RISK DISCLOSURE

Contracts for Difference and other leveraged instruments

Bursa Prime Ltd. (trading as **BursaPrime**)

Registered in St. Lucia under number 2026-00616

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Document: Risk Disclosure

RISK WARNING

> **Contracts for Difference ("CFDs") are complex instruments and come with a high risk of losing money rapidly due to leverage. 65% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.**

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1. INTRODUCTION AND SCOPE

1.1. This Risk Disclosure is issued by Bursa Prime Ltd. (the "**Company**", "**we**", "**us**", "**our**") and is addressed to any person who holds, or applies to hold, a trading account with the Company (the "**Client**", "**you**", "**your**").

1.2. This document forms an integral part of, and must be read together with, the Company's Terms and Conditions (Client Agreement), Order Execution Policy, Conflicts of Interest Policy, Privacy Policy and any other document published in the Legal section of our website (collectively, the "**Legal Documentation**"). In the event of a conflict between this Risk Disclosure and the Terms and Conditions, the Terms and Conditions shall prevail, save where a provision of this Risk Disclosure is required by Applicable Regulations.

1.3. The purpose of this document is to provide you with a general description of the nature of, and the risks associated with, trading CFDs and other leveraged financial instruments offered by the Company, so that you are reasonably able to understand the nature and risks of the service and of the specific type of instrument offered, and consequently to take investment decisions on an informed basis.

1.4. This document does not disclose all of the risks and other significant aspects of trading CFDs. It cannot, and does not, address every risk that may arise, nor how such risks relate to your personal circumstances. You should not rely on this document as an exhaustive statement of risk. If you are in any doubt, you should seek independent professional advice before entering into any transaction with us.

1.5. By opening an account with the Company, you confirm that you have read, understood and accepted this Risk Disclosure in full, and that you are willing and financially able to bear the risks described in it.

1.6. The Company does not offer its services to residents of, or persons located in, [LIST OF RESTRICTED JURISDICTIONS]. CFDs are not eligible for sale or distribution in certain jurisdictions. This document is not directed at any person in any jurisdiction where its publication, availability or distribution would be contrary to local law or regulation.

2. NO ADVICE — EXECUTION-ONLY SERVICE

2.1. The Company provides an **execution-only service**. We do not provide investment advice, portfolio management, or personal recommendations of any kind, and we will not assess the suitability of any instrument or strategy for you.

2.2. Any market commentary, research, news, analysis, price data, educational material, webinar, trading signal, economic calendar entry, opinion or other information made available by the Company or by any third party through our website, platforms or communications is provided **for general information purposes only**. It:

- does not constitute investment advice, a personal recommendation, or an inducement or solicitation to enter into any transaction;

- has not been prepared in accordance with legal requirements designed to promote the independence of investment research;
- is not subject to any prohibition on dealing ahead of its dissemination;
- may be inaccurate, incomplete or out of date, and may be withdrawn or amended without notice.

2.3. You alone are responsible for assessing the merits and risks of any transaction you enter into and for any resulting profit or loss. Any decision to trade is made solely at your own discretion and at your own risk.

2.4. No employee, agent, introducing broker, affiliate or representative of the Company is authorised to give investment advice, to guarantee any result, to promise any level of profit, or to make any representation about the performance of any instrument or strategy. If any such person does so, you must not rely on it and you should report it to us immediately at [COMPLIANCE EMAIL].

3. CLIENT CATEGORISATION AND APPROPRIATENESS

3.1. The Company will categorise you as a **Retail Client**, **Professional Client** or **Eligible Counterparty** on the basis of the information you provide during onboarding and in accordance with Applicable Regulations. Retail Clients receive the highest level of regulatory protection.

3.2. **[If Retail Client protections apply in the relevant jurisdiction:]** As a Retail Client you may benefit from protections such as leverage limits, [negative balance protection], [margin close-out rules], [a prohibition on monetary and certain non-monetary benefits], and access to [INVESTOR COMPENSATION SCHEME]. If you request and are approved for re-categorisation as a Professional Client, **you will lose some or all of these protections**. You should consider carefully whether any commercial benefit of re-categorisation outweighs the loss of protection.

3.3. Before providing you with access to CFDs, the Company will carry out an **appropriateness assessment** based on the information you provide about your knowledge and experience. This assessment does not relieve you of the need to consider carefully whether to trade. If we warn you that trading these instruments may not be appropriate for you, or if you fail to provide sufficient information for us to assess appropriateness, you should refrain from trading until you have gained sufficient knowledge and experience — for example, by using a demo account.

