

RISK DISCLOSURE NOTICE

December 2024

Introduction

B2B PRIME SERVICES EU LIMITED ("the Company", "we", "us", "our", "ours" and "ourselves" as appropriate), whose headquarters are at 1 Georgiou Kaningos, Pamelva Court, Office 104, Limassol, Cyprus, is authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) under license number **370/18**.

Every type of Financial Instrument has its own characteristics and entails different risks. This Notice contains information about Forex, Contracts for Difference (CFDs) or any other financial derivative product including some of the risks associated with trading with those Financial Instruments and should be read together with our **Terms of Business/Client Agreement** and the accompanying documents. It is not intended to mention or explain all risks and other important aspects involved in dealing with Forex, CFDs or any other financial derivative product nor does it disclose all risks, and it does not replace your own understanding and experience of the above-mentioned products. It explains, in general terms, the nature of the risks associated with trading in Forex, CFDs or any other financial derivative product in order to assist you in understanding the nature and risks of this specific type of Financial Instrument being offered and, consequently, to be in a position to take investment decisions on an informed basis.

However, we would like to warn you that this notice does not disclose all of the risks and other significant aspects of trading in Forex, CFDs or any other financial derivative product. In light of the risks, you should undertake such transactions only if you understand the nature of the financial instruments into which you are entering and the extent of your exposure to risk. Trading in high risk financial instruments like Forex, CFDs or any other financial derivative product may not be suitable for everyone and you should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. If you are in any doubt as to the suitability of any investment you should seek independent professional expert advice.

Please note that the value of your investments may rise or fall depending on market conditions and that you may not always recoup your initial investment. In addition, past performance should not be seen as an indication of future performance.

This Risk Disclosure Notice ("the Notice") is provided in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)2017) as this may be amended from time to time ("the Law"), which is applicable to the Company and which transposed the European Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as the same may be in force from time to time and modified or amended from time to time (hereinafter "MiFID II"). "Financial Instruments" shall mean Forex, Contracts for Difference (CFD) or any other derivative product.

For better understanding of our services, you should read this Notice together with the following documents which form our agreement with you:

- Terms of Business/Client Agreement;
- Summary of Conflicts of Interest Policy;
- Best Execution Policy;
- Costs and Associated Charges;
- Complaints Management policy;
- Client Categorisation Policy; and
- Privacy Policy Notice.

The Company offers trading in Contracts For Differences ("CFDs").

1. Description of Contract for Difference (CFD)

A CFD (Contract for Difference) is an agreement to exchange the difference between the opening and closing value of a contract at its close. Rather than buying or selling the underlying instrument on which your contract is based, you simply place a trade with a CFD provider. The price of your CFD will then replicate the price of the underlying asset (without actually owning the underlying



product) giving you a profit (or a loss) as the price of the underlying moves, so that the amount of any profit or loss made on a CFD will be equal to the difference between the price of the underlying instrument when the CFD is opened and the price of the underlying instrument when the CFD is closed, multiplied by the number of underlying instruments to which the CFD relates.

The types of CFD include, but are not limited to Foreign Exchange CFDs, Futures CFDs, Option CFDs, Share CFDs, Stock Index CFDs, commodities CFDs and crypto CFDs.

CFDs are a way of trading on the upward or downward price movements of traditional financial markets without buying or selling the underlying asset directly. The potential losses associated with the price movements can exceed the total value of the initial margin (and any additional margin funds) the Client has deposited with the Company, and the Client may be obliged to close his positions at the worst possible time. However, retail clients' losses will never exceed the balance of their account as the Company offers a "negative balance protection".

When trading CFDs, the Client will be charged an interest rate which mirrors the financing rate of actually borrowing the funds to invest. This means that if the Client purchases a CFD, the Client will be required to **pay financing costs (SWAP)** for the period during which the Client holds the position. However, the Client will not pay any financing costs if he opens and closes a CFD position on the **same day**. This means that if the Client holds a long position for a certain period of time, the financing costs might become substantial. Details of financing fees applied are available on the Company's website (www.b2prime.com) and/or provided to the client during the account opening process.

1.1 Example

Trading in CFDs allow you to make a profit or loss from the price fluctuations in the underlying financial instrument and the amount of your profit or loss on a CFD trade will be the total of the difference between the opening and the closing value of the CFD multiplied by the Quantity less any commissions and/or any other fees you incur and are required to pay to us in respect of the CFD.

1.2 Example of trading in CFDs

Example 1

To open a CFD position, you need to deposit only a fraction of the full value of your trade, usually around 3.33 - 100 per cent (%); (Leverage = 1:30 to 1:1). CFD trading therefore offers the possibility of a much better return on your initial investment than paying for the trade in full. However, any losses will be amplified in the same way, as shown in the example below:

If you bought €10,000 of shares directly and the price moved by €500, you would make a profit (or loss) of 5 per cent. If you opened a CFD on the same shares with a margin of 10 per cent (1:10), your outlay would be €1,000, and the value would still move by €500 giving you a profit (or loss) of 50 per cent.

Example 2

To open a CFD position, you need to deposit only a fraction of the full value of your trade. If you wish to purchase 120,000 units of EURUSD at price 1.16750 with margin requirement 3.33% (which is equal to 1:30 leverage) for that instrument, this requires you to place a margin of: 120,000 units / leverage (30) = EUR 4,000 (Base Currency of traded pair - EURUSD).

It should be noted that the Company shall monitor the leverage applied to Client's positions, at all times. The Company reserves the right to decrease the leverage depending on the Client's trade volume.

1.3 How CFDs Differ from Underlying Securities

Shares of common stock represent a fractional ownership interest in the issuer of that security. Ownership of securities confers various rights that are not present with positions in CFDs. For example, persons owning a share of common stock may be entitled to vote in matters affecting various corporate actions. They also may be entitled to receive dividends and corporate disclosure, such as annual and quarterly reports.

The purchaser of a CFD, by contrast, has only a contract for future settlement. The purchaser of the CFD is not entitled to exercise any voting rights over the underlying security and is not entitled to any dividends that may be paid by the issuer.

Moreover, the purchaser of a CFD does not receive the corporate disclosures that are received by shareholders of the underlying security.

Owning the underlying security does not require an investor to meet any margin requirements in contrast with CFDs leveraged trading.

2. Risks & Warnings associated with transactions in Forex, CFDs or any other derivative product

Charges and taxes

- The Provision of Services by the Company to the Client is subject to fees, available on the Company's website at www.b2prime.com. Before the Client begins to trade or accept any services from the Company, he should obtain details of all fees, commissions, charges for which the Client will be liable. It is the Client's responsibility to check for any changes in the charges.
- If any charges are not expressed in monetary terms (but, for example, as a percentage of contract value or as a dealing spread), the Client should ensure that he understands what such charges are likely to amount to. It is the Client's responsibility to request and obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.
- The Company may change its charges at any time, according to the provisions of the Terms of Business/Client Agreement found on the Company's website (www.b2prime.com).
- There is a risk that the Client's trades in any Financial Instrument 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 Company does not offer tax advice and recommends that the Client seek advice from a competent tax professional if the Client has any questions.
- The Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.
- It is noted that taxes are subject to change without notice.
- If required by applicable Law, the Company shall deduct at source from any payments due to the Client such amounts as are required by the tax authorities to be deducted in accordance with applicable Law.
- It is possible that other costs, including taxes, relating to Transactions carried out on the Trading Platform may arise for which the Client is liable, and which are neither paid via us nor imposed by the Company. Although it is the Client's sole and entire responsibility to account for tax due and without derogating from this, the Client agrees that the Company may deduct tax, as may be required by the applicable law, with respect to his trading activity on the Trading Platform. The Client is aware that the Company has a right of set-off against any amounts in the Client's Trading Account with respect to such tax deductions.
- It is noted that the Company's prices in relation to CFDs trading are set/quoted in accordance to the Company's Best Execution Policy. It is noted that Company's prices may be different from prices reported elsewhere. The prices displayed on the Company's Trading Platform reflects the last known available price at the moment prior to placing any Order, however, the actual execution price of the Order may differ, in accordance with the Company's Best Execution Policy and Client Agreement. As such, the price that the Client receives when he opens or closes a position may not directly correspond to real time market levels at the point in time at which the sale of the CFD occurs or reflect the prices of third party brokers/providers.

