

## KEY INFORMATION DOCUMENT

### CONTRACT FOR DIFFERENCE (CFD) ON CRYPTOCURRENCY

#### 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 investing in this product and to help you compare it with other products.

#### PRODUCT

This product is offered by BluOr Bank AS (6 Smilšu street, Riga, LV-1050, Latvia)

Registration Nr. 40003551060

Website: [www.bluorbank.lv](http://www.bluorbank.lv)

BluOr Bank AS is authorized and regulated by the Financial and Capital Market Commission of Latvian Republic (1 Kungu street, Riga, LV-1050, Latvia).

This document was last updated 15.10.2019.

#### ALERT

You are about to purchase a product that is complex financial instrument and may be difficult to understand.

#### WHAT IS THIS PRODUCT?

##### TYPE

A Contract for Difference (CFD) is a leveraged contract settled in cash. Contract for Difference (CFD) on Cryptocurrency allows an investor to speculate on the price movement of an underlying cryptocurrency, such Bitcoin. An investor has the choice to buy (or go "long"); or to sell (or go "short") the CFD on Cryptocurrency.

CFD are leveraged product, requiring only a proportion of the notional value of the contract to be deposited as initial margin. Please note that leveraged products and margin trading requires extra caution, because whilst you can realize large profit if the price moves in your favor, you risk extensive losses if the price moves against you.

Failure to deposit additional funds in order to meet the margin requirement as a result of a negative price movement may result in the CFD position being closed automatically. This will occur when your account equity falls below the maintenance margin requirement or minimum account balance.

The CFD on an Cryptocurrency does not have a pre-defined maturity date and is therefore open-ended. At the end of the day any open positions are rolled over and charged a daily swap commission (financing fee).

CFDs in general do not have a recommended holding period and it is down to the discretion of each investor to determine the most appropriate holding period based on their own individual decision and objective.

The Bank does not provide quotes on cryptocurrencies on weekends. To avoid weekend gaps all positions in CFD on cryptocurrencies are closed every Friday.

##### OBJECTIVE

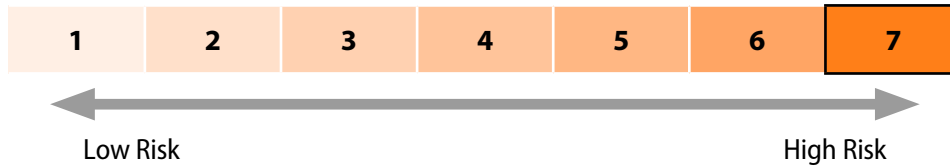
The objective of the CFD on cryptocurrency is to allow an investor to gain leveraged exposure to the movement in the value of underlying cryptocurrency (whether down or up).

##### INTENDED RETAIL (PRIVATE) INVESTOR

This product is intended for investors who have knowledge of, or are experienced with, leveraged products and that understand how the prices of CFDs are derived, the key concepts of margin and leverage, that losses may exceed deposits and have an appropriate financial means to bear losses of the entire amount invested.

## 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 of this product compared to other products. It shows how likely it is that the product will lose money because of movement 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. This product does not include any protection from future performance, so you could lose some or all of your investments.

### GENERAL RISKS

There are a number type of risk, which you should aware of before beginning of trading (included but not limited): leverage risk, margin risk, exchange risk, market risk, unregulated market risk, counterparty risk, online trading and IT risk, market disruption risk, liquidity risk.

### CURRENCY RISK

It is possible to buy or sell CFD in a currency, which is different to the base currency of your account. The final return you may get depends additionally on the exchange rate between the two currencies.

### LEVERAGED TRADING

Using leverage you gain larger exposure to a financial market by tying up only a relatively small amount of your capital. Trading with leverage can magnify both the profits and losses you make in relation to the investment. In some cases you have to deposit additional funds in order to meet the margin requirements as a result of a negative price movement as a result losses could exceed the initial investments.

### SPECIFIC RISKS

Cryptocurrencies are not recognized as a financial instrument under EU MiFID. Cryptocurrencies are traded on non-regulated decentralized digital exchange. This means that the price formation depend solely in the internal rules of the particular exchange, which may be subject to change at any point in time and without notice. Cryptocurrencies are exposed to high intra-day price volatility, which may be substantially higher compared to other financial instruments.