3.4. A demo account does not replicate live trading conditions in all respects. Fills, spreads, slippage, liquidity, rejection rates and emotional pressure may differ materially between demo and live environments. **Results achieved on a demo account are not indicative of results on a live account.**

4. THE NATURE OF CFDs

4.1. A CFD is an agreement between you and the Company to exchange the difference in value of an underlying reference asset between the time the contract is opened and the time it is closed. The underlying reference asset may be a currency pair, an index, a commodity, a share, an exchange-traded fund, a bond, a futures contract, a cryptoasset or any other asset offered by the Company from time to time.

4.2. **You do not own, and acquire no right in, the underlying asset.** Trading a CFD gives you no entitlement to delivery of the underlying asset, no voting rights, no shareholder rights, no rights of ownership, and no rights against the issuer of the underlying asset or against any exchange on which it is traded.

4.3. CFDs are **over-the-counter ("OTC") derivatives**. They are not traded on a regulated market, multilateral trading facility or organised trading facility, and they are not cleared through a central counterparty. There is no exchange or clearing house standing behind your transaction. As a result:

- prices are set by the Company by reference to, but not necessarily identical to, prices in the underlying market;
- there is no secondary market — a position opened with the Company can only be closed with the Company;
- your position is subject to the credit risk of the Company (see Section 10).

4.4. CFDs are **not deposits, savings products or investment funds**. They are not capital-protected. They are short-term speculative instruments and are generally unsuitable for long-term investment or for the preservation of capital.

4.5. CFDs are **not suitable for all investors**. They are appropriate only for persons who: understand and accept the risk of losing their entire invested capital; have sufficient financial resources to bear such losses without affecting their standard of living or financial obligations; understand the mechanics of leverage and margin; and are able to monitor their positions actively.

5. LEVERAGE, MARGIN AND STOP-OUT RISK

5.1. Leverage is the single greatest source of risk in CFD trading. CFDs are traded on margin, meaning that you are required to deposit only a small percentage of the full notional value of a position in order to open and maintain it. A leverage ratio of 1:[XX] means that a deposit of [X]% of the notional value controls the full position.

5.2. Leverage magnifies **both gains and losses**. A small adverse movement in the price of the underlying asset can produce a loss that is large in proportion to the funds you have deposited, and can exceed your initial margin. **A relatively minor market movement may have a proportionately much larger impact on your account.**

5.3. You may lose all of the funds you deposit, and you may lose them very rapidly — in some market conditions, within minutes or seconds.

5.4. [Where negative balance protection applies:] The Company applies negative balance protection to Retail Client accounts, meaning your aggregate liability in respect of all CFDs connected to your account is limited to the funds in that account. Negative balance protection is provided on a per-account basis and may be withdrawn where the Company determines, at its sole discretion, that you have attempted to abuse it — including by hedging exposure across multiple accounts or profiles, by trading during periods when the relevant symbol is not available for trading with the Company, or otherwise contrary to good faith or the Terms and Conditions.

5.5. [Where negative balance protection does NOT apply:] The Company does not provide negative balance protection. In the event of extreme price movements, gapping, or a failure of the stop-out mechanism to execute, your losses may exceed the funds deposited in your account and you may become liable to pay us additional sums on demand. Your potential loss is theoretically unlimited.

5.6. Margin Call. You are responsible for monitoring your account and for maintaining sufficient margin at all times. The Company may, but is under **no obligation to**, notify you that your margin level has fallen below the required level. Any margin call is a courtesy, not a right. The absence of a margin call does not relieve you of your obligation to maintain margin.

5.7. Stop-Out / Automatic Close-Out. If your margin level falls to or below [XX]%, the Company will automatically close one or more of your open positions at the prevailing market price, without prior notice and without your instruction, typically starting with the most unprofitable position, and continuing until your margin level is restored above the stop-out threshold. You accept that:

- the stop-out mechanism is an automatic risk-control feature operating in the Company's favour, and is **not a protection designed to guarantee that you cannot lose more than a set amount**;
- positions may be closed at prices materially worse than the stop-out level in fast-moving or gapping markets;
- in extreme conditions the mechanism may not execute at all, or may execute late.

5.8. Changes to margin and leverage. The Company may increase margin requirements or reduce available leverage at any time, at its sole discretion and with or without prior notice — for example ahead of major economic announcements, earnings releases, elections, weekends, holidays, or during periods of elevated volatility. Any change to the leverage applied to an account that already holds open positions **may take immediate effect on those positions and may itself trigger a margin call or stop-out.**

5.9. Compounding of risk. Holding multiple correlated positions (for example, several USD pairs, or several indices) does not diversify risk and may concentrate it. An adverse move in a single risk factor may cause simultaneous losses across all such positions.

