RISK WARRING

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The lack of recommendations.

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Risks associated with online trading

There is a high probability risk when using the trading platform, as the system execution can be difficult due to the failure of hardware, software and Internet connection. As far as company does not control signal power, its reception or transmission of communication via the Internet, the configuration of hardware or reliability of its connection, the Company cannot be responsible for communication failures, distortions or delays when trading via the Internet. The Company uses the reserve systems and has developed an action plan in case of emergencies to minimize the probability of system failure and to ensure the trade via mobile phone.

Web site use

Any use of the information from the web site of the Company is governed by the “Terms of Use” of company, which could be changed occasionally in the part of “Copyright”. Both documents are an integral part of the disclaimer.

The company is not responsible for any damage caused by the impossibility for the Client to access the web site of the Company. This restriction includes a disclaimer for damage to personal computer equipment and computer systems caused by viruses and any other malware.

The consultations on the website of the Company are not a sign of any relationship with the Client. The company is not obliged and liable to any natural or legal person during the use of the Company’s web site.

Risks associated with complex trading instruments

Below one can find characteristics of some complex trading instruments and the markets where they are traded. Bear in mind, that trading in financial instruments always involves risk. Start trading instruments is worth if one understands what are they and what risks are associated with them.

Currency pairs trading (Forex)

When trading currency pairs, the investor buys a currency at one price and sells at another. For example, an investor may sell British pounds (GBP) against the United States dollar (USD), provided that it expects a rise of USD against GBP.

Currencies are traded with leverage - that means one can invest more money than are on the Personal Account using the money of company. It is possible to trade currency using the FX Spot, FX Forward or FX Options. FX Spot is a transaction of the currency market participants to exchange a specified amount of currency of one country for the currency of another country at an agreed exchange rate on a certain date. Transactions of FX Forward and FX Options open at a certain date at prices effected at the date of the transaction. Using FX Options the Client has the right to make a transaction in the underlying FX Spot currency pair on the expiration if the price is currently more profitable than usual. On the other hand,

Client trading in options is obliged to conclude the transaction with the buyer in the day of the payment upon request.

The Forex market is one of the world's largest financial markets with all-day trade without holidays and weekends. However, the speciality of the market is low profitability compared with other trading possibilities. Since profitability depends on a large amount of trade achieved by using leverage. When trading currency pairs revenue minus costs, such as commission and spread, incurred by one market player will always be offset by the loss of another player. Transactions in foreign currency are always committed with company as a contractor, and company specifies rates based on information obtained by analysts of the market. However, this does not mean that profit or loss of the Client is compensated by the loss or profit of the Company as the Company seeks to hedge its risks with other counterparties.

As the foreign currency is traded on margin, a relatively small negative or positive market movement can have a significant impact on the Client's investment. Therefore, trading foreign currency involves a relatively high level of risk. It makes potential profit quite high, even if the deposit is relatively small. If your total risk on margin trades exceeds your deposit, you risk losing more than you have in the personal account.

CFD

Options trading

Options trading involves high risk and not be suitable for all investors. Before trading, the investor needs to see the desired option and take into account all the risks. Contract options are traded with company as the counterparty to transactions.

The option gives the right to buy/sell a specified underlying asset at a fixed price. The option will be executed either before or on the specified date before the expiration. A call option is a financial agreement between two parties, one of which is the buyer and another is the seller of this type of option. A put option is an option to sell.

Options, giving the Client the right to purchase/sale of the underlying asset could expire, then the initial investment will be lost. To ensure that the Company has verified that the Client may sustain losses, company will require margin payments. Nonetheless, potential losses could substantially exceed the margin charged, then the Client will be responsible for the deposit is depleted.

Please note that the Client will only be enabled for options to purchase (put and call) by default. Please contact your Account Manager if you want to be able to write/sell contract options (put and calls).

Stock options

An option contract is a form of transaction where one party transfers to another the right to purchase a financial instrument at a fixed price and at a certain time. The option seller is the party that conveys the option contract. The option buyer is the party, which undertakes to pay to the seller the right to purchase.

Final settlement of stock options requires physical delivery of the main stock comparing the payment for a fixed value of an asset. If the Client has an open position for stock options, but he lacks money and he will not be able to calculate a position on options, the Client will not be able to fulfil its obligation.

The final settlement positions of the stock option occurs when the holder of the long position of the option exercises his right to buy or sell shares. Upon expiration, all options positions in money held by the Client company are automatically enforced, both before and at expiration. Clients who hold short option positions will be assigned through random distribution in the form of a lottery. To reflect the true result of the implementation of the options, it is necessary to use a clearing statement from the broker.

CFD (Contract for difference) is an agreement between two parties — the seller and the buyer on the transfer of the difference between the fair value of the asset at the time of conclusion of the contract (open position) and its value at the end of the contract (closed position).

The tool assumes the increase or decrease in the value of a particular asset after a certain period. If your assumptions are correct, you will receive a profit from the difference in prices (less costs), but you will have to pay the difference between the price (including costs) if your assumptions are incorrect. Being bided to the underlying asset, the value of the CFD depends on the price of the desired asset. CFD is always traded on margin. CFDs are usually traded with company as the counterparty, but some CFDs are traded on a regulated market. Price always moves with the price of the underlying product, which in most cases are traded on a regulated market. Price always moves with the price of the underlying product, which in most cases are traded on a regulated market. The price and volatility of single stock CFDs reflect the price and liquidity of shares on the market on which it traded, while CFD's index-tracking are over the counter (OTC) tools whose price is set by company based on the prices and liquidity of the underlying shares, the futures market, the expected dividends, interest rates, etc.

As CFDs are traded on margin this enables the Client to take a larger position than the Client has on the Personal Account. But bare in mind that even a small negative or positive movement of the underlying instrument can have a significant impact on your investment. Therefore, trading in CFDs carries a relatively high-risk level. It makes the potential profit quite high, even if the deposit is relatively small. If your total risk on margin trades exceeds your deposit, you risk losing more than you have in the Personal Account.

Futures

Futures trading involves speculation on the price of a particular underlying asset, which in the future will rise or fall. The future opens to the Client a standardized obligation to buy or sell an underlying asset at a specific price on a specific date. The underlying asset can be raw materials, agricultural tools or financial instruments. Depending on prices, the asset must be calculated by the difference in price. One should understand that futures are always traded on margin. Also, futures are traded either on a regulated market or through direct speculation through the trading system of the stock exchanges.

Since futures are traded on margin, the Client has the opportunity to take a larger position due to the leverage of the Company than that which could be when using the personal deposit. Also, a relatively small negative or positive market movement can have a significant impact on the Client's investment. Therefore, trading in futures involves a high level of risk. It makes the potential profit quite high, even if the deposit is relatively small. If the total Client's margin risk exceeds its deposit, the Client risks losing a larger amount than he has.