Third party risks

- It is understood that the Company will promptly place any Client money it receives into one or more segregated account(s) (denoted as 'clients' accounts') with reliable financial institutions (within or outside Cyprus or the EEA) such as a credit institution or a bank in a third country. The Company shall exercise due skill, care and diligence in the selection of the financial institution according to Applicable Regulations. It is however understood that there are circumstances beyond the

control of the Company and hence the Company does not accept any liability or responsibility for any resulting losses to the Client as a result of the insolvency or any other analogous proceedings or failure of the financial institution where Client money will be held.

- Further to above paragraph, the Company may pass money received from the Client to a third party (e.g. an intermediate broker, a bank, a market maker, a liquidity provider, a settlement agent, a clearing house or OTC counterparty located within or outside Cyprus) to hold or control in order to effect a Transaction through or with that person or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. The Company shall exercise due skill, care and diligence in the selection of the third parties according to Applicable Regulations. The Company has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.
- The financial institutions and/or third parties of above paragraphs where Client money will be held may be within or outside Cyprus or the EEA. It is understood that the legal and regulatory regime applying to any such financial institution and/or third party outside Cyprus or the EEA will be different from that of Cyprus. Hence, in the event of the insolvency or any other equivalent failure or proceeding of that person, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in Cyprus.
- The financial institutions and/or third parties to which the Company will pass Client money as per above paragraphs may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. Hence, in the event of the insolvency or any other analogous proceedings in relation to that financial institution and/or third party, the Company may only have an unsecured claim against the financial institution and/or third party on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the financial institution and/or third party is insufficient to satisfy the claims of the Client. The Company does not accept any liability or responsibility for any resulting losses. In general, accounts held with institutions, including omnibus account(s), face various risks, including the potential risk of being treated as one (1) account in case the financial institution and/or third party in which the funds are held defaults. Under such circumstances any applicable deposit guarantee scheme may be applied without consideration of the Client as the ultimate beneficial owners of the Omnibus Account. In addition, resolution measures may be taken in such a case, including the bail-in of Client funds.
- The Company may deposit Client money with a depository who may have a security interest, lien or right of set-off in relation to that money.
- A Bank or Broker through whom the Company deals with could have interests' contrary to the Client's Interests.

Insolvency

The Company's insolvency or default or the insolvency or default of any parties involved in Transactions undertaken by the Company on the Client's behalf (including without limitation brokers, execution venues and liquidity providers), may lead to positions being liquidated or closed out without the Client's consent and as a result the Client may suffer losses. In the unlikely event of the Company's insolvency, segregated client funds cannot be used for reimbursement to the Company's creditors. If the Company is unable to satisfy repayment claims, eligible claimants have the right to compensation by the Investor Compensation Fund. More information regarding the Investor Compensation Fund can be requested from the Company.

Segregated Funds will be subject to the protections conferred by Applicable Regulations. The Company may hold Segregated Funds on the Client's behalf in a Segregated Account located outside EU, or pass money held on the Client's behalf to an intermediate broker, settlement agent or OTC counterparty located outside EU. The legal and regulatory regime applying to any such person will be different from that of EU and in the event of the insolvency or any other equivalent failure of that person, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in EU. The Company will not be liable for the solvency, acts or omissions of any third party referred to in this clause.

Technical risks

- The Client and not the Company shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems, which are not the result of gross negligence or willful default of the Company.



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- If the Client undertakes transactions on an electronic system, he will be exposed to risks associated with the system including the failure of hardware, software, servers, communication lines and internet failure. The result of any such failure may be that his order is either not executed according to his instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.

Client acknowledges the risk that should third parties (hackers) launch a coordinated attack against Company systems that there may be a disruption of services that may result in Client losses. The Company does not accept any liability resulting from such attacks to the extent that the Company has taken all reasonable measures on a best effort basis to fend off such malicious actions.

- The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.
- At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Company's Platform(s)/system(s), especially in fast Market (for example, when key macroeconomic indicators are released).
- The Client acknowledges that the internet may be subject to events which may affect his access to the Company's Website and/or the Company's trading Platform(s)/system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks. The Company is not responsible for any damages or losses resulting from such events which are beyond its control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access the Company's Website and/or Trading System or delay or failure in sending orders or Transactions, not owed to the Company's gross negligence or willful default.
- In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks amongst other risks in which cases the Company has no liability of any resulting loss:
 - a) Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client;
 - b) Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider, and the trading or information server of the Client;
 - c) Outage (unacceptably low quality) of communication via the channels used by the Client, or the Company or the channels used by the provider, or communication operator (including voice communication) that are used by the Client or the Company;
 - d) Wrong or inconsistent with requirements settings of the Client Terminal;
 - e) Untimely update of the Client Terminal;
 - f) When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialing, when trying to reach an employee of the broker service department of the Company due to communication quality issues and communication channel loads;
 - g) The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Client from the Company;
 - h) Trading over the phone might be impeded by overload of connection;
 - i) Malfunction or non-operability of the Platform, which also includes the Client Terminal.
- The Client may suffer financial losses caused by the materialization of the above risks, the Company accepting no responsibility or liability in the case of such a risk materializing and the Client shall be responsible for all related losses he may suffer, to the extent that these are not owed to the Company's gross negligence or willful default.

Trading platform

- The Client is warned that when trading in an electronic platform he assumes risk of financial loss which may be a consequence of amongst other things:
 - (a) Failure of Client's devices, software and poor quality of connection.
 - (b) The Company's or Client's hardware or software failure, malfunction or misuse.

- (c) Improper work of Client's equipment.
- (d) Wrong setting of Client's Terminal.
- (e) Delayed updates of Client's Terminal.
- The Client acknowledges that only one Instruction is allowed to be in the queue at one time. Once the Client has sent an Instruction, any further Instructions sent by the Client are ignored and the "orders is locked" message appears until the first Instruction is executed.
- The Client acknowledges that the only reliable source of Quotes Flow information is that of the live Server's Quotes Base. Quotes Base in the Client Terminal is not a reliable source of Quotes Flow information because the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes simply may not reach the Client Terminal.
- The Client acknowledges that when the Client closes the order placing/ deleting window or the position opening/closing window, the Instruction, which has been sent to the Server, shall not be cancelled.
- Orders may be executed one at a time while being in the queue. Multiple orders from the same Client Account in the same time may not be executed.
- The Client acknowledges that when the Client closes the Order, it shall not be cancelled.
- In case the Client has not received the result of the execution of the previously sent Order but decides to repeat the Order, the Client shall accept the risk of making two Transactions instead of one.
- The Client acknowledges that if the Pending Order has already been executed but the Client sends an instruction to modify its level, the only instruction, which will be executed, is the instruction to modify Stop Loss and/or Take Profit levels on the position opened when the Pending Order triggered.

