FinPros

RISK DISCLOSURES FOR FINANCIAL INSTRUMENTS & INVESTMENT SERVICES

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RISK DISCLOSURES FOR FINANCIAL INSTRUMENTS & INVESTMENT SERVICES

1. INTRODUCTION

1.1. '**FinPros.eu**' is a domain owned and operated by 'FinQuotes Financial (Cyprus) Ltd', a Cyprus Investment Firm regulated by the Cyprus Securities and Exchange Commission (CySEC) under license number 418/22 with principal place of business at 6 Laiou Street, Anna City Court Block A, CY3015, Limassol, Cyprus (the "***Company***").

1.2. The Company is authorized, licensed and regulated as a Cyprus Investment Firm ('***CIF'***) by the Cyprus Securities and Exchange Commission ('***CySEC***') under license number 418/22 and is operating in accordance with the Markets in Financial Instrument Directive 2014/65/EU and its implementing measures ("***MIFID II***") and Regulation 2014/600/EU ("***MiFIR***"), as transposed into Cyprus law by Cyprus Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets and its implementing measures (the "***Investment Services Law***").

1.3. In line with MiFID II, MiFIR and the Investment Services Law, the Company is required to provide its clients and potential clients with an adequate warning of the risks involved in Contracts for Difference (CFDs) trading.

1.4. This notice is provided to you in accordance with the provisions of the '**Investment Services and Activities and Regulated Markets Law of 2017**' (L. 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets' (the "***Investment Services Law***"), as the same may be in force from time to time and modified and amended from time to time. This notice does not purport to disclose, or discuss all of the risks and other significant aspects of all transactions entered into with or through the Company, so the Company requires you to undertake and warrant that you will consult with your own legal, tax and financial advisers prior to entering into any particular transaction with or through the Company.

2. CONTRACTS FOR DIFFERENCE (CFDS) OR SPOT FOREIGN EXCHANGE (SPOT FOREX) TRADING

2.1. As a Client of the Company, you unreservedly acknowledge and accept that trading in Contracts for Difference (CFDs) carries with it a significant level of risk and may not be suitable for all investors. Contracts for Difference (CFDs) are off-exchange (sometimes known as an *'over-the-counter'*, or *'OTC'*) derivative products, the price of which is determined by the fluctuations in price of certain underlying assets (*e.g.* commodities, indices, spot metals and/or currencies) and they should, therefore, be regarded as highly speculative investments.

2.2. The main risk arises from the "*gearing*" or "*leverage*" (*i.e.* the funds Spot Forex trading, which generally involves a comparatively modest margin deposit as a proportion of the total consideration for the transaction, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on your transaction. If the underlying market movement is in your favour, you may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of your entire margin deposit, but may also expose you to a large additional loss over and above your initial margin deposit. You may be called upon to deposit substantial additional margin, at short notice, in order to maintain your position. If you do not provide such additional funds within the time required, your position may be closed at a loss and you will be liable for any resulting deficit.

2.3. Furthermore, the value of an investment in CFDs may be affected by a variety of factors, including but not limited to, price volatility, market volume, foreign exchange rates and liquidity.

2.4. In addition, these leveraged instruments are short-term trading tools and commission is charged on the leveraged amount (not the margin deposit). Accordingly, substantial costs may build up when trading frequently and you should evaluate potential losses against affordability. You should also be aware that leverage risk can be amplified through the use of a credit facility or any form of borrowing to fund your CFD trading, particularly credit cards.

2.5. **ACCORDINGLY, YOU SHOULD NOT ENGAGE IN CFD TRADING UNLESS YOU UNDERSTAND THE NATURE OF SUCH TRADING, THE NATURE OF EACH PARTICULAR TRANSACTION YOU ARE ENTERING INTO AND THE TRUE EXTENT OF YOUR EXPOSURE TO THE RISK OF LOSS. IN ORDER TO ENGAGE SUCCESSFULLY IN TRADING CFDS, YOU SHOULD BE EXPERIENCED IN DEALING IN DERIVATIVES AND UNDERSTAND THE "*GEARED*" OR "*LEVERAGED*" NATURE OF THESE PRODUCTS.**

2.6. **DO NOT INVEST FUNDS YOU CANNOT AFFORD TO LOSE.**

2.7. Please also note that past performance is not necessarily a guide to future performance and that regulatory changes in taxation, corporations and other laws, as well as fiscal, monetary and regulatory policy changes may affect your dealings in CFDs. If in any doubt, please seek further independent and professional advice.

