is a very high chance that you could lose your entire investment.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Approximately between 74-89% of retail clients trading CFDs lose money. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

**BE AWARE OF CURRENCY EXCHANGE RISK.** If your account is denominated in a different currency to the quoting currency, your final return will depend on our exchange rate between these two currencies. This risk is not considered in the indicator shown above or in the Performance Scenario below.

**You can lose your entire investment, including all cash deposited in your CFD trading account, together with any unrealised net profits from other open positions you may have on your account.** Losses can materialise quickly due to the use of margin (see further below).

CFD trading requires you to maintain a certain level of funds in your account to keep your positions open. This is called margin requirement. You will be able to open a position by depositing only a small percentage of the notional value of the position, creating a leveraged position. Leverage can significantly magnify your gains and losses. If the funds in your account are no longer sufficient to keep your position open, you will be required to make up this shortfall. This is known as a margin call. If you do not meet your margin call, once available funds in your account falls below 50% of the total margin needed to open all the trades that you have open in your account we must close out open positions. We may close your position (immediately and without notice) and you will realise any losses. You could, therefore, lose your entire investment.

You can visit our website for further information.

Our CFDs are not listed on any exchange, and the prices and other conditions are set by us in accordance with our Order Execution Policy. Positions can only be closed with us, and are not transferable to any other provider. If you have multiple positions with us, your risk is cumulative and not limited to one position.

The tax regime of the country in which you are domiciled may impact your return.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from an investor compensation scheme (see the section 'What happens if OEM is unable to pay out'). The indicator shown above does not consider this protection.

### Performance Scenarios

This key information document is not specific to a particular product. It applies to a CFD on any precious metal. However, each CFD you enter into with us is specific to you and your choices. You will be responsible for choosing the underlying metal (subject to availability on our platform); when you open and close your position; the size of your position and your margin (subject to leverage limits for the CFD depending on the precious metal); and whether to use any of the risk mitigation features that we offer (such as stop loss orders and reducing your leverage to a 10:1 minimum). This performance scenario is based on an account with only one open position, however each of your positions will also be impacted by any other open position you have with us. These underlying options offered for each CFD will have a material impact on the risk and return of your investment.

The example below shows the money you could lose or get back under different scenarios if you were to opt to trade the Gold CFD.

The scenarios assume that the position is opened and closed the same day before 5pm ET (11pm CET), and so there are no financing costs, just the dynamic spread, and thereby includes all the costs of the trade. The scenarios also assume that funds on the account match the margin needed in order to open the trade. The figures do not take into account your personal tax situation, which may also affect how much you get back. These performance scenarios assume that you only have one position open, and do not take into account the negative or positive cumulative balance you may have if you have multiple open positions.

The stress and unfavourable scenarios below show what you might lose in adverse market circumstances, and none of the scenarios take into account the situation where we are not able to pay you. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance and are not exact indicators. What you get will vary depending on how the market performs and how long you keep the investment.

Small price movements can rapidly lead to losses, and in one scenario you would need to deposit additional funds in order to avoid margin closeout when the unrealised loss on your trade exceeds 50% of the margin needed to place the trade. However when there is rapid adverse market movement it may not be possible to close out your position with only the loss of 50% of the margin needed to open the trade, you could lose all of the available funds on your account, ie: your entire investment, (any cash deposited in your account and any unrealised net profits from all other open positions).

Trade	Account Denomination	Trade Size	Pip Size	Typical Spread	Leverage	Opening Price	Margin needed to open trade	Close out when < 50% open margin held on account
XAU/USD	USD	50	0.01	25	20:1	1,193.146	2,982.87	1,491.43

STRESS		MODERATE	UNFAVOURABLE		FAVOURABLE	
Long Position Margin Closeout		Long Position No price move	Sell Position Adverse Market Move		Sell Position Beneficial Market Move	
Closing Price	Loss	Loss	Close at price	Loss	Close at price	Gain
1,163.30	1,492.30	12.50	1,208.06033	745.72	1,178.23168	745.72