Communication Risks

- The Company bears no responsibility for any loss that arises as a result of delayed or unreceived communication sent to the Client by the Company.
- The Company bears no responsibility for any loss that arises as a result of unencrypted information sent to the Client by the Company that has been accessed via unauthorized means.
- The Company has no responsibility if unauthorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the Company and the Client or when using the internet or other network communication facilities, telephone, or any other electronic means.
- The Company bears no responsibility for any unreceived or unread internal message sent to the Client through the trading platform(s). In case a message is not received or read within seven (7) calendar days the message gets automatically deleted.
- The Client is solely responsible for the privacy of any information contained within the communication received by the Company.
- The Client accepts that any loss that arises as a result of unauthorized access of a third party to the client's trading account is not the responsibility of the Company.
- Telephone conversations may be recorded, and you will accept such recordings as conclusive and binding evidence of the instructions



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3. Force majeure events

- In case of a Force Majeure Event the Company may not be in a position to arrange for the execution of Client Orders or fulfil its obligations under the Client Agreement. As a result, the Client may suffer financial loss.
- The Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under the Client Agreement where such failure, interruption or delay is due to a Force Majeure event.

4. Abnormal market conditions

- The Client acknowledges that under Abnormal Market Conditions the period during which the Orders are executed may be extended or it may be impossible for Orders to be executed at declared prices or may not be executed at all.
- Abnormal Market Conditions include but not limited to times of rapid price fluctuations, if the price rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is lack of liquidity, or this may occur at the opening of trading sessions.

5. Appropriateness

- Before deciding to participate in such Over the Counter (OTC) transactions, you should carefully consider your investment objectives, level of experience, status of knowledge and risk appetite.
- We are required to make an assessment whether a financial product it is appropriate for you, and to warn you if, on the basis of the information you provide to us, it is not appropriate. Hence the Company requires the Client to pass through an appropriateness test during the application process and warns the Client if trading in CFDs is not appropriate for him, based on the information provided. Any decision whether or not to open a Trading Account, and or whether or not you understand the risks lies with you.

6. Information on risks associated with complex financial instruments

- Trading CFDs can put Client's capital at risk as they are categorized as high risk complex Financial Instruments and Clients may lose the amount invested. Trading CFDs may not be suitable for all investors.
- The investment decisions made by the Clients are subject to various markets, currency, economic, political, business risks etc., and will not necessarily be profitable.
- The Client acknowledges and without any reservation accepts that, notwithstanding any general information which may have been given by the Company, the value of Forex, CFDs or any other financial derivative product may fluctuate either upwards or downwards and it is even probable that the investment may become of no value. The Client acknowledges and without any reservation accepts the existence of a substantial risk of incurring losses and damages as a result of buying or selling Forex, CFDs or any other financial derivative product and acknowledges his willingness to take such risk.
- As with any high risk financial product, you should not risk any funds that you cannot afford to lose, such as your retirement savings, medical and other emergency funds, funds set aside for purposes such as education or home ownership, proceeds from student loans or mortgages, or funds required to meet your living expenses.
- Set out below is an outline of the major risks and other significant aspects of CFDs trading:
 - i. **TRADING IN CFDs IS VERY SPECULATIVE AND HIGHLY RISKY** and is not suitable for all members of the general public but only for those investors who:
 - a) understand and are willing to assume the economic, legal and other risks involved.
 - b) taking into account their personal financial circumstances, financial resources, lifestyle and obligations are financially able to assume the loss of their entire investment.
 - c) have the knowledge to understand CFDs trading and the Underlying assets and Markets.



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- ii. The Company will not provide the Client with any advice relating to CFDs, the Underlying Assets and Markets or make investment recommendations including occasions where the Client shall request such advice and/or recommendation. However, the Company may provide the Client with information and tools produced by third parties on an “as is” basis (i.e. the Company does not approve, or endorse, or affect the said information and or tools), which may be indicative of trading trends or trading opportunities. The Client accepts and understands that taking any actions based on the information and/or tools provided by third parties may result in losses and or general reduction of value of the Client’s assets. The Company does not accept liability for any such losses resulting from actions taken by the Client on the basis of information and or tools produced by third parties.
- iii. CFDs are derivative financial instruments deriving their value from the prices of the underlying assets/markets in which they refer to (for example currency, equity indices, stocks, metals, indices futures, forwards etc.). It is important therefore that the Client understands the risks associated with trading in the relevant underlying asset/ market because fluctuations in the price of the underlying asset/ market will affect the profitability of his trade. For more information regarding the Company’s pricing policy, please refer to the Company’s Best Execution Policy.
- iv. Information of the previous performance of CFDs, the Underlying Assets and Markets does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the CFDs to which the said information refers.
- v. **Volatility:**
Some Financial Instruments trade within wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of losses. The price of a Financial Instrument is derived from the price of the Underlying Asset in which the Financial Instruments refers to. Financial Instruments and related Underlying Markets can be highly volatile.

The prices of Financial Instruments and the Underlying Asset 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 may be impossible for a Client Order to be executed at declared prices leading to losses. It is important for the Client to understand that his profitability might be affected by these changes in conditions.

Under specific market conditions (illiquidity, economic announcement, political events, at times of rapid price movement, if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted, etc) it can be impossible to execute any type of Clients order at declared price. Under these conditions the prices of Forex, CFDs, or any other derivative product may not maintain their customary or anticipated relationships to the prices of the underlying asset. Therefore placing contingent orders, such as “stop-loss” or “stop-limit” orders, may not necessarily limit your losses to the intended amounts, since market conditions, which can become extraordinarily volatile, may make it impossible to execute such orders. The Client should also be aware of gaps and windows into the price of an instrument that occur sometimes at the opening or closing of the market where the underlying instrument is traded, affecting Client’s profitability.

The prices of Forex, CFDs, or any other derivative product 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.

Engaging in trading CFDs with underlying asset a virtual currency pair, and due to high volatile nature of these pairs, you might be exposed to higher risks than trading the assets themselves or trading other CFDs with other underlying assets.

- vi. **Liquidity:**
Liquidity risk refers to the capacity to readily monetize assets without suffering a significant discount in their prices. The Client accepts and acknowledges that the Underlying Instruments on some Derivative Products on offer by the Company may be inherently illiquid or sometimes face persistent liquidity strains due to adverse market conditions. Illiquid Underlying Assets may exhibit high levels of volatility in their prices and consequently a higher degree of risk, that typically leads to larger gaps in ASK and BID prices for an Underlying Instrument than would otherwise prevail under liquid market conditions. These large gaps may be reflected on the prices of the Derivative Product the Company offers.

vii. **Off-exchange transactions in Derivative Financial Instruments:**

Transactions in Forex, CFDs or any other financial derivative product are not undertaken on a recognized stock exchange or on a Multilateral Trading facility (MTF) or on an Organised Trading Facility (OTF), rather they are undertaken through the Company's Trading Platform and/or Mobile Application, and, accordingly, they may expose the client to greater risks than regulated stock exchange transactions. The Trading Platform and/or Mobile Application do not fall into the definition of a recognized stock exchange or of a Multilateral Trading facility (MTF) or an Organised Trading Facility (OTF) because the Company is always the counterparty in every client transaction. 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 Forex, CFDs or any other financial derivative product 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.

CFDs offered by the Company are off-exchange transactions (i.e. over-the-counter). The trading conditions are set by us (in line with the trading conditions received by our liquidity providers), subject to any obligations we have to provide best execution, to act reasonably and in accordance with our Client Agreement and with our Best Execution Policy. Each CFD trade that the Client opens through our Trading Platform and/or Mobile Application results in the entering of an Order with the Company; such Orders can only be closed with the Company and are not transferable to any other person.