3. NO GUARANTEES

3.1. The Company does not and cannot guarantee the initial capital of your portfolio or its value at any time or any money invested in your dealings in CFDs.

3.2. You unreservedly acknowledge and accept that, regardless of any information which may be offered by the Company, the value of any Investment in may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

3.3. You further unreservedly acknowledge and accept that you may run a significant risk of incurring losses and damages as a result of your dealings in CFDs and you accept and declare that you are willing to undertake this risk.

3.4. You should not engage in CFD trading, unless you understand the nature of such trading, the nature of the particular transaction you are entering into and the true extent of your exposure to the risk of loss. In order to engage successfully in CFD trading, you should be experienced in dealing in derivatives and understand the 'geared' or 'leveraged' nature of these products.

4. WARRANTIES AND REPRESENTATIONS

4.1. You further acknowledge and warrant that you are aware of the risks, which may be involved in any investment directly or indirectly in trading CFDs and that you fully understand:

a) the extent of the economic risk to which you are exposed as a result of such transactions (and that you have determined that such risk is suitable for you in light of your specific experience in relation to such transaction and your financial objectives, circumstances and resources);

b) the nature and fundamentals of the transaction and the market underlying such transactions;

c) the legal terms and conditions for such transactions.

4.2. You also acknowledge and warrant that you fully understand the terms and conditions of the transactions to be undertaken, including, without limitation:

a) the terms as to price, term, expiration date, restrictions and of the contract terms material to the transaction;

b) any terms describing risk factors, such as volatility, liquidity, and so on; and the circumstances under which you may become obliged to fund the losses deriving from a leveraged transaction.

4.3. You further acknowledge that the high degree of leverage can work against you as well as for you, due to fluctuating market conditions. Trading in CFDs or Spot Forex trading can lead to large losses as well as gains in response to a small market movement.

4.4. You acknowledge that if the market moves against you, you may not only sustain a loss of funds, but you may also incur further liabilities to the Company.

4.5. You acknowledge and accept that you may sustain substantial losses on a contract or trade if the market conditions move against your position. You also acknowledge that it is in your interest fully to understand the impact of market movements, in particular the extent of profit/loss you would be exposed to when there is an upward or downward movement in the relevant rates and the extent of loss if you have to liquidate a position if market conditions move against you.

4.6. You also understand that under certain market conditions, you may find it difficult or impossible to liquidate a position, to assess a fair price or assess risk exposure. This can happen, for example, where the market for a transaction is illiquid, or where there is a failure in electronic or telecommunications systems, or where there is the occurrence of an event commonly known as "force majeure".

4.7. You are aware that placing contingent orders, such as "stop-loss" orders, will not necessarily limit your losses to the intended amounts, as it may be impossible to execute such orders under certain market conditions.

4.8. You also acknowledge and accept that because the prices and characteristics of over-the-counter transactions are individually negotiated and there is no central source for obtaining prices, there are inefficiencies in transaction pricing.

4.9. You consequently accept that the Company cannot and does not warrant that the Company's prices, or the prices, which the Company secures for you, are or will at any time be the best price(s) available to you.

4.10. You declare and warrant that you have read, comprehend and unreservedly accept the following:

a) 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.

b) Some Financial Instruments may not become immediately liquid as a result, e.g. of reduced demand, and you 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.

c) When a Financial Instrument is traded in a currency other than the currency of your country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance.

d) A Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in your 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.

e) A derivative Financial Instrument (i.e. an 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.

f) 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.

g) You must not purchase a derivative Financial Instrument unless you are willing to undertake the risks of losing entirely all the money which you have invested, and also any additional commissions and other expenses incurred.

h) You acknowledge and accept that there may be other risks which are not contained above.

4.11. You understand that you should be prepared to take the risk that your trades in Financial Instruments may be or may become subject to tax and/or any other duty for example because of changes in legislation or your personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. You are personally liable for any taxes and/or any other duties, which may accrue in respect of your trades.

