



Risk Disclosure Policy

Version: 1.1 | Last update: 03.04.2025

1. Introduction

MEXEM FINANCIAL SERVICES UK LIMITED ("Mexem UK" or "the Company") is authorised and regulated by the Financial Conduct Authority (FCA) under Firm Reference Number (FRN) 1009371. The Company acts as an introducing broker and does not execute or hold client assets directly. Trading services are provided by **Interactive Brokers (U.K.) Limited ("IBUK")**, authorised and regulated by the FCA under FRN 208159.

This Risk Disclosure Statement outlines key risks associated with trading financial instruments including stocks, options, futures, bonds, and contracts for difference (CFDs). It is **not exhaustive** and does **not constitute investment advice**. Clients should ensure they fully understand the risks before entering into transactions and seek independent financial advice where necessary.

2. Terms of Engagement

By trading financial instruments through Mexem UK, you acknowledge that Mexem acts solely as an introducing broker and that all execution, custody, and clearing services are provided by Interactive Brokers (U.K.) Limited (IBUK).

When you open an account with Mexem, you enter into a separate trading and clearing agreement directly with IBUK. Your relationship with IBUK is governed by their own customer agreement, terms and conditions, and risk disclosures, which you are required to review and accept.

This document does not constitute investment advice or a recommendation to engage in any specific transaction. Mexem does not assess the suitability or appropriateness of your investment decisions. You are solely responsible for evaluating the risks of any trade, and should consult an independent financial adviser if necessary.

This risk statement should be read in conjunction with Mexem's Terms and Conditions and the documents provided by IBUK, including their Customer Agreement and Risk Disclosure Statement.



2.1 Risks Associated with Trading Financial Instruments

Trading financial instruments involves significant risks and is not suitable for all investors. You should not trade unless you fully understand the nature of the products and the extent of your potential exposure to loss.

The risks outlined below apply whether you are investing through a Stocks and Shares ISA or through a general investment account. While a Stocks and Shares ISA offers tax advantages, it does not reduce the investment risks associated with the underlying financial instruments.

1. Market Risk

The value of investments can go up or down depending on market conditions. Price fluctuations may be caused by economic news, interest rate changes, political events, or changes in investor sentiment. You may not get back the amount you originally invested.

2. Investment Risk

Investments in individual companies (shares) or collective investment vehicles (e.g. funds or ETFs) are subject to risks related to the performance of those companies or the underlying assets held by the fund. Diversification may help reduce risk but does not eliminate it entirely.

3. Liquidity Risk

Some securities may be harder to sell, especially during periods of market stress or low trading volumes. You may not be able to sell an investment when you want to, or you may have to accept a lower price.

4. Charges and Costs

Trading and holding investments in your ISA may involve charges, including dealing commissions, platform fees, fund charges, and other administration costs. These charges can affect overall investment performance. You should ensure you understand all applicable charges before investing.

5. ISA-Specific Risks

- Tax rules may change: While ISAs are currently exempt from capital gains tax and income tax on qualifying investments, the rules governing ISAs are set by the UK government and could change in the future.



- Contribution limits apply: You can only contribute up to the annual ISA allowance, which is set by HMRC and subject to change.
- Transfers and withdrawals: Transfers between ISA providers may involve delays or result in temporary loss of market exposure. Withdrawals may affect your ISA allowance unless using a flexible ISA structure.

6. No Advice

Mexem UK does not provide investment advice or assess the suitability of your chosen investments. You are responsible for your own investment decisions. If you are unsure about any investment, you should seek advice from an independent financial adviser.

Remember past performance is not a reliable indicator of future performance. All investments carry risk, and the value of your ISA portfolio may fall as well as rise. You may receive less than you invested.

Previous drafted policy:

2.1 Risks associated with Transactions

- It is emphasized that for many members of the public dealings in financial instruments, including but not limited to Stocks, Options, Futures Bonds and Contracts for Difference will not be suitable. The Client should not engage in any dealings directly or indirectly in financial instruments unless he/she knows and understands the features of the risks involved in them.
- The Client should unreservedly acknowledge and accept that, regardless of any information which may be offered by the Company, the value of the financial instrument may fluctuate downwards or upwards and it is even probable that the investment may become of no value.
- The Client should unreservedly acknowledge and accept that he runs a great risk of incurring losses and damages as a result of the dealing in Stocks, Options, Futures Bonds and Contracts for Difference and accepts and declares that he is willing to undertake this risk.
- The Client should not engage in any dealings directly or indirectly in Stocks, Options, Futures Bonds and Contracts for Difference unless he knows and understands the futures risks involved in them.



- The Client should take the risk that his trades in Stocks, Options, Futures Bonds and Contracts for Difference may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.
- The high degree of “gearing” or “leverage” is a particular feature of the Stocks, Options, Futures Bonds and Contracts for Difference. This stems from the margin system applicable to such trades, which generally involves a comparatively modest deposit in terms of the overall contract value so that a relatively small movement in the underlying market can have a disproportionately effect on the Client’s trade.

The Contracts for Difference available for trading with the Company are non delivery spot transactions giving an opportunity to make a profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. If the underlying instrument movement is in the Client’s favor, the client may achieve a good profit, but an equally small adverse market movement cannot only quickly result in the loss of the Clients’ entire deposit but also any additional commissions and other expenses incurred.

- Contracts for Differences (CFDs) are derivative securities, where their price is derived from the price of the underlying reference instruments in which the CFDs refer to. Derivative securities/markets can be highly volatile. The prices of CFDs and the Underlying Reference Instruments and Indices may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it can be impossible to execute any type of Clients order at a declared price. Therefore Stop Loss order cannot guarantee the limit of loss.
- The prices of CFDs will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

Transactions in CFDs are not undertaken on a recognized exchange, rather they are undertaken through the Company’s Trading Platform and, accordingly, they may expose the Client to greater risks than regulated exchange transactions. The terms and conditions and trading rules are established solely by the counterparty which in this case is the Company.



The Client is obliged to close an open position of any given CFD during the opening hours of the Company's Trading Platform. The Client also has to close any position with the same counterparty with whom it was originally entered into, thus the Company.

- Before the Client begins to trade, he should obtain details of all commissions and other charges for which the Client will be liable. If any charges are not expressed in money terms (but for example as a dealing spread), the Client should obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.
- The value of open positions in Stocks, Options, Futures Bonds and Contracts for Differences subject to swap charges. Swap charges are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on the Company's website.
- Clients are required to deposit a minimum of collateral with the Company in order to open a position. The collateral will depend on the underlying instrument of the Stocks, Options, Futures Bonds, Contracts for Difference or any other financial instrument, level of leverage chosen and the value of position to be established.

The Company may not notify the Client for any additional requirements regarding the collateral needed to sustain a loss making position. The Company has the discretionary right to start closing positions when collateral cannot maintain the Client's position. The company guarantees that there will be no negative balance in the account when trading CFDs.