While some off-exchange markets are highly liquid, transactions in off-exchange or non-transferable derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an Open Position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

The Company is using an Online Trading System for transactions in CFDs which does not fall into the definition of a Regulated Market or Multilateral Trading Facility or Organised Trading Facility and as such does not have the same protection.

viii. **No Clearing House protection:**

The Transactions in CFDs offered by the Company are not currently subject to exchange or clearing house requirements/obligations.

ix. **No Delivery:**

It is understood that the Client has no rights or obligations in respect to the Underlying Assets/Instruments relating to the CFDs he is trading. There is no delivery of the Underlying Asset and all CFD contracts are settled in cash.

When investing in CFDs, if the Underlying Asset movement is in the Client's favour, the Client may achieve a profit, but an equally small adverse market movement can quickly result in the loss of the Client's entire deposit. So, the Client must not enter into CFDs unless he is willing to undertake the risks of losing entirely all the money which he has invested. Investing in CFDs carries risks and the Client should be aware of these risks. Transactions in CFDs may also have a contingent liability and the Client should be aware of the implications of this.

x. **Contingent Liability Investment Transactions:**

Contingent liability investment transactions, which are margined, require the Client to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. The Margin requirement will depend on the underlying asset of the Financial Instrument. Margin requirements can be fixed or calculated from current price of the underlying instrument and it can be found on the website of the Company.

If the Client trades in futures or Contracts for Differences, he may sustain a total loss of the funds he has deposited to open and maintain a position. If the market moves against the Client, he may be called upon to pay substantial additional funds at short notice to maintain the position. If the Client fails to do so within the time required, his position may be liquidated at a loss and he will be responsible for the resulting deficit but the retail Client will not be liable for any negative Balance in his trading account. Negative Balance of retail clients will be covered by the Company. It is noted that the Company will not have a duty to notify the Client for any Margin Call to sustain a loss making position.

Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the Client entered the contract.

Contingent liability investment transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose the Client to substantially greater risks.

xi. Suspensions of Trading:

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a Stop Loss will not necessarily limit the Client's losses to the intended amounts, because market conditions may make it impossible to execute such an Order at the stipulated price. In addition, under certain market conditions the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.

At market opening and closing times and prior to announcements, the market spread may widen substantially. Consequently, you must ensure that you have sufficient funds on your account to cover this eventuality.

xii. Slippage:

Slippage is the difference between the expected price of a Transaction in a CFD, and the price the Transaction is actually executed at, meaning that at the time that an order is presented for execution, the specific price requested by the Client may not be available; therefore, the order will be executed close to or a number of pips away from the Client's requested price. If the execution price is better than the price requested by the Client that is referred to as 'positive slippage'. In contrast, if the execution price is worse than the price requested by the Client this is referred to as 'negative slippage'. Please be advised that 'slippage' is a normal market practice and a regular feature of the foreign exchange markets and stock markets under conditions such as liquidity and volatility due to news announcements, economic events and market openings.

xiii. Leverage and Gearing:

Leverage indicates the risk undertaken by an investor which is greater than the invested capital. One of the main characteristics of leverage is that the relatively insignificant fluctuations of the underlying assets' prices can lead to multiple profits or losses. A leverage investment can be extremely risky as the investor may lose more than he/she originally invested. However, for retail clients the Company guarantees that there will be no negative balance in their account when trading in financial instruments provided by the Company due to the negative balance protection offered by the Company.

In order to place a CFD Order, the Client is required to maintain a margin. Margin is usually a relatively modest proportion of the overall contract value. This means that the Client will be trading using "leverage" or "gearing (the "multiplier feature"). This means a relatively small market movement can lead to a proportionately much larger movement in the value of the Client's position, and this can work either against the Client or for the Client.

The Client may sustain a total loss of initial Margin funds and any additional funds deposited with the Company to maintain his position. If the market moves against the Client's position and/or Margin requirements are increased, the Client may be called upon to deposit additional funds on short notice to maintain his position. Client should also consider that at market opening and closing times and prior to announcements, the market spread may widen substantially. Failing to comply with a request for a deposit of additional funds, may result in closure of his position(s) by the Company on his behalf and he will be liable for any resulting loss or deficit.

It is important that you monitor your positions closely because the effect of leverage and gearing (the "multiplier feature") speed the occurrence of profits or losses. It is your responsibility to monitor your trades and while you have open trades you should always be in a position to do so. You may do this on-line and you are advised to do this 24 hours a day, 7 days a week.

The Company offers to its Retail Clients fixed leverage ratios which vary from 1:2 to 1:30 according to the volatility of the underlying financial instrument, as follows:

CFDs on the following financial instruments	Margin rates (leverage levels)
Major FX (Currency pairs) composed of any two (2) of the following: USD, EUR, JPY, GBP, CAD and CHF	3.33% (30:1 leverage)
Other FX (non-major currency pairs) – All other currency pairs	5% (20:1 leverage)
Gold	5% (20:1 leverage)
Major indices – FTSE100, CAC40, DAX30, DJIA, S&P500, NASDAQ, NASDAQ100, Nikkei225, ASX 200, EUROSTOXX50	5% (20:1 leverage)
Non-Major indices – All other indices	10% (10:1 leverage)
Commodities (other than gold)	10% (10:1 leverage)
Shares and other reference values	20% (5:1 leverage)
Cryptocurrencies	50% (2:1 leverage)

If for example a retail investor wants to open a position on EUR/USD worth USD 30,000 and for which the fixed leverage ratio offered is 1:30 (see above table), then the investor would only need to use USD 1,000 (i.e. USD 30,000 / 30) of his/her funds to do so.

xiv. **Margin:**

The Client acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of CFDs may fluctuate downwards or upwards and it is even probable that the investment may become of no value. This is owed to the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the Underlying Market can have a disproportionately dramatic effect on the Client's trade. If the Underlying Market movement is in the Client's favour, the Client may achieve a good profit, but an equally small adverse market movement can quickly result in the loss of the Client's entire deposit.

xv. **Risk-reducing Orders or Strategies**

The Company makes available certain Orders (e.g. "stop-loss" orders, where permitted under local law, or "stop-limit" Orders), which are intended to limit losses to certain amounts. Such Orders may not be adequate given that markets conditions make it impossible to execute such Orders, e.g. due to illiquidity in the market. We aim to deal with such Orders fairly and promptly, but the time taken to fill the Order and level at which the Order is filled depends upon the underlying market. In fast-moving markets, a price for the level of your Order might not be available, or the market might move quickly and significantly away from the stop level before we fill it.

All Forex, CFDs, or any other derivative product involves risk, and there is no trading strategy that can eliminate it. Strategies using combinations of positions, such as spreads and "straddle" positions may be as risky as taking simple "long" or "short" positions. Therefore, Stop Limit and Stop Loss Orders cannot guarantee the limit of loss. Trading in Forex, CFDs, Forex or any other derivative product requires knowledge of all relevant markets and available types of orders.

xvi. **Swap Values**

If a Client holds any positions overnight, then an applicable swap charge will apply. The swap values are stated on the Company's website (www.abc.com/trading) and accepted by the Client during the account registration process as they are described in the Company's Terms of Business/Agreement.