4.12. In order to comply with applicable laws and regulations, the Company will classify prospective Clients, either as a '*Retail Client*', a '*Professional Client*' or as an '*Eligible Counterparty*' when considering the application for opening an account, based on the information provided to the Company.

4.13. Prior to applying for an Account you should carefully consider whether investing in a specific Financial Instrument is suitable for you in light of your circumstances and financial resources. Investing in some Financial Instruments entails the use of "*gearing*" or "*leverage*". Leverage means the use of various Financial Instruments or borrowed capital, such as margin, to increase the potential return of an investment. In considering whether to engage in this form of investment, you should be aware of the following:

a) You may be called upon to deposit substantial additional margin, at short notice, to maintain your investment. If you do not provide such additional funds within the time required, your investment position may be closed at a loss and you will be liable for any resulting deficit. With regards to transactions in derivative Financial Instruments, the Company is entitled, upon its discretion, to start closing positions when margin is less than 50%.

b) Investments in the Financial Instruments of the kind described herein may not be undertaken on a recognized or designated investment exchange and, accordingly, they may expose you to greater risks than 'on exchange' transactions. The terms and conditions and trading rules may be established solely by the counterparty. You may only be able to close an open position of any given contract during the opening hours of the execution venue of your transaction. You may also have to close any position with the counterparty with whom it was originally entered into. In regard to transactions in Financial Instruments with the Company, the Company is using an Electronic Trading Platform(s) for transactions in Financial Instruments, which does not fall into the definition of a recognized exchange, as this is not a Multilateral Trading Facility.

c) The Company is prohibited from providing you with investment advice relating to investments or possible transactions in investments and/or from making investment recommendations of any kind. This prohibition is subject to an exception where advice given amounts to the giving of factual market information or information, in relation to a transaction about which the Client has enquired, as to transaction procedures, potential risks involved and how those risks may be minimized.

5. RISKS OF ONLINE TRADING

5.1. Your access and/or use of the Company's Electronic Trading Platform(s), or any portion thereof, may be restricted, intermittent or unavailable during periods of peak demands, extreme market volatility, systems, upgrades or for other reasons. The Company makes no express or implied representations or warranties to you regarding the availability, usability, condition or operation thereof. The Company does not warrant that the access to, or use of the Company's Electronic Trading Platform(s) will be uninterrupted or error free, or that the Company's Electronic Trading Platform(s) will meet any particular requirements or criteria of processing, performance or quality.

5.2. Under no circumstances, including negligence, shall the Company or anyone else involved in creating, producing, delivering or managing any part of the Company's Electronic Trading Platform(s) be liable for any direct, indirect, incidental, special or consequential damages that result from the use of or inability to use any part of the

Company's Electronic Trading Platform(s), or out of any breech of any warranty, including, without limitation, those for business interruption or loss of profits.

5.3. You expressly acknowledge and agree that your access and use of the Company's Electronic Trading Platform(s) is at your sole and exclusive risk. You assume full responsibility for any risk of loss resulting from the use of, or materials or data obtained through the Company's Electronic Trading Platform(s). Neither the Company, nor any of the Company's directors, officers, employees, agents, contractors, affiliates, third party vendors, facilities, information providers, licensors, exchanges, clearing organizations or other suppliers providing data, information, or services, warrants:

a) that the Company's Electronic Trading Platform(s) will be uninterrupted or error free; neither does the Company, nor any of the Company's directors, officers, employees, agents, contractors, affiliates, third party vendors, facilities, information providers, licensors, exchanges, clearing organizations or other suppliers providing data, information, or services, make any warranty as to the results that may be obtained from the use of the Company's Electronic Trading Platform(s), or as to the timeliness, sequence, accuracy, completeness, reliability or content of any information, service, or transaction provided through the Company's Electronic Trading Platform(s); or

b) that your computer systems will be unaffected or undamaged by any malicious software; or

c) that any data will not be intercepted by any third party.

5.4. In the event that your access to the Company's Electronic Trading Platform(s), or any part thereof, is restricted or unavailable, you agree to use other means to place the orders or access information, such as calling the Company and/or the Company representative(s) via the telephone.

