PRODUCT DESCRIPTION FORM

Product Identification

Product name	**Deliverable FX Swap (DS)**
Product type	**Foreing Exchange Derivative**
MiFID Categorisation	**4**
Product Description	A Deliverable FX Swap is a foreign exchange swap that has two legs: a spot transaction and a forward transaction. Both transactions are executed simultaneously for an identical amount, and therefore offset each other. The transactions are carried out on pre-determined currency pairs (whether hard or soft currencies) and are determined at an agreed fixing date using TOD, TOM or SPOT FX rate at the first leg and Forward rate at the determined date of the second leg. There is no upfront payments on these contracts.
Product Categorisation	Complex
Underlying Asset Classes	Currency pairs
Investment Service	(1) Receipt and transmission of orders; (2) Execution of clients orders; (3) Dealing on own account

Target Market

Positive target market	
> Type of clients to whom the product is targeted (retail, professional or eligible counterparty)	**Professional and Eligible counterparties**
> Knowledge and experience about elements such as relevant product type, product features and/ or knowledge in thematically related areas that help to understand the product	A Deliverable FX Swap is a sophisticated financial product requiring a good understanding of the way foreign exchange contracts and markets work. It may be suitable for clients who have a genuine commercial need to manage currency risk associated with a particular currency pair and understanding of counterparty risk, including added risks of market valuation and fluctuations.
> Financial situation (focus on ability to bear losses)	Clients shall be prepared to take a significant capital loss in case one of the currencies of the pair decreases dramatically. The total loss may significantly exceed the amount invested, e.g. 100% loss of target clients' initial investment and any additional payment obligations that might exceed the invested amount (i.e., margin calls).
> Risk tolerance and compatibility of risk/reward profile of the product with the target market. Firm should be explicit about the criteria that must be met in order to categorise a client in this way (the risk indicator stipulated by the PRIIPs Regulation or the UCITS Directive, should be used where applicable, to fulfil this requirement)	Due to volatility on the FX market clients shall be prepared to certain fluctuations in FX rate during the life of the Deliverable FX Swap. Clients should have a high-risk tolerance in order to enter such type of transactions.

> Clients' investment objectives and needs (i.e., expected investment horizon (number of years investment is to be held)	Clients with short, medium or long-term investment horizons - depends on the purpose and the strategic view of the client as well as the duration of trading purposes. A Deliverable FX Swap may be useful for managing currency risk associated with purchasing products or goods denominated in the currency that differ from the one of main balance.
Negative Market	
	This product is deemed incompatible for clients which are looking for full capital protection or full repayment of the amount invested and/or are fully risk averse/have no risk tolerance and/or need a fully guaranteed income or fully predictable return profile. Also, the product doesn't suite for those who is not experienced in dealing in Complex instruments and fall under category of Retail clients.
Commercial Characterictics	
	The product has such specific features as fixed term of investment and derivative component. Deliverable FX Swaps are traded on the basis of current market conditions such as current SPOT FX rate in the chosen currency pair and forward component (the FX rate established for the needed date in the future). The product will be sold as a hedge of the existing position or as a possibility to use other currency then the main balance currency or as a mean to pursue current strategic view on the further developments in FX rate in a certain currency pair.
Key Risks	
	Market risk, interest rate risk: Opposite market movements can cause an undesirable loss in the position. The price of the product is exposed to the relevant market conditions which might cause the current FX rate to fluctuate which can lead to negative mark-to-market which may lead to early termination. Proper control over the position held would let the Client act to offset the negative price movements. **Volatility risk:** FX market is characterized by the extreme volatility that could arise in short term. **Counterparty risk & Operational risk:** Risk of failure to deliver funds either on the first or the second leg of the transaction. Possibility of economic loss arising from the credit quality of the counterparty with which the Company transacted (counterparty risk), as well as the effectiveness of its internal systems, processes and procedures (operational risk). The credit rating is reflected in the external or internal credit ratings of a counterparty. **Currency risk:** The possibility for economic loss arising from movements in currency exchange rates, their volatilities or correlations.
Risk Management	
	The Company undertakes a scenario analysis of its financial instruments to assess the risks of poor outcomes for end clients posed by the product and circumstances when these outcomes may occur. Operating limits and other practices that maintain exposures within the levels that are consistent with the Company's internal policies. Overall market risk limits as well as limits allocated to the different market risk types shall exist, including open market position, sensitivity and stop loss limits. Market risk internal limits are set by the Risk Manager and approved by the Board of Directors. Clients' positions are covered with cash and in case of margin trading,

	stop loss limits are imposed. Large exposures and stress tests when appropriate.
Product Testing	
	Examples of negative conditions: • The market environment deteriorated: Systematic risk (market risk is the risk of loss caused by movements in the prices of traded assets; it reflects the extent to which the return of the security varies in response to, or in association with, variations in the overall market returns). • The manufacturer or the third party involved in manufacturing and/or functioning of the financial instrument experiences financial difficulties or another counterparty risk materialises: Settlement risk (the risk that arises when payments are not exchanged simultaneously; one example is foreign exchange settlement risk or cross-currency settlement risk). • • Counterparty risk (the possibility of economic loss arising from the credit quality of the counterparty with which the Company transacted). • The financial instrument fails to become commercially viable: N/A • The demand for the financial instrument is much higher than anticipated, putting a strain on the Company's resources and/or on the market of the underlying instrument: N/A, the Company will only execute accurate instructions as described in its Best Execution Policy.
Charging Structure	
	The fixed fee charged for the given transaction will ensure that the Company does not depend on the returns of the clients' portfolios to discourage the excessive risk taking or pursuing short-term gains strategies. Charges shall not undermine the financial instrument return expectations in terms of tax advantages. The charging structure is appropriately transparent for the target market and shall be provided as part of the clients' disclosure and agreements describing all charges applicable to the services offered.
Distribution Strategy	
	Distribution strategy which can be employed is reception, transmission and execution of orders. There is possibility of using the Initial Margin as a collateral for the transaction. Thus, for Professional Clients and ECPs Brokerage services (Brokerage Agreement or ISDA) as per the Appropriateness Assessment.
Conflicts of Interests	
	Proper management of conflicts of interest, including remuneration. The Company has developed its business model to prevent or manage potential conflicts of interest. The Company's business model ensures that its staff are remunerated based on a balanced scorecard, rather than on the value or volume of client trades. No variable compensation based on trading volume. Detailed description can be found in the Company's Conflict of Interest Policy, which is regularly reviewed to ensure that the Company continues to effectively prevent or manage any potential conflict of interest. The analysis of potential situations where conflicts of interest can take place produced the following result: (a) an exposure opposite to the one that the Company wants to hold after the sale of the product - this conflict is managed by the implementation of Chinese wall procedures.

Review & Oversight	
	This product will be reviewed on an annual basis or whenever changes to the commercial or regulatory environment require so, whichever occurs sooner.