The swap rate is mainly dependent on the level of interest rates as well as the Company's fee for having an open position overnight. The Company has the discretion to change the level of the swap rate on each CFD at any given time and the Client acknowledges that he will be informed by the Company's website. The Client further acknowledges that he is responsible for reviewing the CFDs specifications located on the Company's website (www.abc.com/trading) for being updated on the level of swap value prior to placing any order with the Company.



xvii. General risks and warnings

- A loss (which may or may not result in a margin call) may require the Client to immediately provide additional funds to the Company to maintain the open positions. The Company may also change its rates of initial margin and/or notional trading requirements at any time, which may result in a change to the margin the Client is required to maintain.
- When trading Forex, CFDs or any other financial derivative product the Client will be charged an interest rate which mirrors the financing rate of actually borrowing the funds to invest. This means that if the Client purchases a Forex, CFDs or any other financial derivative product, the Client will be required to **pay financing costs (SWAP)** for the period during which the Client holds the position. However, the Client will not pay any financing costs if he opens and closes Forex, CFDs or any other financial derivative product position on the **same day**. This means that if the Client holds a long position for a certain period of time, the financing costs might become substantial. Details of financing fees applied are available on the Company's website (www.b2prime.com) and/or provided to the client during the account opening process.
- Forex, CFDs or any other financial derivative product are not suitable for 'buy and forget' trading or long-term positions. Each day the client maintains the position it costs money (if you are long), so there is a time when Forex, CFDs or any other financial derivative product become too expensive.
- You have no rights or obligations in respect of the underlying instruments relating to your Forex, CFDs or any other financial derivative product.
- In case of any quoting error occur (including responses to Client requests, typing errors, etc), the Company is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant account.
- The client is obligated to keep passwords secret and ensure that third parties do not obtain access to client's online account. The client will be liable for trades executed by means of his password even if such use may be wrongful.
- The Client declares and warrants that he/she has read, understood and accepts the following:
 - i. Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.
 - ii. Some Financial Instruments may not become immediately liquid as a result e.g. of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks.
 - iii. When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance.
 - iv. A Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in the Clients country of residence. In some cases, these risks may be greater. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.
 - v. A derivative financial instrument (i.e. option, future, forward, swap, contract for difference) may be a non delivery spot transaction giving an opportunity to make profit on changes in currency rates, commodity or indices.
 - vi. The value of the derivative financial instrument may be directly affected by the price of the security or any other underlying asset which is the object of the acquisition.
 - vii. The Client must not purchase a derivative financial instrument unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.

- In case of a Force Majeure Event the Customer shall accept the risk of financial losses.
- The Client acknowledges and accepts that there may be other risks which are not contained above.

7. Margin call

Clients are required to deposit a Margin with the Company in order to open a position. The Margin requirement will depend on the underlying instrument of the Forex, CFDs or any other financial derivative product, the level of leverage chosen and the value of position to be established.

The Client has the responsibility to ensure that he/she has sufficient margin on his/her trading account, at all times, in order to maintain an open position. In addition, the Client shall continuously monitor any open positions in order to avoid positions being closed due to the unavailability of funds.

The Company **will not notify** the client for any Margin Call to sustain a loss making position. The Company has the right, at its own discretion, to start closing Clients positions at margin level less than 100% starting from the most unprofitable one and at margin level of equal or less than 50% the Company will automatically close Client's positions at market price starting from the most unprofitable one. For retail clients the Company guarantees that there will be no negative balance in their account when trading in financial instruments provided by the Company due to the negative balance protection offered by the Company.

It is of great importance that clients always monitor their positions with the Company. Clients should ensure that their trading accounts are sufficiently funded to avoid any disturbances from possible margin calls and /or stop-outs in their trading activity.

As a result of existing market conditions, the Client may not be able to sell a Forex, CFDs or any other financial derivative product even if such Forex, CFDs or any other financial derivative product is usually offered by the Company, or, where the Client has already sold a Forex, CFDs or any other financial derivative product, the Company may compel the Client to close his position. This may happen in the event that the underlying instrument cannot be borrowed for various reasons such as the announcement of a purchase offer, payment of dividends, or aggressive sales orders on the market.

8. Risks associated with CFDs on Cryptocurrencies

- Cryptocurrencies are a type of decentralized digital currency/asset and is not issue by any Central Bank or other issuer, in which encryption techniques are used to facilitate the generation of units of the currency or asset and verify the transfer of units.
- Trading in Cryptocurrencies and/or CFDs on Cryptocurrencies is not appropriate for all investors, and thus you should not trade in such products unless you understand and accept the specific characteristics and risks related to these products.
- By trading in such products, a significantly higher risk of loss of the initial invested capital may occur within a very short period of time as a result of adverse price movements of the Cryptocurrencies. This is due to the fact that the price formation and price movements of the Cryptocurrencies depend solely on the internal rules of the particular digital exchange, which may be subject to change at any point in time without prior notice. This leads to a very high intra-day volatility in the prices of Cryptocurrencies, which may be substantially higher relative to other financial instruments provided by the Company.
- You hereby acknowledge and accept, prior to investing in CFDs on Cryptocurrencies, that you are aware of the following:
 - i. Such products are complex, extremely risky, and usually highly speculative;
 - ii. Such products entail a high risk to loss all of your invested capital;
 - iii. The values of Cryptocurrencies are subject to extreme price volatility and hence, may result in significant loss over a short period of time;
 - iv. Such products are not appropriate for all investors. As such you should not engaged in trading in relation to such products if you do not have the necessary knowledge in this specific product or if you cannot bear the loss of your entire invested amount; and

- v. You should be fully aware of, and understand, the specific characteristics and risks in relation to these products.
- The market and pricing data on Cryptocurrencies is derived from the digital decentralised exchanges that the Cryptocurrencies are traded on. The company bases the price of its Cryptocurrency products on the undelaying market, which is provided by the exchanges and market-makers the company trades with. It is important to note the distinction between the indicative prices displayed on charts and dealable prices displayed on the trading platform and/or Mobile Application. Indicative quotes only provide an indication of where the market is. Due to the fact that Cryptocurrencies market is decentralized, and as such it lacks a single central exchange where all transactions are concluded, each market maker may quote significantly different prices. Therefore, any prices displayed on charts made available by us or any third party will only reflect “indicative” prices and not necessarily actual “dealing” prices where trades can be executed.
 - You should be aware that when the software of different miners of a Cryptocurrency becomes misaligned, a split (or “Fork”) in the blockchain may occur and the latter results in the existence of the two different blockchains. In the case where both blockchains continue to exist, the Company at its reasonable discretion, may follow the blockchain that has the majority consensus of Cryptocurrency users and use this as basis for its prices. The Company reserves the right to determine which blockchain and Cryptocurrency unit have the majority consensus behind them. When a “Fork” occurs, there may be substantial price volatility around the event, and we may suspend trading throughout if we do not have reliable prices from the underlying market. We will endeavour to notify you of potential blockchain Forks, however it is your responsibility to make yourself aware of the Forks that could occur.
 - If at any time any of the Cryptocurrencies that forms the subject of your order is delisted and/or we no longer support the trading in such Cryptocurrencies for any reason, then the applicable order will be immediately closed. If the Company is notified that Cryptocurrency you hold in your account is likely to be delisted and/or removed and/or cancelled from any of the exchanges (some or all) and the Company believes that it shall not be able to trade in such Cryptocurrencies, the Company shall make an effort to close any current orders in CFDs on such Cryptocurrencies on your behalf at such time and price, and in such manner, as it determines.
 - There is no guarantee that your order will be filled in full or in part. Where a delay occurs for any reason, we will attempt to execute the orders as soon as reasonably practicable. You acknowledge and accept that the market price of Cryptocurrencies may have moved during the time between our receipt and acceptance of your order and our attempt to execute order. In these circumstances, the third-party who has provided the quotation to us is not obliged to honour the indicative price you have received. Such movements in price may be in your favour or against you.
 - The Company does not own or control the underlying software protocols which govern the operation of Cryptocurrencies available for trading on our Trading Platform and/or Mobile Application. In general, the underlying protocols are open source and anyone can use, copy, modify, and distribute them. By using the Company’s services, you acknowledge and agree that:
 - i. The Company is not responsible for operation of the underlying protocols and that the Company makes no guarantee of their functionality, security, or availability; and
 - ii. The underlying protocols are subject to sudden changes in operating rules (i.e., Forks) and that such Forks may materially affect the value, function, and/or even the name of the Cryptocurrency the Company holds for your benefit.
 - iii. In the event of a Fork, you agree that the Company may temporarily suspend its operations in regard to Cryptocurrency(ies) without prior notice to you and that it may at its sole discretion (a) configure or reconfigure its systems; or (b) decide not to support (or cease supporting) the forked protocol entirely.