#### WHAT HAPPENS IF OEL IS UNABLE TO PAY OUT?

If OEM is unable to meet its financial obligations to you, this could cause you to lose the value of any CFDs you have with OEM. OEM is covered by the MFSA Investor Compensation Scheme, which is based on the EU Directive 97/9. If our business fails or defaults and if your claim is accepted by the scheme, you will be paid 90% of the net loss subject to a maximum of €20,000. You can find more information about the Investor Compensation Scheme (including eligibility to claim) on its website [www.compensationschemes.org.mt](http://www.compensationschemes.org.mt)

#### WHAT ARE THE COSTS?

This table shows the different types of costs involved when you trade CFD products.  
**The costs will vary depending on the underlying investment options you choose.**

	<b>Spread</b>	<p>The spread is the difference between the buy (offer) and sell (bid) price that we quote. For example, if the underlying asset is trading at 100, our offer price (the price at which you can buy) might be 101 and our bid price (the price at which you can sell) might be 99. You pay the spread by opening and closing a position. The spread we offer is a dynamic spread, and so can vary at any time as it widens and narrows based on changes in the underlying market, and may be different when you open and close a position.</p>
<b>One off costs</b>	<b>Currency conversion</b>	<p>When an instrument is traded in a different currency to that which your account is denominated, the realised profit or loss and any associated adjustments will be converted to the currency in which your account is denominated at our prevailing currency exchange rate. This rate is calculated by applying a 0.5% mark-up/ mark-down (depending on whether a debit or credit is to be applied to your account) to the midpoint price (buy plus sell price divided in half) at the time of conversion.</p> <p>Further information on currency conversion is available on our website.</p>
<b>Ongoing costs</b>	<b>Financing Costs</b>	<p>All positions on your account at the end of each trading day (5pm ET or 11pm CET) will be considered to be held overnight and subject to either a <b>financing charge</b> or a <b>financing credit</b> to reflect the cost of funding your position (in relation to the margin utilised). The <b>financing cost</b> is calculated on a per position basis and may be a charge or a credit, depending on whether the position is a buy/ long position or a sell/ short position, and after also taking into account the impact of our admin fee.</p> <p>Financing charges and credits are calculated on the following basis:-  <b>Financing charge or credit = size of position x applicable funding rate/365</b></p> <p>Funding rates vary from instrument to instrument, and may change on a daily basis. They are quoted as an annual rate, with two quoted per instrument (one for buy/ long position and the other for a sell/ short position).</p> <p>A negative funding rate results in a charge for you, and a positive funding rate results in a credit to you.</p> <p>Further information on financing costs, funding rates and the impact of weekend financing is available on our website, as are both current and historical funding rates for all instruments.</p>
<b>Other costs</b>	<b>Distributor fees</b>	<p>We may make payments from time to time to certain partners who introduce business to us. These payments may be based on the revenues we earn from your trading activity or alternatively a one-off fee when you first trade dependent on the size of your deposits. These fees are paid by OEM, and we only make these payments if they do not breach the MFSA's Conduct of Business rules on inducements.</p>
<p><b>HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?</b></p> <p>This product generally has no fixed term and will expire when you choose to exit the product or in the event that you do not have sufficient funds available to cover the margin requirement and we close your position in accordance with the margin closeout rules. You should monitor the product to determine when the appropriate time is to exit.  <b>You can close your position at any time.</b></p>		
<p><b>HOW CAN I COMPLAIN?</b></p> <p>If you wish to make a complaint, you should contact us on +356 2778 0403 from Monday to Friday between 8am and 6pm (CET), or email <a href="mailto:complaints@oanda.com">complaints@oanda.com</a>. For further information see our website.</p> <p>If you do not feel your complaint has been resolved satisfactorily, you are able to refer your complaint to the Office of the Arbitrator for Financial Services. See <a href="https://financialarbiter.org.mt/">https://financialarbiter.org.mt/</a> for further information.</p>		
<p><b>OTHER RELEVANT INFORMATION</b></p> <p>You will find detailed information on our products and financing costs on our website, <a href="http://www.oanda.com">www.oanda.com</a></p> <p>You should ensure that you read the Terms of Business, Order Execution Policy and Risk Warning Disclosures displayed in the legal section of our website. Such information is also available on request.</p>		