Risks Disclosure for Financial Instruments

Introduction

The Company highlights, that the public dealing in Contracts for Differences (CFDs) may not be appropriate for everyone. The Client should know and understand all the dangers involved in such direct or indirect dealings and acknowledge that he may face the loss of his entire funds and may also require to cover additional commissions. By entering into an agreement with the company and by each placing of order to execute a transaction on the trading platform or by any other means, the Client accepts to undergo such risks.

Before opening a trading account with the Company, all Clients and prospective Clients should read carefully this Risk Disclosure for Financial Instruments and also the General Risk Disclosure, available on the Company's website under the 'About Us' section, sub-heading 'Legal Documentation', with all information and warnings included.

This document doesn't seek to explain and warn against all of the risks of dealing in CFDs. It is exclusively created to explain the nature of the risks when dealing in the CFDs provided by the Company and helping you – the Client - to decide upon your investments on an informed basis. The Client may seek advice and consultation from an independent financial advisor in case of any doubts or to seek further clarification. The Company itself does not provide such services.

Leverage

The Client accepts that the value of the CFDs may fluctuate downwards or upwards and it is also possible that the investment becomes of no value, irrespective of any information offered by the Company, This is due to the high degree of "gearing" or "leverage" which is a clear feature of CFDs.

This originates in the margining system applicable to such trades. It generally includes a relatively low deposit or margin in terms of the overall contract value, meaning that a relatively small movement in the underlying market can have a much stronger effect on the Client's trade.

Volatility of price and limitation on the available market

CFDs provided by the Company are derivative financial instruments and their price is derived from the price of the underlying asset, which the CFD refers to. The prices of CFDs and the underlying assets may be highly unstable, unpredictable, may fluctuate rapidly and reflect unexpected events or conditions which can not be controlled by the Client or by the Company.

Those movements will affect the global prices and ultimately the liquidity in the market, thus, under certain market conditions, it may be impossible to execute any type of order at the declared price. It means that even 'Stop /Loss orders" can not assure the Client the of the limit his loss and these orders are not guaranteed to be executed at the stated price. Once the 'Stop/Loss orders' have been set off, it becomes a market order, which is filled at the best possible price. This price may be lower than the price specified by the 'Stop/Loss orders'.

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The prices of CFDs may be influenced by national and international political and economic events, governmental, agricultural, commercial and trade programs and policies, by changing supply and demand relationships and by the prevailing psychological characteristics of the relevant market place, amongst other things.

As a result of reduced demand for the underlying instrument,some of the CFDs underlying assets may not become instantly liquid and Client may not be able to procure the information on the value of these or the scope of the risks associated.

Trading in CFDs is speculative and associates with a high degree of risk. The Client should be aware that by trading with CFDs he may lose all the margin and additional funds held in that specific trading account held at the Company, which serves as collateral for opening and maintaining his trading positions.

Transactions with CFDs provided by the Company are not carried out on a recognized exchange but through the Company's electronic trading platforms. This may put the Client at a greater risk than regulated exchange transactions. The terms and conditions and trading rules are established exclusively by the counterparty, which is the Company. These trading rules may at times result in the forced closure of an open position of any given financial Instrument during the opening hours of the Company's electronic trading platforms.

Additional obligations

The Client, prior to trading, should familiarize themselves with details of all charges and other fees applicable, all of which are available on the Company's website(s). If certain elements such as commissions not expressed in money terms e.g. dealing spreads are somewhat confusing to the Client, they may ask for a written explanation.

Trading in CFDs means placing a trade in relation to movements of prices on a specified product which is offered by the Company. Prices quoted by the Company are including a spread mark-up, or mark-down compared to prices that the Company may receive or expect to receive if it were to cover transactions with you by a trade in the interbank market or with another counterparty.

The Client should realize the total impact of spreads related to the size of the margin he deposits. Thus, the Client should carefully examine the effect of spreads, mark-ups, or mark-downs and the related charges on his trading and the impact that these may have on his trading account and activity.

The value of open positions in the CFDs provided by the Company is subject to financing fees otherwise known as SWAP. These fees are based on prevailing market interest rates, which vary over time. The price of long positions is reduced, conversely the price of short positions is increased by a daily financing fee throughout its life. Details of the daily financing fees are available on the Company's website.

The trades in CFDs may be or become subject to tax and/or any other duty, for example because of changes in legislation or Client's personal circumstances. The Company cannot guarantee that no tax and/or any other stamp duty will be applicable. The Client is responsible for any taxes and/or any other duties which may occur with reference to his trades.

Margin requirements

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The Client is required to deposit funds in his trading account in order to open a position. When the Client places a trade, part or possibly all these funds will be required to satisfy the margin requirement. Margin requirements depend on the underlying asset of the CFD, level of leverage chosen and the value of position to be established.

It is the Clients responsibility that they ensure they have sufficient funds in their specific trading account to cover all their margining requirements. The Company will not notify the Client of any 'Margin Call' to hold a loss making position.

In the event that the Client has insufficient funds to cover their margin requirements, the Company has the discretionary right

(a) to start closing positions when 'Margin Level' decreases to about 50%of the required 'Margin Level' for any particular Financial Instrument

(b) to close automatically all positions at market prices, if 'Margin Level' drops below 20% of the required 'Margin Level' for any particular Financial Instrument.

The Company reserves the right to review and/or amend this Risk Disclosure for Financial Instruments whenever it deems necessary, without prior notice to the Client.

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