According to our sole discretion we may decide to adjust your account in respect of a Fork depending on the circumstances of each event attributable to any specific Cryptocurrency held by you. Such adjustment shall be calculated by us, net of any taxes which may apply with respect thereto. In doing so we will make efforts to effect such adjustment on the basis of good faith and fairness and, where appropriate, by taking such action as is consistent with market practice and/or taking into account the treatment we may receive from our counterparties or any relevant party.

You acknowledge and agree that the company assumes no responsibility whatsoever in respect of an unsupported branch or a forked protocol.



- Since blockchain is an independent public peer-to-peer network and is not controlled in any way or manner by the Company, the Company shall not be responsible for any failure and/or mistake and/or error and/or breach which shall occur in blockchain or in any other networks in which the Cryptocurrencies are being issued and/or traded. You will be bound and subject to any change and/or amendments in the blockchain system and subject to any applicable law which may apply to the blockchain. We make no representation or warranty of any kind, express or implied, statutory or otherwise, regarding the blockchain system and subject to any applicable law which may apply to the blockchain. We make no representation or warranty of any kind, express or implied, statutory or otherwise, regarding the blockchain functionality nor for any breach of security in the blockchain. You acknowledge that our Online Trading Platform and/or Mobile Application are independent of any exchanges and we are under no obligation to quote a particular price or follow the trading rules consistent with such exchanges. You further acknowledge that the triggering of your transaction is linked to the prices we quote on our platform and/or Mobile Application, during trading hours and not the prices quoted on any relevant exchanges. In determining whether the prices quoted on the platform and/or Mobile Application reach or exceed the price accepted by us in a transaction, we will be entitled (but not obliged) to disregard any prices quoted during any pre-market, post-market or intra-day auction periods in the relevant exchange, during any intra-day or other period of suspension in the relevant exchange, or during any other periods that in our reliable opinion may give rise to short-term price spikes or other distortions. Our prices may differ from the current prices on the relevant exchanges and you acknowledge that a transaction may or may be not triggered even though: (a) an exchange never traded at the level of your transaction; or (b) the exchange did trade at the level of your transaction but for a such short period or in such low volumes that it would have been impractical to execute an equivalent transaction on an exchange.

When entering into an order for CFDs on Cryptocurrencies, you irrevocably and unconditionally agree to accept the security bid/ask prices in which the transaction shall be executed as shall be reflected on our trading platform and/or Mobile Application as final and binding.

- Without derogating from the generality of the foregoing or any other provision herein, we further reserve the right NOT to execute buy or sell orders for Cryptocurrencies and/or close any open positions therein, without any further notice to you, in the following circumstances:
 - i. Your order violates any applicable laws, regulations or rules, or is intended to defraud or manipulate the market;
 - ii. Abnormal market conditions and/or significant disruption in or premature close of trading in of the underlying Cryptocurrency and/or the market on which the underlying Cryptocurrency is traded;
 - iii. Force majeure, acts of God, war (declared or undeclared), terrorism, fire or action by an exchange, regulatory or governmental authority that disrupts trading in the relevant security;
 - iv. In the event liquidity providers are unable to provide liquidity to us.
- Due to various risks and complexity involved in trading underlying Cryptocurrencies, there is a limit to the total amount of physical Cryptocurrency we can hold as business. Given the unpredictability, complexity and volatility characteristics of the Cryptocurrencies' trading environment we reserve the right to place restrictions on the trading of this class of instruments with the purpose to protect our clients' best interests and mitigate the trading risk they bear and, specifically, we may set an instrument as Buy only ("Unshorable"), Sell only ("Unlongable") and/or close only.
- The Company currently does not allow trading in CFDs on Cryptocurrencies during the weekend. The Company reserves the right, on its reasonable discretion to suspend and/or cease the offering of trading in CFDs on Cryptocurrencies at any time during business days and for a period of time as deemed necessary. Given that Cryptocurrencies exchanges may operate over weekends, there may be a significant difference between Friday's close and Sunday's open. As such factors may result in you either not completing an order on a specific trading day or completing an order on a substantially less favourable price.
- You hereby acknowledge, represent and warrant to us that, when trading in CFDs on Cryptocurrencies, you fully understand the specific characteristics and risks related to these Cryptocurrencies and that trading in CFDs on Cryptocurrencies is not appropriate for all investors.

You hereby acknowledge and accept that you have been informed by the Company and understand the associated risks when taking investment decisions in respect of trading CFDs on Cryptocurrencies.

9. General Investment Risks

The classification of risks is based on general as well as on product-specific risks. We mentioned above the product-specific risks for Forex, CFDs or any other financial derivative product. The general risks which should also be taken into account are described briefly below. Please note that some of the below risks may or may not be applicable in Forex, CFDs or any other financial derivative product.

Counterparty risk

When trading Forex, CFDs or any other financial derivative product, the Client is effectively entering into an over-the counter ("OTC") transaction, that is, the position opened with the Company cannot be closed with any other entity. OTC transactions may involve greater risk compared to transactions occurring on regulated markets. This is due to the fact that in OTC transactions there is no central counterparty and either party to the transaction bears the risk.

Inflation Risk

Inflation is the general increase in the prices of goods and services calculated as the percentage change in a price index. Inflation risk is the possibility that the inflation will rise above the expected rate. Inflation erodes the purchasing power of the currency and/or investment, since positive rate of inflation indicates that prices on average are increasing. For example 3.0% inflation means that prices rose by 3.0%, on average. As the rate of inflation increases the purchase power decreases. The purchasing power of the invested capital declines if the rate of inflation is higher than the return generated by the securities.

Inflation can have as an effect the reduction of purchasing power, disruptions to stock and bond markets (which may cause volatility), devaluation of income on interest-bearing securities, squeezing of the profit margins of certain types of stocks.

Market risk

Market risk also referred as "systematic risk" or "non-diversifiable risk" reflects the extent to which the return of the security varies in response to, or in association with, variations in the overall market returns. Market risks are uncertain events that affect the entire securities market and the entire economy. It is the risk inherent in an investment related to movements in the overall market that cannot be diversified away. If the market value of an investment declines, assets are reduced. Credit risk, exchange risk, country risk and interest-rate risk in particular have an impact in the form of price fluctuations. All investments are exposed to this risk.

Unsystematic Risk

Unsystematic Risk also referred as "specific risk" or "diversifiable risk" or "residual risk" is the company or industry specific risk that is inherent in each investment. It is the risk of price change due to the unique circumstances of a specific security, as opposed to the overall market, such as financial results, losses caused by labor problems (i.e. strike), weather conditions, poor management decisions etc. This type of risk can be reduced by assembling a portfolio with significant diversification so that a single event affects only a limited number of the assets

Country risk

Country risk also called "political risk" is the specific risk that an international investor bears because of the political or economic conditions of the country he/she invested. Thus for investors, country risk can simply be defined as the risk of losing money due to changes that occur in a country's government or regulatory environment. For example, financial factors such as currency controls, the imposition or removal of taxes, the imposition or removal of exchange controls or exchange rate management systems, the repudiation or moratorium of government or central bank debt, the confiscation of assets including nationalisation, the imposition or removal of trade quotas or tariffs or both, the passage of legislation making previously acceptable business practices or ownership structures now illegal or subject to censure are some examples of country risk.