6. MARKET RISK

6.1. The value of a CFD is derived from the price of the underlying asset, which may move rapidly, unpredictably and against your position. Prices are affected by, among other things: economic data releases, central bank decisions and commentary, interest rate expectations, corporate announcements, geopolitical events, armed conflict, natural disasters, pandemics, changes in law and taxation, market sentiment, and the actions of other market participants.

6.2. Volatility. Markets can experience sudden and extreme changes in volatility. During volatile periods spreads widen, liquidity thins, execution slows, and the difference between the price you request and the price you receive increases.

6.3. Gapping. The price of an underlying asset may move from one level to another **without trading at the intervening prices**. Gaps commonly occur: at market open following a weekend or public holiday; on the release of unexpected news; on corporate announcements made outside trading hours; and where an exchange suspends or halts trading. Where a gap occurs, **any Stop Loss, Take Profit or pending order you have placed will be executed at the next available price, which may be materially worse than the level you specified.** There is no limit to how far a price may gap.

6.4. Trading hours and out-of-hours risk. Certain instruments are available for trading only during defined sessions. If material news affects an underlying asset while the relevant instrument is closed, you will be unable to close or adjust your position until trading resumes, by which time the price may have moved significantly against you.

6.5. Suspensions and halts. If trading in an underlying asset is suspended, halted or restricted on the relevant exchange, the Company may suspend the corresponding instrument, place it in close-only mode, increase margin requirements, or close your positions at a price we determine in good faith to be fair and reasonable. **During a period of suspension you may continue to incur overnight financing charges on open positions.** In the event of a prolonged suspension or a delisting, your position may be closed at the last traded price, which may result in the loss of the entire value of the position.

7. LIQUIDITY AND EXECUTION RISK

7.1. Slippage. Slippage is the difference between the price at which you request execution and the price at which your order is actually executed. Slippage is a **normal and expected cost of trading**, particularly for larger orders and during periods of thin liquidity or high volatility. Slippage may be **negative** (worse than requested) or **positive** (better than requested).

7.2. Market orders carry no price guarantee. A market order is an instruction to execute at the best price available at the moment of execution, not at the price displayed on your screen when you clicked. The price you receive may differ.

7.3. Stop orders are not guaranteed. A Stop Loss order becomes a market order when triggered and is then subject to slippage and gapping. **A Stop Loss does not guarantee that your loss will be limited to the level you set**, and in fast-moving markets your loss may be substantially greater. The Company does not offer guaranteed stop-loss orders [unless expressly stated otherwise in the product documentation].

7.4. Partial fills. Where insufficient liquidity is available, an order may be executed in parts, and the parts may be executed at different prices. The resulting average price may be worse than the price requested.

7.5. Order rejection. The Company may reject or cancel an order, including where: there is no liquidity in the market; prices are considered by the system to be stale, erroneous or false; there is insufficient free margin in the account; trading restrictions apply to the instrument; the order breaches size or exposure limits; or the Company considers, at its discretion, that the order breaches its internal policies, the Terms and Conditions or Applicable Regulations.

7.6. Requotes. Depending on the platform and account type, you may receive a requote rather than an execution, requiring you to accept a revised price. The market may move further during this process.

7.7. Latency and price movement. Prices are updated as frequently as technology and communication links allow. There is an unavoidable delay between the price generated by our systems, its display on your device, the transmission of your instruction, and its execution. In fast-moving markets the price may move materially within that interval.

7.8. Manual execution. Although most orders are executed automatically, the Company may execute an order manually and without prior notice — for example during periods of elevated volatility, illiquidity or infrequent price updates, where an order is of significant size (significance being determined at our discretion), or where our systems identify potentially abusive trading behaviour or correlated activity across multiple client profiles.

7.9. Manifest error. Where the Company quotes or executes at a price that is materially incorrect as a result of a system fault, an erroneous feed, a human error or an obvious mispricing, the Company may void the transaction or adjust the opening and/or closing price to the price that would have applied absent the error, in accordance with the Terms and Conditions.

7.10. Order size limits. The Company may impose minimum and maximum order sizes, caps on the number of contracts and limits on total net exposure per instrument or per client profile, and may vary them without notice.

8. COST RISK — SPREADS, COMMISSIONS AND OVERNIGHT FINANCING

8.1. Trading costs reduce your net return and increase the market movement required for a position to become profitable. **A position is loss-making from the moment it is opened**, by at least the amount of the spread and any commission.

8.2. Spread. For every instrument the Company quotes two prices: the Ask (at which you buy) and the Bid (at which you sell). The difference is the spread. Spreads are variable and may widen significantly and without notice — including at market open and close, around news events, over weekends and holidays, and during periods of low liquidity. **Spread widening alone can trigger a Stop Loss or a stop-out**, even where the mid-price has not reached your level.