5.5. By placing an order through the Company's Electronic Trading Platform(s), you acknowledge that orders may not be reviewed by a registered representative prior to execution. You agree that the Company is not liable to you for any losses, lost opportunities or increased commissions that may result from your inability to use the company's Electronic Trading Platform(s) to place orders or access information.

5.6. This notice cannot, and does not, disclose or explain all of the risks and other significant aspects involved in dealing in all Financial Instruments and Investment Services provided by the Company. You will be informed in more detail of the risks involved based on the categorization assigned to you by the Company and the Investment Services and Financial Instruments selected.

6. GENERIC RISK TYPES

A. GENERAL

6.1. The price or value of an investment will depend on fluctuations in the financial markets outside of anyone's control. Past performance is no indicator of future performance. The nature and extent of investment risks varies between countries and from investment to investment. These investment risks will vary with, amongst other things, the type of investment being made, including how the Financial Instruments have been created or their terms drafted, the needs and objectives of particular investors, the manner in which a particular investment is made or offered, sold or traded, the location or domicile of the Issuer, the diversification or concentration in a portfolio (e.g. the amount invested in any one currency, security, country or issuer), the complexity of the transaction and the use of leverage.

6.2. The risk types set out below could have an impact on each type of investment.

B. LIQUIDITY

6.3. The liquidity of an instrument is directly affected by the supply and demand for that instrument and also indirectly by other factors, including market disruptions (for example a disruption on the relevant exchange) or infrastructure issues, such as a lack of sophistication or disruption in the securities settlement process.

6.4. Under certain trading conditions it may be difficult or impossible to liquidate or acquire a position. This may occur, for example, at times of rapid price movement if the price rises or falls to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to intended amounts, but market conditions may make it impossible to execute such an order at the stipulated price. In addition, unless the contract terms so provide, a party may not have to accept early termination of a contract or buy back or redeem the relevant Financial Instrument and there may therefore be zero liquidity in the Financial Instrument.

6.5. In other cases, early termination, realisation or redemption may result in you receiving substantially less than you paid for the Financial Instrument or, in some cases, nothing at all.

C. CREDIT RISK

6.6. Credit risk is the risk of loss caused by borrowers, bond obligors, guarantors, or counterparties failing to fulfil their obligations or the risk of such parties' credit quality deteriorating. Exposure to the credit risk of one or more reference entities is particularly relevant to any credit linked Financial Instrument such as credit linked notes, and the potential losses which may be sustained, and the frequency and likelihood of such losses occurring, when investing in credit linked Financial Instruments may be substantially greater than when investing in an obligation of the reference entity itself.

D. MARKET RISK

a. General

6.7. The price of investments goes up and down depending on market supply and demand, investor perception and the prices of any underlying or allied investments or, indeed, sector, political and economic factors. These can be totally unpredictable.

b. Overseas markets

6.8. Any overseas investment or investment with an overseas element can be subject to the risks of overseas markets which may involve different risks from those of the home market of the investor. In some cases, the risks will be greater. The potential for profit or loss from transactions on foreign markets or in overseas denominated contracts will be affected by fluctuations in overseas exchange rates.

c. Emerging Markets

6.9. Price volatility in emerging markets, in particular, can be extreme. Price discrepancies, low trading volumes and wide pricing spreads can be common and unpredictable movements in the market not uncommon.

6.10. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency, market infrastructure, legal certainty and regulation found in more developed markets.

6.11. For example, these markets might not have regulations governing market or price manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. They may also be affected by sector, economic and political risk. It may be difficult to employ certain risk and legal uncertainty management practices for emerging markets investments, such as forward currency exchange contracts or derivatives.

6.12. The impact of the imposition or removal of foreign exchange controls at any time should be considered, as well as potential difficulties in repatriation of assets. The risks associated with nationalisation or expropriation of assets, the imposition of confiscatory or punitive taxation, restrictions on investments by foreigners in an emerging market, sanctions, war and revolution should also be considered.

E. CLEARING HOUSE PROTECTIONS/SETTLEMENT RISK

6.13. On many exchanges, the performance of a transaction may be "*guaranteed*" by the exchange or clearing house. However, this guarantee is usually in favour of the exchange or clearing house member and cannot be enforced by the client who may, therefore, be subject to the credit and insolvency risks of the firm through whom the transaction was executed. There is, typically, no clearing house for off-exchange OTC instruments which are not traded under the rules of an exchange (although unlisted transferable securities may be cleared through a clearing house).

