

## **RISK DISCLOSURE NOTICE**

This brief notice does not disclose all of the risks in Currency Forex trading and other significant aspects of trading in leveraged investments. In light of the risks, Customer should undertake such transactions only if Customer understands the nature of the contracts (and contractual relationships) into which Customer is entering and the extent of Customer's exposure to risk.

The Customer should carefully consider whether trading is appropriate for the Customer in light of the Customer's experience, objectives, financial resources and other circumstances.

### **Effect of 'Leverage' or 'Gearing'**

Transactions in Currency Forex accounts carry a high degree of risk. The amount of initial margin is small relative to the value of the Currency Forex contract so that transactions are 'leveraged' or 'geared'.

A relatively small market movement will have a proportionately larger impact on the funds Customer has deposited or will have to deposit; this may work against Customer as well as for Customer.

Customer may sustain a total loss of initial margin funds and any additional funds deposited with the Company to maintain the Customer's position. Customer should be aware that if the market moves against the Customer's position, Customer's position may be liquidated at a loss.

### **Off-exchange transactions**

Currency Forex is not traded on a regulated exchange. Currency Forex is traded on the "Interbank" system. The Interbank system consists of banks/clearing houses that exchange Currency positions with other banks/clearing houses.

There are no guarantees that the counterparties with whom the Company deals are creditworthy. Every attempt has been made to deal with reputable creditworthy banks/clearing houses.

Also, there may be certain cases when trading liquidity decreases, causing trading in a certain Currency to cease, thereby preventing the liquidation of an adverse position, which may result in a substantial financial loss to the Customer.

### **Transactions in different jurisdictions**

Off-exchange transactions may be less regulated or subject to a separate regulatory regime, which may offer diminished investor protection. Before Customer trades, Customer should inquire about any rules relevant to the Customer's particular transactions.

### **Market risks and on-line trading**

Trading on an electronic trading system may differ not only from trading in the interbank market but also from trading on other electronic trading systems. If you undertake

transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software.

The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

Trading on-line, no matter how convenient or efficient, does not necessarily reduce risks associated with currency trading.

All live deals within the scope of Customer Agreement and Rules of Trading (contrary to trades on demo accounts) may be subjected to manual dealer's control no matter of deal's size. This may lead to noticeable delays in receiving quotes or trades or orders confirmations, especially at fast moving markets. Customer has to consider that his (her) ability to open and close extremely short term positions may also be restricted.

### **Guaranties of profit impossibility and trading recommendations**

Customer warrants that in consideration of the Company's carrying his account(s), Customer agrees not to hold the Company responsible for losses incurred through following its trading recommendations or suggestions or those of its employees, agents or representatives.

Customer recognizes that guarantees of profit or freedom from loss are impossible of performance in OTCFX trading. Customer acknowledges that Customer has received no such guarantees from the Company or from any of its representatives or any introducing agent and has not entered into the Customer Agreement in consideration of or in reliance upon any such guarantees or similar representations.

Customer agrees that Customer is fully responsible for making all final decisions as to transactions effected for Customer's account. Customer has considered the foregoing factors and in view of Customer's present and anticipated continued financial resources, Customer is willing and able to assume the substantial financial risks of Currency Forex trading.

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