

## **RISK WARNING NOTICE**

**It is important that you read and understand this notice before seeking to open an account with us and/or trade in any of the products that we offer. If you do not understand anything in this notice or in relation to the product you intend to trade, you should seek independent professional advice.**

### **PART A: GENERAL RISK WARNINGS**

**This notice does not and cannot set out all of the risks associated with investing in our products. However, we have summarised below the most significant risks associated with investing in our products.**

#### **1 Appropriateness of the product(s)**

1.1 Before we open an account for you, we are required to assess whether the product(s) you wish to trade is (are) appropriate for you. If, on the basis of the information you have provided to us, the product(s) is (are) not appropriate for you, we will warn you of this.

1.2 If we warn you that the product(s) is (are) not appropriate for you, you should not open an account with us. However, if you decide to open an account despite our clear warning to refrain from trading in the product(s), please ensure you take the time to fully acquaint yourself with the risks. The decision to open an account with us is entirely yours.

#### **2 No advice**

2.1 We will not provide you with any advice of any kind including in relation to investments or possible investments. All investment decisions must be yours.

2.2 We will only provide you with factual information. Any information that we provide to you does not take into account your personal circumstances. If you wish to obtain advice, you should seek it from a suitably qualified adviser before trading with us.

#### **3 You may lose more than your initial investment**

3.1 Where you are trading on a margined basis, you will be required to lodge money with us before you trade. This is called a margin requirement. It is usually a proportion of the overall contract value. This means that you will be using

'gearing' or 'leverage'. The higher the gearing or leverage, the higher the risks involved.

3.2 A small price movement in your favour can result in a high return on the margin requirement. However, a small price movement against you may result in substantial losses. You may, therefore, lose more than your initial investment and you may be required to make further payments.

3.3 Please note that we are entitled under our Terms of Business to increase our Margin Requirement at short notice. If further payments are required to fulfil your margin requirement in order to maintain an open position (either as a result of an increase in that margin requirement or otherwise) and you do not make these margin requirements when requested to do so, we are entitled to close your positions and you will be liable for any losses incurred.

3.4 It is your responsibility to monitor your positions. It is important you monitor your positions closely as your use of gearing/leverage means your profit/loss can change very quickly as a result of relatively small fluctuations in the market.

#### 4 **Past performance**

4.1 You must not rely on any past performance, simulation or prediction. Past performance is not a reliable indicator of future performance.

#### 5 **No right to the underlying**

5.1 Your investment in any of our products does not give you any right to the underlying instruments or to voting rights.

#### 6 **Our prices**

6.1 **Our prices may be different to an exchange, market price or other financial provider's price for the relevant underlying investment.**

#### 7 **Market circumstances**

7.1 Our products allow you to speculate on price movements in underlying markets and our prices are derived from sources which include these markets. It is, therefore, important that you understand the risks associated with trading in the relevant market as this may affect the profitability of your trade.

7.1.1 Volatility – Financial markets may fluctuate rapidly. This will have an impact on the prices of our products, which will have a direct impact on your profits and losses.

7.1.2 Gapping – This occurs where there is a sudden shift in the price of an underlying from one level to another. This can be caused, for example, by unexpected economic events or market announcements particularly where these occur outside trading hours. Where these events occur when the market is closed the opening price of the market can be significantly different from the close of the market. Gapping can result in a significant loss or profit.

7.1.3 Liquidity – The ability of our platform to generate prices and execute orders is dependent on the availability of prices and liquidity in the exchanges, markets and other venues from which we gather market data. Market conditions can change significantly in a short period of time. Under certain trading conditions, it may be impossible or difficult to liquidate a position at all or under the same terms as when you opened it. In addition, because we enter into corresponding trades with other counterparties to hedge our own risk we may not be able to execute your trade.

7.1.4 Currency – If you trade in a market other than your account currency market, currency exchange fluctuations will impact your profits and losses.

## 8 **System access**

8.1 System errors and outages, internet connectivity issues, maintenance periods or failures of third parties on whom you or we depend may prevent you from accessing our platform or us executing orders. We have business continuity measures in place to assist in mitigating this risk but in some circumstances these measures will not be sufficient or will not affect the situation as it is out of our control.

## 9 **Protection of your money**

9.1 If you are categorised as a retail client, money that we hold on your behalf will be held in a segregated client money bank account. This may not, however, provide complete protection (for example, if the bank that we use becomes insolvent).

9.2 If you are categorised as a professional client, we will treat an amounts required to cover your potential liabilities to us as our own money. We are permitted to use this money in the course of our own business. In the event of our insolvency, you will rank as a general creditor if any of this money is due back to you.

## 10 **Insolvency**

10.1 Our insolvency or default, or that of any other brokers involved in transactions undertaken by us on your behalf, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash. On request, we will endeavour to provide an explanation of the extent to which we will accept liability for any insolvency of, or default by, other firms involved in transactions undertaken by us on your behalf.

## 11 **Market information provided on the platform**

11.1 The accuracy, completeness and availability of market information provided on the platform is not guaranteed.

## 12 **Tax**

- 12.1 Your tax treatment when trading with us will depend on your individual circumstances and may change if your personal circumstances change. If you require tax advice, please seek advice from a suitably qualified adviser before trading with us.

## 13 **Further risks of foreign markets**

- 13.1 Foreign markets will involve different risks from UK markets and non-EEA markets will involve different risks from EEA markets. In some cases the risks will be greater in foreign markets (for, example in some emerging markets which are more affected by economic, political and/or legal risks). The potential for profit or loss from transactions undertaken by us on your behalf on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

## **PART B: SPECIFIC PRODUCT RISKS WARNINGS**

**We offer both CFDs and Rolling Spot Forex Contracts (traded as a CFD) as part of our product offering. Please ensure that you have read and understood the specific risks of a product before you seek to trade in that product.**

## 14 **Contracts for difference (“CFD”)**

- 14.1 A CFD, including a Rolling Spot Forex Contract, is a derivative contract that gives the holder exposure to an underlying equity or index but without paying the full price of the total value of the position.
- 14.2 Our CFDs are sold on an OTC basis. As a result, they are non-transferable which means that if you enter into CFD trade with us it can only be closed with us. This poses a greater risk than products traded on an exchange as the ability to open and close the trade depends on your ability to access the platform and our ability to execute the trade. This means that you may be exposed to the risk of our default.
- 14.3 CFDs are traded on a margin and the profit/loss is determined by the difference between the buy and sell price. They carry a high risk to capital as prices may move rapidly against you. As they are geared/ leveraged, a small price movement may result in a large loss (or profit). A sudden drop in the price of an instrument may result in you receiving a margin call.