6.14. Settlement risk is the risk that a counterparty does not deliver the security (or its value) in accordance with the agreed terms after the other counterparty has already fulfilled its part of the agreement to so deliver. Settlement risk increases where different legs of the transaction settle in different time zones or in different settlement systems where netting is not possible.

6.15. This risk is particularly acute in foreign exchange transactions and currency swap transactions.

F. INSOLVENCY

6.16. The insolvency or default of the firm with whom you are dealing, or of any brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent or, indeed, investments not being returned to you. There is also insolvency risk in relation to the investment itself, for example of the company that issued a bond or of the counterparty to off-exchange derivatives (where the risk relates to the derivative itself and to any collateral or margin held by the counterparty).

G. CURRENCY RISK

6.17. In respect of any foreign exchange transactions and transactions in derivatives and securities that are denominated in a currency other than that in which your account is denominated, a movement in exchange rates may have a favourable or an unfavourable effect on the gain or loss achieved on such transactions.

6.18. The weakening of a country's currency relative to a benchmark currency or the currency of your portfolio will negatively affect the value of an investment denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. Some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

H. INTEREST RATE RISK

6.19. Interest rates can rise as well as fall. A risk with interest rates is that the relative value of a security, especially a bond, will worsen due to an interest rate increase. This could impact negatively on other Financial Instruments. There are additional interest rate related risks in relation to floating rate instruments and fixed rate instruments; interest income on floating rate instruments cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of floating rate instruments at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the relevant instruments provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

6.20. Changes in market interest rates have a substantially stronger impact on the prices of zero-coupon bonds than on the prices of ordinary bonds because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon bonds can suffer higher price losses than other bonds having the same maturity and credit rating.

I. COMMODITY RISK

6.21. The prices of commodities may be volatile, and, for example, may fluctuate substantially if natural disasters or catastrophes, such as hurricanes, fires or earthquakes, affect the supply or production of such commodities. The prices of commodities may also fluctuate substantially if conflict or war affects the supply or production of such commodities. If any interest and/or the redemption amount payable in respect of any Financial Instrument is linked to the price of a commodity, any change in the price of such commodity may result in the reduction of the amount of interest and/or the redemption amount payable. The reduction in the amount payable on the redemption of an investment may result, in some cases, in you receiving a smaller sum on redemption of a Financial Instrument than the amount originally invested in such Financial Instrument.

J. REGULATORY/LEGAL/STRUCTURAL RISK

6.22. All investments could be exposed to regulatory, legal or structural risk. Returns on all, and particularly new, investments are at risk from regulatory or legal actions and changes which can, amongst other issues, alter the profit potential of an investment.

6.23. Legal changes could even have the effect that a previously acceptable investment becomes illegal. Changes to related issues such as tax may also occur and could have a large impact on profitability. Such risk is unpredictable and can depend on numerous political, economic and other factors. For this reason, this risk is greater in emerging markets but does apply everywhere. In emerging markets, there is generally less government supervision and regulation of business and industry practices, stock exchanges and over-the-counter markets.

6.24. The type of laws and regulations with which investors are familiar in the EEA may not exist in some places, and where they do, may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that an overseas investor would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. An investor may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in overseas courts.

6.25. In the case of many Financial Instruments, there will be no legal or beneficial interest in the obligations or securities of the underlying reference entity but rather an investor will have a contractual relationship with the counterparty only and its rights will therefore be limited to contractual remedies against the counterparty in accordance with the terms of the relevant Financial Instrument.

6.26. In all cases the legal terms and conditions of a Financial Instrument may contain provisions which could operate against your interests. For example, they may permit early redemption or termination at a time which is unfavourable to you, or they may give wide discretion to the issuer of securities to revise the terms applicable to securities. In other cases, there may be limits on the amounts in relation to which rights attaching to securities may be exercised and in the event that you hold too many (or too few) securities, your interests may be prejudiced and should scrutinise these carefully. In some cases, the exercise of rights by others may impact on your investment.