### PERFORMANCE SCENARIO

The scenarios shown below 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 an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.

The table below shows the money you could get back under different scenarios, assuming that you buy 10 CFD contract on Bitcoin at 6000.00 USD and your position is closed on the same day. Commission is 0.01125% from traded amount.

Leveraged used is 1:1, i.e. 50% initial margin requirements = 30 000 USD (10\*6000\*50%)

Initial capital 30000 USD

LONG PERFORMANCE SCENARIO	CLOSING PRICE	PRICE CHANGE	PROFIT/LOSS IN USD	CAPITAL (CHANGE)
FAVORABLE	6060	+1%	$((6060-6000.0) \times 10) - 10 * 6000 * 0.01125\% - 10 * 6060 * 0.01125\% = 586.43$ PROFIT	30583.43 (+1,94%)
MODERATE	5970	-0,5%	$((5970-6000.0) \times 10) - 10 * 6000 * 0.01125\% - 10 * 5970 * 0.01125\% = -313.47$ LOSS	29686.53 (-1,04%)
UNFAVORABLE	5940	-1%	$((5940-6000.0) \times 10) - 10 * 6000 * 0.01125\% - 10 * 5940 * 0.01125\% = -613.43$ LOSS	29386.57 (-2,04%)
STRESS	5700	-5%	$((5700-6000.0) \times 10) - 10 * 6000 * 0.01125\% - 10 * 5700 * 0.01125\% = -3013.16$ LOSS	26986.84 (-10,04%)

## WHAT HAPPENS IF BLUOR BANK AS IS UNABLE TO PAY OUT?

BluOr Bank AS is licensed bank and clients' funds are under protection of The Deposit Guarantee Law of the Republic of Latvia. In the unlikely event that BluOr Bank AS is declared bankrupt, The Guarantee Fund covers cash deposits up to EUR 100,000.

Clients are also protected by the Investor Compensation Scheme (ICS) for up to EUR 20 000 by Latvian law. In accordance with the Investor Protection Law and Investor Compensation Schemes Directive (Directive 97/9/EC), compensation at 90% of the irrevocably lost value of financial instruments or of losses incurred by the nonperformance of investment services is guaranteed for an investor, but not more than EUR 20,000 for each client.

For more information see Financial and Capital Market Commission official internet site:  
<https://www.fktk.lv/>

## WHAT ARE THE COSTS?

Investor should take into account all commissions and costs before starting trading with CFDs. These commission and charges reduce your profit or increase your losses.

For more information see internet page <https://www.bluorbank.lv/en/compliance>, Section MiFID II / Information disclosure.

<b>One off costs</b>	<b>Entry &amp; Exit Spread + mark up</b>	The spread cost is the difference between the buy and the sell price. This cost is realized every time you open and close a trade. As spreads variable the size of the spread can be different when opening and closing a trade. The spread includes market spread plus bank`s mark-up.
	<b>Entry &amp; Exit Commission</b>	This commission is charged every time you open and close a trade. The commission charged.
	<b>Currency conversion</b>	A currency conversion spread will be charged each time for converting any realized profit or losses and/or other fees that are denominated in a different currency to the currency in which your account is denominated.
<b>Ongoing Costs</b>	<b>Swap (daily roll over commission)</b>	For every night that a position is help open, a swap commission (roll over commission) is either added or subtracted to/from your account. Swap commission includes market swap plus bank`s mark-up.

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

CFD is generally intended for short-term trading. Nevertheless, a position can be help for any duration, i.e. intra-day or for a longer period.

CFDs in general do not have a recommended holding period. The position can be closed anytime during the hours that the market is open and trading platform is available for trading.

## HOW CAN I COMPLAIN?

You can address any query and complaint regarding this product using the following types of communications:

Phone: +371 67 031 333

Email: [info@bluorbank.lv](mailto:info@bluorbank.lv)

Internetbank: Bank – Compose – New Message to the Bank

By post: BluOr Bank AS, 6 Smilsu street, Riga, LV-1050, Latvia

Personally: 2 Jekaba street, Riga, LV-1050, Latvia

## OTHER RELEVANT INFORMATION