8.3. Commission and mark-up. Depending on account type and instrument, you may be charged a commission per lot, or a mark-up incorporated into the spread. Details are published on our website and may be varied from time to time.

8.4. Overnight financing (swap). Positions held past the daily rollover time are subject to a financing charge or credit reflecting the cost of the leverage extended to you. Swap rates are variable and may be negative on both long and short positions. On [Wednesdays / Fridays, per instrument class] a multiple-day swap is applied to account for the weekend. **Over time, swap charges can consume a substantial portion of, or exceed, any unrealised gain on a position**, and are a material cost for positions held for extended periods.

8.5. Swap-free / Islamic accounts. Where the Company offers swap-free accounts, they are provided at its sole discretion for clients who cannot pay or receive interest for religious reasons. The Company may apply an alternative administration fee, may impose a limit on the number of days a position may be held swap-free (after which swaps apply), and may apply swap charges retrospectively and take further action where it reasonably believes the facility has been abused.

8.6. Dividend adjustments. For share and index CFDs, where the underlying goes ex-dividend, a cash adjustment is applied: a credit for long positions and **a debit for short positions**. Adjustments may be subject to withholding tax and are generally applied on a gross or net basis as specified in the contract specifications.

8.7. Other charges. These may include, without limitation: deposit and withdrawal fees, currency conversion charges, **inactivity or dormancy fees** applied to accounts with no trading activity for a defined period (which may continue to accrue and may reduce your balance to zero), account maintenance fees, and third-party payment provider charges. The full fee schedule is published on our website and may be amended in accordance with the Terms and Conditions.

9. CURRENCY RISK

9.1. Where you trade an instrument denominated in a currency other than the base currency of your account, your profit or loss is converted at a rate determined by the Company. **Movements in that exchange rate will affect your net result independently of the performance of the instrument itself**, and may turn a gross profit into a net loss.

9.2. The conversion rate applied by the Company may include a mark-up over the prevailing interbank rate and may differ from rates available elsewhere.

9.3. Where you deposit or withdraw in a currency other than your account base currency, conversion costs and rate movements will affect the amount credited or received.

9.4. Emerging-market and exotic currency pairs are subject to materially higher volatility, wider spreads, thinner liquidity, greater gapping risk, and the risk of government intervention, capital controls, devaluation or repegging.

10. COUNTERPARTY AND CREDIT RISK

10.1. The Company is the sole counterparty to every transaction you enter into. All transactions are executed with the Company acting as principal, and not as agent on your behalf. Even where the Company transmits orders to third-party liquidity providers for the purpose of hedging, contractually the Company remains your only counterparty and the sole execution venue for your orders.

10.2. Accordingly, you are exposed to the **credit risk of the Company**. Your ability to realise a profit, to close a position, or to withdraw funds depends on the Company's continued solvency and its ability and willingness to perform its obligations.

10.3. A position opened with the Company **can only be closed with the Company**. There is no alternative market, venue or counterparty to which you can transfer or novate your position.

10.4. The Company may hedge its own exposure with liquidity providers, prime brokers, banks or other counterparties. The failure, default or insolvency of any such counterparty, or of any intermediate broker, exchange, custodian or clearing house, may adversely affect the Company and, indirectly, your positions and funds. **The Company accepts no responsibility for the acts or omissions of any third party** with whom it deals or through whom it holds funds or effects transactions.

10.5. Any third party holding or controlling your money or collateral (including a bank, market, intermediate broker, OTC counterparty or clearing house) may have a security interest, lien or right of set-off in relation to that money, and may have interests contrary to your own.

11. CLIENT MONEY, SEGREGATION AND INSOLVENCY RISK

11.1. Client funds are held in [segregated client accounts / accounts held with credit institutions] separately from the Company's own funds, in accordance with Applicable Regulations. **Segregation does not eliminate risk**; it is an accounting and legal arrangement, not a guarantee of repayment.

11.2. Client funds may be held with credit institutions or payment institutions in [JURISDICTION(S)], which may include jurisdictions **outside** [the EEA / the jurisdiction of the Company]. The legal and regulatory regime applicable in those jurisdictions may differ, and in the event of the failure of such an institution your rights may differ from those you would have locally, and may be materially weaker.

11.3. In the event of the Company's insolvency, you may not recover all or any of your funds. You would rank as a creditor in accordance with the applicable insolvency regime. Recovery may take years, may be partial, and unrealised profits may not be recognised.

11.4. [Where a compensation scheme applies:] The Company is a member of [INVESTOR COMPENSATION SCHEME], which may provide compensation of up to [AMOUNT] per eligible claimant in the event that the Company is unable to meet its obligations. Eligibility conditions, exclusions and limits apply, and Professional Clients and Eligible Counterparties may not be covered.