6.27. For example, a Financial Instrument such as a bond or note may contain provisions for calling meetings of holders of those bonds or notes to consider matters affecting their interests generally (including yours) and may permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Further, in some cases amendments may be made to the terms and conditions of bonds or notes without the consent of any of the holders in circumstances set out in general conditions attaching to such bonds or notes.

K. OPERATIONAL RISK

6.28. Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can impact on all Financial Instruments. Business risk, especially the risk that the business is run incompetently or poorly, could also impact on shareholders of, or investors in, such a business. Personnel and organisational changes can severely affect such risks and, in general, operational risk may not be apparent from outside the organisation.

L. CONFLICTS

6.29. In the ordinary course of their respective businesses, the Company and any of its Associates, will be subject to various actual and potential conflicts of interest which may operate against your interests.

7. TRANSACTION AND SERVICE RISKS

A. CONTINGENT LIABILITY INVESTMENT TRANSACTIONS

7.1. Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. You may sustain a total loss of the margin you deposit with your dealer to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional Margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be liable for any resulting deficit. Even if the Transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you paid when you entered into the contract. Contingent liability transactions, which are not traded on or under the rules of a recognised or designated investment exchange, may expose you to substantially greater risks.

7.2. Especially if you trade in futures, contracts for differences or sell options, you may sustain a total loss of the margin you deposit with your firm to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you must be responsible for the resulting deficit. 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 you entered the contract.

B. *COLLATERAL*

7.3. If you deposit collateral as security with a firm, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral, depending on whether you are trading on a regulated market, with the rules of that exchange (and the associated clearing house) applying, or trading on another exchange or, indeed, off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken.

7.4. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash. You should ascertain from the firm how your collateral will be dealt with. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets, which you deposited and may have to accept payment in cash.

C. *ELECTRONIC TRADING*

7.5. Trading via the Company's Online Trading Facility may differ from trading on other electronic trading systems as well as from trading in a conventional or open market. Customers that trade on an electronic trading system are exposed to risks associated with the system including the failure of hardware and software and system down time, with respect to the Company's Online Trading Facility, the individual customer's systems, and the communications infrastructure (for example the internet) connecting the platform with customers.

D. *WEEKEND RISK*

7.6. Various situations, developments or events may arise over a weekend (from 00.00.01 A.M. Cyprus Time (GMT +2) on Saturdays, through 00.00.00 P.M. Cyprus Time (GMT +2) on Sundays) when the markets generally close for trading, that may cause the currency markets to open at a significantly different price from where they closed on Friday afternoon.

7.7. Our customers will not be able to use the Company's Online System to place or change orders over the weekend and at other times when the markets are generally closed. There is a substantial risk that stop-loss orders left to protect open positions held over the weekend will be executed at levels significantly worse than their specified price.

E. *EFFECT OF ABSOLUTE TITLE TRANSFER*

7.8. Where your collateral is subject to total title transfer to us, you should note that:

a. the assets cease to be your assets and you will no longer have a proprietary claim over them. They will not be held subject to the rules of the applicable regulator in safe custody (where they are financial instruments) or subject to client money protection (where they are cash). The assets become our assets and we can deal with them in our own right;

b. you will have an unsecured contractual claim against us for re-transfer of equivalent assets; and

c. as a result, the assets will not be subject to a trust or otherwise insulated in our insolvency. And, in such event, you may not receive back everything so transferred to us and you will only rank as a general creditor.

F. SHORT SALES

7.9. Selling "*short*" means to sell financial instruments that you do not own at the time of the sale. The seller has an obligation to deliver the Financial Instrument sold at the settlement date which will generally be a few days later than the trade date, so he will either go into the market to buy the relevant financial instruments for delivery or he will "*borrow*" the relevant financial instruments under a stock lending arrangement (for further detail on this see below).

7.10. Short selling is a technique used by investors who want to try to profit from the falling price of a financial instrument. If the price of the financial instrument drops after the investor has sold short (in other words at the time when he is buying or borrowing the relevant financial instruments for delivery), the investor will make a profit. If, however the price of the financial instrument rises after the investor has sold short, the investor will have automatically made a loss, and the loss has the potential to get bigger and bigger if the price of the financial instrument continues to rise before the investor has gone into the market to buy or borrow the financial instrument to settle the short sale.