Liquidity risk

Liquidity risk arises from situations in which an investor interested in trading a security cannot do it because nobody in the market wants to trade that security. It is the inability to find buyers on the terms desired. It is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Non-highly traded securities bear higher liquidity risk (trading related liquidity risk) since there is a risk of having difficulty in liquidating an investment position without taking a significant discount from current market value. The liquidity risk is usually reflected in a wide bid-ask spread and large price movements and can take the following three forms:

- Bid-ask spread: how much a trader can lose by selling an asset and buying it back right away
- Market depth: how many units traders can sell or buy at the current bid or ask price without moving the price

- Market resiliency: how long it takes for prices that have fallen to bounce back.

Liquidity risk can be of significant consideration when investing in some emerging markets, in certain lightly traded securities such as unlisted options etc.

Exchange risk

Exchange risk also known as “currency risk” is associated with international transactions and is the risk of loss (or gain) from unforeseen changes in exchange rates (the prices at which currencies trade for each other). It is the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rates. It can also be described as the uncertainty of returns to an investor who purchases securities denominated in a currency different from his/her domestic currency. The exchange risk associated with foreign denominated financial instruments is a key element in foreign investment.

Where the Forex, CFDs or any other financial derivative product is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.

Interest-rate risk

Fluctuations in interest-rate levels on the money and capital markets have a direct impact on the prices of fixed-interest securities. Rising interest rates usually have a negative impact on the market prices of equities and bonds. By contrast, falling interest rates have a positive impact on prices of equities and bonds. Therefore, interest rates are a key component in many market prices and an important economic barometer.

Operational Risk

Operational risk is the risk of loss arising from inadequacies in, or failures of system and controls for, monitoring and quantifying the risks and contractual obligations associated with financial instruments transactions, for recording and valuing financial instruments and related transactions, or for detecting human error or systems failures. In general, operational risk loss can be categorized under the following (overlapping) categories: (a) Internal and External fraud, (b) Employment practices and workplace safety, (c) Clients, products and business practice, (d) Business disruption and systems failures, (e) Execution, delivery and process management.

10. Risks on active trading (Day Trading)

You should carefully consider the following points before engaging in an active trading strategy or what is sometimes called “day trading.” Active trading or day trading may be described as engaging in frequent purchase and sale transactions (at least several per week and, for some active traders, often numerous transactions per day) using systematic or strategic approaches.

Active trading has a very high level of risk: Active trading generally is not appropriate for someone of limited resources or limited investment or trading experience or low-risk tolerance. You should be prepared to lose all of your funds that you invest in your trades. In particular, you should not fund this type of trading with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required to meet your living expenses.

Be cautious of claims of large profits from active trading: You should be wary of advertisements or other statements that emphasize the potential for large profits from active trading. Active trading may result in few or no profits, and worse, may lead to large financial losses very quickly.

Active trading requires sophisticated knowledge of securities markets: Active trading requires in-depth knowledge of the securities markets and of sophisticated and disciplined trading techniques and strategies. Also, you must compete with professional, licensed traders employed by securities firms and other knowledgeable, experienced and well-trained traders. You should have appropriate knowledge and experience before engaging in active trading.

Active trading requires in-depth knowledge of your broker’s operations: An important part of executing active trading strategies is the quality and consistency of the order execution systems and procedures. Whether you use the services of professional brokers or electronic systems, your success will be affected by their strengths and weaknesses and the methods and practices of the brokerage firm in executing trades. You should develop an intimate knowledge of these matters before you engage in active trading.

Active trading may result in you paying large commissions: You pay commissions on each trade you make. The more actively you trade, the more commissions will increase your losses or reduce your profits.

Active trading on margin or short selling may result in losses beyond your initial investment account amount: When you actively trade with borrowed funds, you can lose more than you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to avoid the forced sale of those securities or other securities

or collateral in or for your account. Short selling as part of your trading strategy also may lead to large losses, because you may have to purchase a stock at a very high price in order to cover a short position.

In summary, active trading is not a game. It is not recommended for inexperienced traders or for persons who do not have sufficient resources and time to devote to their trading activities. Active trading is a serious commitment that should not be undertaken unless you are able to handle high risk and high stress well, and you are willing to consistently adhere to objective and disciplined trading strategies and approaches.

11. Extended trading hours risks

Risk of Lower Liquidity: Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities and, as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, if at all.

Risk of Higher Volatility: Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed or not executed at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.

Risk of Changing Prices: The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a price in extended hours trading that is inferior to the one you would receive during regular market hours.

Risk of Unlinked Markets: Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive a price in one extended hours trading system that is inferior to the one you would in another extended hours trading system.

Risk of News Announcements: Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity or higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

Risk of Wider Spreads: The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

12. Electronic Trading and order routing systems risks

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the Companies and/or exchange(s) offering the system and/or listing the contract. Before you engage in transactions using an electronic system, you should carefully review the rules and regulations of the Companies and/or exchange(s) offering the system and/or listing contracts you intend to trade.

Differences among electronic trading systems

Trading or routing orders through electronic systems varies widely among the different electronic systems. You should consult the rules and regulations of the Company and/or exchange offering the electronic system and/or listing the contract traded or order routed to understand, among other things, in the case of trading systems, the system's order matching procedure, opening and closing procedures and prices, error trade policies, and trading limitations or requirements; and in the case of all systems, qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times, and security. In the case of internet-based systems, there may be additional types of risks related to system access, varying response times and security, as well as risks related to service providers and the receipt and monitoring of electronic mail.



Risks associated with system failure

Trading through an electronic trading or order routing system exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority. The Company does not accept any liability in the case of such a failure.

Internet Trading Risks

There are risks associated with utilizing an Internet-based deal execution trading system including, but not limited to, hardware malfunction, software failure, and Internet connection problems. Because we do not control signal power, reception or routing via Internet, the configuration of your equipment or the reliability of its connection, we shall not be responsible and liable for communication failures, distortions or delays you may experience while trading via the Internet. In addition, we are not responsible for the breach of any Internet security with respect to your Account. We have no liability or duty of indemnification related to unusable data, lost or corrupt Customer transactions or data, by whatever means, in whatever form, resulting in part or in whole from third-party software or networking goods or services or from internet related problems or from actions or events outside of our control.

The Company has no responsibility for any loss that arises as a result of a system failure, including but not limited to:

- Hardware or software failure, malfunction or misuse either on the client's side or the Company's or both
- Poor internet connection either on the client's side or the Company's or both
- Incorrect settings or misuse of the Client terminal
- Delayed updates of the Client terminal

13. Advice and recommendations

- When placing Orders with the Company, the Company will not advise the Client about the merits of a particular Transaction or give him any form of investment advice and the Client acknowledges that the Services do not include the provision of investment advice in CFDs or the Underlying Markets. The Client alone will enter into Transactions and take relevant decisions based on his own judgement. In asking the Company to enter into any Transaction, the Client represents that he has been solely responsible for making his own independent appraisal and investigation into the risks of the Transaction. He represents that he has sufficient knowledge, market sophistication, professional advice and experience to make his own evaluation of the merits and risks of any Transaction. The Company gives no warranty as to the suitability of the products traded under the Client Agreement and assumes no fiduciary duty in its relations with the Client.
- The Company will not be under any duty to provide the Client with any legal, tax or other advice relating to any Transaction. The Client should seek independent expert advice if he is in any doubt as to whether he may incur any tax liabilities. The Client is hereby warned that tax laws are subject to change from time to time.
- Where the Company provides generic market recommendations, such generic recommendations do not constitute a personal recommendation or investment advice and have not considered any of your personal circumstances or your investment objectives, nor is it an offer to buy or sell, or the solicitation of an offer to buy or sell. Each decision, by the Client, to enter into a Forex, CFDs or any other financial derivative product transaction with the Company and each decision as to whether a transaction is appropriate or proper for the Client is an independent decision by Client. The Company is not acting as an advisor. Client agrees that the Company has no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with Client following Company's generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided by the Company.
- The Company may, from time to time and at its discretion, provide the Client (or in newsletters which it may post on its website or provide to subscribers via its website or the Trading Platform or Mobile Application or otherwise) with information, recommendations, news, market commentary or other information but not as a service.