11.5. **[Where no compensation scheme applies:] The Company is not a member of any investor compensation or deposit guarantee scheme. No governmental, statutory or private compensation arrangement is available to you in the event of the Company's default or insolvency. You bear this risk in full.**

11.6. The Company does not pay interest on client funds held in its accounts, and any interest accrued may be retained by the Company, unless otherwise agreed in writing.

12. CONFLICTS OF INTEREST

12.1. This is a material disclosure and you should read it carefully.

12.2. The Company operates a **hybrid execution model**. Depending on the instrument, the account type, the size of the order, the client's trading profile and the Company's internal risk parameters as applied from time to time, the Company may:

- **(a)** hedge a client's position, in whole or in part, by entering into a corresponding transaction with a third-party liquidity provider ("**A-book**"); or
- **(b)** retain the resulting market exposure on its own book, in whole or in part, without a corresponding external hedge ("**B-book**"); or
- **(c)** internalise a client's order by offsetting it against opposing exposure from other clients.

12.3. Where the Company retains exposure on its own book, the Company acts as the direct counterparty to your trade and its financial interest is directly opposed to yours: your loss on that position is the Company's gain, and your gain is the Company's loss. This is an inherent and unavoidable feature of the OTC market-making model and is not, of itself, a breach of any duty owed to you.

12.4. The allocation of an order between A-book and B-book treatment is determined by the Company at its sole discretion, in accordance with its internal risk management framework. **You will not be notified of the treatment applied to any individual order, and you are not entitled to request or receive that information.**

12.5. Further conflicts may arise from, among other things: the Company's discretion in constructing and quoting prices and applying mark-ups; the Company's discretion in accepting, rejecting, requoting or manually executing orders; the Company's discretion in setting leverage, margin and stop-out parameters; the remuneration of the Company's staff; and payments made by the Company to introducing brokers, affiliates, marketing partners and content creators, which may be calculated by reference to trading volume, deposits or the revenue generated by the clients they introduce — and which may create an incentive to encourage higher trading activity than is in your interest.

12.6. The Company maintains a Conflicts of Interest Policy setting out the organisational and administrative arrangements it has established to identify, prevent and manage conflicts of interest. That policy is available at [URL] and a copy will be provided free of charge on request. **The existence of that policy does not eliminate the conflicts described above.**

13. TECHNOLOGY, PLATFORM AND OPERATIONAL RISK

13.1. Trading is conducted through electronic platforms and depends on hardware, software, connectivity and data feeds — much of which is outside the Company's control. **The Company does not warrant that any platform or service will be uninterrupted, error-free, secure or available at any particular time.**

13.2. You may be unable to open, modify or close a position, or to access your account, as a result of: internet or telecommunications failure; power failure; failure of your device, browser or operating system; failure or unavailability of the Company's servers; scheduled or emergency maintenance; failure of a third-party platform provider, data provider or liquidity provider; cyber-attack, denial-of-service attack or malware; or any other technical event.

13.3. Neither the Company nor any third-party platform provider accepts liability for any loss arising from delay, failure, interruption or inaccuracy of any system or transmission, save to the extent such liability cannot lawfully be excluded.

13.4. Where the Company makes third-party platforms available (including, without limitation, MetaTrader 4, MetaTrader 5, cTrader or any mobile or web application), those platforms are licensed from their respective owners. The Company does not control their development, functionality or availability and gives no warranty in respect of them.

13.5. You are solely responsible for the security of your account credentials, including passwords, one-time codes and API keys, and for all activity conducted through your account, whether or not authorised by you. You must notify us immediately at [SECURITY EMAIL] if you suspect unauthorised access. You should not share credentials with any third party, including any person claiming to be an employee of the Company.

13.6. You should have alternative arrangements for managing your positions in the event that you cannot access the platform, including contact details for our dealing desk, and you should not rely on a single device or connection.

14. THIRD-PARTY SERVICES, AUTOMATED TRADING AND COPY TRADING

14.1. Expert Advisors, algorithms and automated strategies. If you use automated trading software, whether obtained from the Company, from a third party or developed by you, **you remain fully responsible for all orders it generates**. Automated systems may malfunction, may execute unintended orders, may generate orders at high frequency, and may amplify losses in market conditions they were not designed for. Historical backtests are not indicative of future results and are frequently subject to selection bias, over-fitting and unrealistic execution assumptions.

14.2. Virtual private servers ("VPS"). The Company does not warrant the performance or availability of any VPS provider, whether or not recommended by the Company.