G. OFF-EXCHANGE TRANSACTIONS

7.11. Certain exchanges as recognised or designated investment exchanges. Transactions which are traded elsewhere may be exposed to substantially greater risks.

H. LIMITED LIABILITY TRANSACTIONS

7.12. Before entering into a limited liability transaction, you should obtain from the firm a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction.

7.13. The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time.

7.14. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

I. COMMISSIONS/TRANSACTION COSTS

7.15. Before you begin to trade, you should obtain details of all commissions and other charges for which you must be liable.

7.16. When Financial Instruments are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Financial Instruments. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value.

7.17. To the extent that additional domestic or foreign parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, you must take into account that you may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

7.18. In addition to such costs directly related to the purchase of Financial Instruments (direct costs), you must also take into account any follow-up costs (such as custody fees). You should inform yourself about any additional costs incurred in connection with the purchase, custody or sale of an investment before investing. The effect of transaction costs (for example on a new issue of securities) may result in the issue price of such securities falling below the market value when trading starts.

J. SUSPENSIONS OF TRADING AND GREY MARKET INVESTMENTS

7.19. 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 order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

7.20. Transactions may be entered into in:

a. a security whose listing on an exchange is suspended, or the listing of or dealings in which have been discontinued, or which is subject to an exchange announcement suspending or prohibiting dealings; or

b. a grey market security, which is a security for which application has been made for listing or admission to dealings on an exchange where the security's listing or admission has not yet taken place (otherwise than because the application has been rejected) and the security is not already listed or admitted to dealings on another exchange.

7.21. There may be insufficient published information on which to base a decision to buy or sell such securities.

K. DEPOSITED CASH AND PROPERTY

7.22. You should familiarise yourself with the protections accorded to you in respect of money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which had been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

L. STABILISATION

7.23. Transactions may be carried out in securities where the price may have been influenced by measures taken to stabilise it.

7.24. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. Regulations allow stabilisation in order to help counter the fact that, when a new issue comes on to the market for the first time, the price can sometimes drop for a time before buyers are found.

7.25. Stabilisation is carried out by a *'stabilisation manager'* (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

7.26. The Stabilisation Rules:

a. limit the period when a stabilising manager may stabilise a new issue;

b. fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and

c. require him to disclose that he may be stabilising but not that he is actually doing so.

7.27. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

M. NON-READILY REALISABLE INVESTMENTS

7.28. Both exchange-listed and traded and off-exchange investments may be non-readily realisable. These are investments in which the market is limited or could become so. Accordingly, it may be difficult to assess their market value and/or to liquidate your position.

N. STOCK LENDING/REPO'S

7.29. The effect of lending (or '*repo'ing*') securities to a third party is to transfer title to them to the borrower (or repo purchaser) for the period that they are lent (or '*repo'ed*'). At the end of the period, subject to default of the borrower (or repo purchaser), the lender (or repo seller) receives back securities of the same issuer and type. The borrower's (or repo purchaser's) obligation to transfer equivalent securities is secured against collateral (which is usually transferred by a title transfer mechanism pursuant to market standard agreements). There is, accordingly, credit risk. Lending (or '*repo'ing*') securities may affect your tax position.

O. STRATEGIES

7.30. Particular investment strategies will carry their own particular risks.

7.31. The placing of certain orders (e.g. "*stop loss*" or "*stop limits*" orders) that are intended to limit losses to certain amounts may not always be affected because market conditions or technological limitations may make it impossible to execute such orders. Strategies using combinations of positions, such as "*spread*" and "*straddle*" positions, may be just as risky or even riskier than simple "*long*" or "*short*" positions.

8. MISCELLANEOUS

8.1. This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in all Financial Instrument and investment services.

8.2. The Company reserves the right to review and/or amend its Risk Disclosure statements, at its sole discretion, whenever it deems fit or appropriate.

8.3. Our Risk Disclosure statements are not part of our Terms and Conditions of Business and are not intended to be contractually binding or impose or seek to impose any obligations on us which we would not otherwise have, but for the *Markets in Financial Instruments Legislation*.

8.4. Should you have a question about the Risk Disclosures set forth herein please direct your questions at: supportpro@finpros.eu.