Where it does so:

- a) the Company will not be responsible for such information;
 - b) the Company gives no representation, warranty or guarantee as to the accuracy, correctness or completeness of such information or as to the tax or legal consequences of any related Transaction;
 - c) this information is provided solely to enable the Client to make his own investment decisions and does not amount to investment advice or unsolicited financial promotions to the Client;
 - d) if the document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, the Client agrees that he will not pass it on to any such person or category of persons;
 - e) the Client accepts that prior to dispatch, the Company may have acted upon it itself to make use of the information on which it is based. The Company does not make representations as to the time of receipt by the Client and cannot guarantee that he will receive such information at the same time as other clients.
- It is understood that market commentary, news, or other information provided or made available by the Company are subject to change and may be withdrawn at any time without notice.

14. No guarantees of profit

The Company provides no guarantees of profit nor of avoiding losses when trading in Forex, CFDs or any other financial derivative product. The Company cannot guarantee the future performance of the Client's Trading Account, promise any specific level of performance or promise that Client's investment decisions, strategies, will be successful/profitable. Customer has received no such guarantees from the Company or from any of its representatives. Customer is aware of the risks inherent in trading in Forex, CFDs or any other financial derivative product and is financially able to bear such risks and withstand any losses incurred. The Client acknowledges and accepts that there may be other additional risks apart from those mentioned above.

15. Regulatory and legal risk

A change in laws and regulations may materially impact a Financial Instrument and investments in a sector or market. A change in laws or regulations made by a government or a regulatory body or a decision reached by a judicial body can increase business operational costs, lessen investment attractiveness, change the competitive landscape and as such alter the profit possibilities of an investment. This risk is unpredictable and may vary from market to market.

16. Other information

This Risk Disclosure Notice is not part of Company's Terms of Business /Client Agreement and is not intended to be contractually binding or impose or seek to impose any obligations on the Company which we would not otherwise have, but for the Cyprus Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017).

The Company is a member of the Investor Compensation Fund ("ICF"). You may be entitled to compensation from the ICF if we cannot meet our obligations. The maximum amount of compensation paid to a client, who will be deemed as eligible for compensation is EUR 20.000 or 90% of the covered investor's claim, whichever is lower. The said coverage applies to the total amount of claims by a client against an ICF member (i.e. the Company), irrespective of the number of accounts, the currency and the place of provision of the service. Further information about compensation arrangements is available at the website of the Cyprus Securities and Exchange Commission: <https://www.cysec.gov.cy/en-GB/complaints/tae/>



Risk warnings

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. The vast majority of retail investor accounts lose money when trading CFDs. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money

Do not invest money you cannot afford to lose. CFDs (OTC Trading) are complex and leveraged products that carry a substantial risk of loss up to your invested capital and is **not** suitable for everyone.

You should not deal in these products unless you understand their nature and the extent of their exposure to risk.

These products are risky and require sufficient knowledge and experience. You should be satisfied that the product is appropriate for you in light of your circumstances and financial position.

Company's trading service carries a high level of risk and is **not suitable for everyone**.

You should **not** trade with us unless you understand the nature of the transaction you are entering into and the extent of your potential loss from a trade.

You trade entirely at your own risk.

Company's trading service is '**execution-only**'. This means that we carry out your trading instructions. We do **NOT** provide you with any investment advice.

Trading in CFDs is **NOT** suitable for all investors.

Thus, you should **not** invest in CFDs unless you adequately understand the characteristics, and in particular the associated risks, of these products and you are comfortable with these risks when trading on such products. You should seek independent professional advice, if necessary, in order to ensure that investing in these products is suitable for your objectives, needs and financial circumstances and resources.



Examples

Example 1 – Buy Order (CFD on a Currency Pair (Forex))

Below example indicates a profitable trade

Trade/Transaction parameters

Currency Pair: EUR/USD

Base currency: USD

Contract size: 1 Standard Lot (100,000 units)

Current Bid/Ask price: 1.25440/1.25450 Selected

Leverage: 1:30 (or 3.33% margin)

Commission/Fees: No

You decide to enter into a CFD on EUR/USD and place a 'buy order'. Your decision was based on your opinion that the EUR will go up against USD.

Therefore, you open one standard lot (100,000 units of EUR/USD), buying the EUR at the offered leverage of 1:30 (or 3.33% margin).

When you buy one lot (100,000 units) of EUR/USD at a price of 1.25450, you are effectively buying 100,000 EUR, which is worth \$125,450 (100,000 units of EUR x 1.25450). Since the margin requirement is 3.33%, then approximately US\$4,177 ($US\$125,450 \times 3.33\%$) would be set aside in your account to open up the trade. Now, you 'control' 100,000 EUR with only US\$4,177.

The exchange rate of EUR/USD **climb** and you decide to close your trade. The Euro strengthens to 1.25510/1.25520 (Bid/Ask price). You decide to realise the profits so you close your order by selling one lot (100,000 units) of EUR/USD at the current rate of 1.25510 and you receive \$125,510 for that trade (100,000 units x 1.25510).

Calculation of Profit/Loss

You bought one lot (100,000 units) of EUR/USD at a price of 1.25450, paying \$125,450. Then, you sold one lot (100,000 units) of EUR/USD at a price of 1.25510, receiving \$125,510. This is a positive difference of \$60 ($\$125,510 - \$125,450 = +\60).

Total profit = \$60 on a deposit of US\$4,177 which is a **return of about 1.44%** of the invested amount of US\$4,177.

Example 2 – Buy Order (CFD on a Currency Pair (Forex))

Below example indicates a loss-making trade

Trade/Transaction parameters Currency

Pair: EUR/USD

Base currency: USD

Contract size: 1 Standard Lot (100,000 units)

Current Bid/Ask price: 1.25440/1.25450 Selected

Leverage: 1:30 (or 3.33% margin)

Commission/Fees: No

You decide to enter into a CFD on EUR/USD and place a 'buy order'. Your decision was based on your opinion that the EUR will go up against USD.

Therefore, you open one standard lot (100,000 units of EUR/USD), buying the EUR at the offered leverage of 1:30 (or 3.33% margin).



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When you buy one lot (100,000 units) of EUR/USD at a price of 1.25450, you are effectively buying 100,000 EUR, which is worth \$125,450 (100,000 units of EUR x 1.25450). Since the margin requirement is 3.33%, then approximately US\$4,177 ($\text{US\$125,450} \times 3.33\%$) would be set aside in your account to open up the trade. Now, you 'control' 100,000 EUR with only US\$4,177.

The exchange rate of EUR/USD **weakens** and you decide to close your trade to avoid further losses. The Euro weakens to 1.25390/1.25400 (Bid/Ask price). You decide to close your trade to avoid further losses so you close your order by selling one lot (100,000 units) of EUR/USD at the current rate of 1.25390 and you receive \$125,390 for that trade (100,000 units x 1.25390).

Calculation of Profit/Loss

You bought one lot (100,000 units) of EUR/USD at a price of 1.25450, paying \$125,450. Then, you sold one lot (100,000 units) of EUR/USD at a price of 1.25390, receiving \$125,390. This is a negative difference of \$60 ($\text{\$125,390} - \text{\$125,450} = -\text{\$60}$).

Total loss = -\$60 on a deposit of US\$4,177 which is a **return of about -1.44%** of the invested amount of US\$4,177.