14.3. Copy trading, social trading and signal services. Where you elect to copy, mirror or follow the trades of another person, or to subscribe to a signal provider:

- you are responsible for the decision to follow that person and for the resulting trades, all of which are executed in your name and at your risk;
- the strategy provider is not acting as your adviser or agent and is not regulated by, or vetted by, the Company [unless expressly stated];
- the strategy provider may be remunerated by reference to volume or performance, which may create an incentive to take greater risk than is appropriate for you;
- differences in account size, leverage, base currency, execution timing and slippage mean **your results will differ from those of the person you copy**, and may be materially worse;
- past performance of any strategy provider is not indicative of future results.

14.4. Introducing brokers, affiliates and money managers. Where you were introduced to the Company by a third party, or where you grant a third party a power of attorney or trading authority over your account:

- that third party is not an employee or agent of the Company and the Company is not responsible for its conduct, statements, representations or advice;
- the Company may pay that third party remuneration linked to your trading volume or deposits;
- you remain liable for all trades executed under any authority you grant, and the Company is entitled to act on instructions received from the authorised person without further enquiry;
- you should verify independently that any such person is authorised to provide the services they offer.

15. INSTRUMENT-SPECIFIC RISKS

15.1. Foreign exchange CFDs

Currency markets operate on a near-continuous basis and can move sharply on interest rate decisions, intervention by central banks, political events and capital flows. Exotic pairs carry the additional risks set out at Section 9.4. Weekend gap risk is significant, as material developments frequently occur while markets are closed.

15.2. Index CFDs

Index CFDs reference cash or futures-based index levels. Prices may diverge from the official index level, particularly outside the underlying cash market's trading hours. Index constituents are periodically rebalanced, and index CFDs are subject to dividend adjustments reflecting the aggregate dividends of constituents.

15.3. Commodity and energy CFDs

Commodity markets are exposed to supply shocks, weather, storage constraints, transport disruption, cartel action, sanctions and geopolitical conflict. **The price of an underlying commodity futures contract may in exceptional circumstances fall below zero.** Where an underlying reference price becomes negative, your losses may be substantially greater than the notional value of your position at the time it was opened, and the Company may take such action as it considers appropriate, including closing positions, adjusting prices, increasing margin or suspending trading.

15.4. Share CFDs

Share CFDs are exposed to issuer-specific risk, including earnings disappointments, profit warnings, litigation, regulatory action, fraud, delisting and insolvency. They are subject to **corporate actions** — dividends, stock splits, reverse splits, rights issues, spin-offs, mergers, acquisitions and leveraged buyouts — in respect of which the Company may, at its discretion: apply a cash or position adjustment intended to mirror the economic effect of the event; increase margin requirements; suspend or halt trading; limit maximum exposure; or close positions where the underlying ceases to trade. **In the event of a delisting, your position may be closed at the last traded price**, which may be substantially below the price at which it was opened. Where an adjustment results in a fractional position, the fractional component may be settled as a cash adjustment.

15.5. CFDs on futures contracts

CFDs referencing futures contracts have a defined expiry. On or before expiry, the position will be closed or rolled into the next contract month in accordance with the contract specifications. **Rollover may result in a cash adjustment to your account and a change in the reference price**, and pending orders (including GTC and GTD orders) may become redundant on expiry. You are responsible for monitoring expiry and rollover dates, which are published on our website.

15.6. Cryptoasset CFDs

Cryptoasset CFDs carry an exceptionally high level of risk and may not be appropriate for most retail clients. In addition to all the risks set out elsewhere in this document:

- cryptoasset prices are extremely volatile and may move by very large percentages within short periods, including outside conventional market hours;
- the underlying market is largely unregulated, fragmented across venues of varying quality, and vulnerable to manipulation, wash trading, exchange failure, hacking and fraud;
- there is no intrinsic valuation framework, no issuer, no cash flows and no central bank or authority standing behind any cryptoasset;
- liquidity may disappear abruptly, producing extreme spreads and gapping;
- the Company typically imposes materially lower leverage and higher margin requirements, which may be increased without notice;
- trading may be available on a 24/7 basis, meaning positions can be affected at times when you are unable to monitor them;
- legal and regulatory treatment is evolving rapidly and adverse regulatory developments may affect prices severely and without warning.

You should be prepared to lose the entire amount allocated to cryptoasset CFD trading.

16. LEGAL, REGULATORY AND TAX RISK

16.1. Laws, regulations and the rules of exchanges and regulators may change, sometimes with immediate effect and without notice. Such changes may affect the availability of instruments, the leverage available to you, the costs of trading, the treatment of your positions, and the protections available to you.

16.2. Regulatory or governmental action — including trading bans, short-selling restrictions, position limits, sanctions and capital controls — may prevent you from opening, maintaining or closing positions and may cause positions to be closed at prices that are unfavourable to you.

16.3. Tax. The tax treatment of CFD trading depends on your individual circumstances and on the law of your country of residence, and may change. Profits may be subject to income tax, capital gains tax, stamp duty, financial transaction tax, withholding tax or other levies. **The Company does not provide tax advice.** You are solely responsible for determining, reporting and paying any tax due on your trading activity. You should consult an independent tax adviser.

16.4. The Company may be required to disclose information about you and your account to tax authorities, regulators, law enforcement agencies and courts, including under automatic exchange of information regimes.

16.5. It is your responsibility to ensure that trading CFDs is lawful in your jurisdiction and that you comply with all applicable laws. The Company's acceptance of your account does not constitute confirmation that your trading is lawful where you are located.

17. COMMUNICATION RISK

17.1. The Company may communicate with you by email, telephone, SMS, push notification, internal platform mail, live chat or post. **You are responsible for regularly checking the communication channels you have registered with us**, including the internal mail of the trading platform, through which important notices (including changes to trading hours, holiday schedules, margin requirements and instrument availability) may be issued.

17.2. Information sent by unencrypted email may be intercepted or accessed by unauthorised parties. The Company is not responsible for financial loss arising from the delayed, failed or intercepted receipt of any communication.

17.3. The Company is not responsible for losses arising from communications you receive from unauthorised third parties purporting to act on the Company's behalf.

17.4. Telephone calls and electronic communications relating to the reception, transmission and execution of orders are recorded and retained in accordance with Applicable Regulations and our Privacy Policy. Copies are available on request for the applicable retention period.

18. ABNORMAL MARKET CONDITIONS AND FORCE MAJEURE

18.1. In Abnormal Market Conditions — including extreme volatility, illiquidity, a market gap, the suspension or closure of a relevant market, a failure of a liquidity provider, or the occurrence of a Force Majeure Event — the Company may, at its sole discretion and without prior notice:

- widen spreads or cease quoting a price;
- increase margin requirements, including in respect of existing open positions;
- refuse, cancel, delay or manually execute orders;
- suspend trading in an instrument or place it in close-only mode;
- limit maximum exposure or order size;
- close any or all of your open positions at a price the Company determines in good faith to be fair and reasonable;
- amend or void transactions affected by the event.

18.2. A Force Majeure Event includes any act, event or occurrence beyond the Company's reasonable control, including acts of God, war, terrorism, civil unrest, national emergency, strike, epidemic or pandemic, failure or interruption of communications, power, or internet infrastructure, cyber-attack, the failure of any exchange, clearing house, liquidity provider or supplier, and any act of any governmental or regulatory authority.

18.3. The Company is not liable for any loss you suffer as a result of any action taken under this Section.

19. PAST PERFORMANCE AND PROJECTIONS

19.1. Past performance is not a reliable indicator of, and is not necessarily indicative of, future results. This applies to the performance of any instrument, any strategy, any signal provider, any strategy provider, any automated system, any account, and any figures published by the Company or by any third party.

19.2. Any simulated, hypothetical or backtested performance is subject to inherent limitations, including that it is prepared with the benefit of hindsight, does not involve financial risk, and may not reflect the impact of liquidity constraints, slippage, financing costs or execution failure.

19.3. Any projection, forecast or target published by the Company or a third party is an estimate only, is based on assumptions that may prove incorrect, and must not be relied upon as a promise or guarantee of any outcome.

19.4. No person is entitled to guarantee you any profit or any level of return, and the Company gives no such guarantee.

20. FRAUD, IMPERSONATION AND THIRD-PARTY RECOVERY SCHEMES

20.1. Persons unconnected with the Company may impersonate the Company, its staff or its brand in order to defraud clients. The Company will **never**: request your account password or one-time codes; ask you to transfer funds to a personal account or to an account in the name of an individual; guarantee profits; or ask you to install remote-access software so that a third party can trade on your behalf.

20.2. Beware of **recovery-room fraud**: parties who contact clients who have suffered trading losses and offer, in exchange for an upfront fee, to recover those losses. These offers are fraudulent.

20.3. All official communications and payments will be conducted through the channels and payment methods published on [OFFICIAL WEBSITE URL]. If in doubt, contact us directly using the details in Section 22 before acting.

21. ACKNOWLEDGEMENT

21.1. By opening and operating an account with the Company, you acknowledge and confirm that:

- **(a)** you have read, understood and accepted this Risk Disclosure in its entirety;
- **(b)** you understand that CFDs are complex, leveraged, speculative instruments carrying a high risk of rapid loss;
- **(c)** you understand that you may lose all funds deposited [and, where negative balance protection does not apply, that you may lose more than the funds deposited];
- **(d)** you are trading with risk capital — funds whose total loss would not materially affect your financial position or standard of living — and not with borrowed funds, funds required for living expenses, or funds required to meet existing obligations;
- **(e)** you understand that the Company acts as principal and as your sole counterparty, and that in respect of positions retained on the Company's own book its financial interests are directly opposed to yours;
- **(f)** the Company provides no investment advice and makes no recommendation;
- **(g)** you accept sole responsibility for your trading decisions and their consequences;
- **(h)** you have been given the opportunity to seek independent financial, legal and tax advice.

21.2. This Risk Disclosure may be amended from time to time. The current version is always available at [URL]. Material amendments will be notified to you in accordance with the Terms and Conditions. Your continued use of our services following any amendment constitutes acceptance of the amended document.

22. CONTACT AND COMPLAINTS

Questions about this Risk Disclosure should be addressed in the first instance to our Client Support Department:

- **Email:** [SUPPORT EMAIL]
- **Telephone:** [PHONE]
- **Address:** [REGISTERED ADDRESS]

Complaints should be submitted in accordance with our Complaints Handling Policy, available at [URL], to [COMPLAINTS EMAIL]. If you are not satisfied with our final response, you may be entitled to refer your complaint to [OMBUDSMAN / REGULATOR / ADR BODY], [contact details].

Document control

Owner	Compliance Department
Version	1.0
Approved by	[Board of Directors / Compliance Officer], [DATE]
Next review	[DATE] — at least annually

APPENDIX — DRAFTING NOTES

Remove this appendix before publication. It is guidance for you and your legal counsel, not client-facing content.

A. Decisions you must make before this document is final

1. **Regulator and licence.** Every bracketed reference to Applicable Regulations, compensation schemes, negative balance protection, leverage caps and the front-page risk warning changes depending on whether you end up under CySEC/MiFID II, FCA, ASIC, FSA Seychelles, FSC Mauritius, SVG FSA, etc. This draft is deliberately jurisdiction-agnostic so it can be pointed in any direction, but it is **not final in any jurisdiction**.
2. **The front-page loss percentage.** In the EU and UK this is mandatory, must be your own firm's figure, must be recalculated at least quarterly on a rolling 12-month basis, and must appear on the website and in all marketing — not just here. Outside those regimes it is optional; including it anyway is a credibility signal. Delete the placeholder if you are not producing a real figure.
3. **Negative balance protection.** Sections 5.4 and 5.5 are mutually exclusive alternatives — keep exactly one. Keeping both, or keeping neither, is the most common defect in offshore broker documentation.
4. **Compensation scheme.** Same structure at 11.4 / 11.5 — keep exactly one. If you have no scheme, say so plainly; regulators and payment providers increasingly treat a vague answer here as a red flag.
5. **Stop-out level, leverage ratios, rollover times, inactivity fee terms.** These must match your Terms and Conditions, your Order Execution Policy, your contract specifications page and, critically, **what your platform actually does**. Inconsistency between the documents is the single most common finding in regulatory reviews and the easiest for a complainant to exploit.

B. Notes specific to the hybrid A-book / B-book model

Section 12 is drafted more explicitly than most brokers write it. That is intentional. Under the ESMA Common Supervisory Action running through 2026, and CySEC's related on-site inspection programme, supervisors are testing whether disclosed conflict frameworks reflect how firms actually operate — and internalisation/B-book economics is the specific thing they are looking for. Two practical points:

- The wording at 12.4 ("you will not be notified of the treatment applied to any individual order") is standard and defensible, but it only holds if your Conflicts of Interest Policy documents a genuine, governed methodology for the routing decision. If routing is discretionary and undocumented, this clause protects you far less than it appears to.
- Section 12.5's disclosure of affiliate and IB remuneration is not optional in MiFID jurisdictions (inducements rules) and is increasingly expected elsewhere. It also has to be consistent with what you say in the Conflicts of Interest Policy — which we will draft next, and which will need to align with this section clause by clause.

C. What still needs to be added once other documents exist

- Cross-reference URLs (currently `[URL]`) once the legal page structure is fixed.
- Alignment of defined terms with the Terms and Conditions. Right now this document uses "Applicable Regulations", "Abnormal Market Conditions", "Force Majeure Event" and "Retail Client" as if they were defined — they should be defined in the T&Cs and this document should say so in Section 1.

- A short standalone risk warning for the website footer and marketing material, extracted from the top of this document.

D. Legal review

I am not a lawyer and this is not legal advice. This draft is a well-informed starting point built from current market practice, not a document you can publish as-is. Before it goes live it needs review by counsel qualified in your chosen jurisdiction, and in several regimes (including CySEC) client-facing documentation is reviewed by the regulator as part of licensing.