

# **iTrade Global (CY)Limited**

## **Risk Disclosure Notice**

Last updated on 11<sup>th</sup> June 2018

Important Notice: This document does not disclose, contain or explain all of the risks and other significant aspects involved in dealing in all Financial Instruments and Investment Services. This document was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis in accordance with the Law.

## 1. INTRODUCTION

- 1.1. iTrade Global (CY) Ltd hereinafter referred to as “the Company” is an Investment Firm that owns and operates the brand “**TRADEFW**” ([www.TRADEFW.com](http://www.TRADEFW.com)) The Company is incorporated and registered under the laws of the Republic of Cyprus, with registration number HE 335424 and is authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC), with CIF license number 298/16.
- 1.2. In consideration of the Company agreeing to enter into Forex and/or CFD trading with the undersigned (hereinafter referred to as the “Customer”, “Client”, “you”) the Customer acknowledges, understands and agrees with the Risks included in this Risk Disclosure Notice, ‘the Notice’. This Notice is designed to explain in general terms the nature of the Risks involved when dealing in Forex and/or CFDs and/or other financial instruments offered by the Company on a fair and non-misleading basis. The Notice shall include a description which explains the nature of the specific type of instruments concerned, as well as the risks particular to that specific type of instruments in sufficient detail to enable the client to take investment decisions on an informed basis. Moreover, this Notice forms an integral part of the “Service Agreement” between the Customer and the Company and is detailed below.

## 2. RISK WARNING

- 2.1. The Customer ensures that he/she understands that Trading is very risky and speculative. The Customer should not risk more than he/she is prepared to lose. The Customer before deciding to trade must ensure that he/she understands the risks involved for each one of the Financial Instruments offered by the Company and take into account his/her level of experience. Therefore, prior to applying for a trading account, the Client should carefully consider whether investing in a specific Financial Instrument is suitable for him/her in light of his/her personal circumstances and financial resources. If the Customer does not understand the risks involved, then independent advice and consultation must be sought. The Company will not provide the Customer with any

personal investment advice in relation to trading in Forex, CFDs and/or any other Financial Instruments. The Customer acknowledges that there is a great risk of incurring losses when trading in Forex/CFDs and accepts that he/she is willing to undertake this risk.

### **3. ACKNOWLEDGEMENT**

The Customer acknowledges, understands and agrees with the following information and Risks, including but not limited:

#### **3.1. Trading Platform:**

The Customer accepts that the only reliable source of price-sensitive data is that data which is presented on our live server, and that this service may be disrupted through no fault of our own resulting in such price-sensitive data not being available to the Customer. The Customer will regularly consult the “Help” menu or “User Guide” of the trading platform(s). In the circumstance where a conflict arises, the Service Agreement will prevail unless the Company determines in its sole discretion, otherwise. The Customer acknowledges that the Company bears no responsibility if unauthorized third party persons have access to any information when such information is transmitted using the internet, the telephone or other electronic means.

#### **3.2. Technical Risk and Internet Trading:**

When the Customer trades online (via the internet), the Company shall not be liable for any claims, losses, damages, indemnifications, costs or expenses, caused, directly or indirectly, by any malfunction or failure of any transmission, communication system, computer facility or trading software, whether belonging to the Company, the Customer, any exchange or any settlement or clearing system. The Company bears no responsibility for any loss that arises as a result of a system failure, including but not limited to: delayed updates of the Customer terminal; poor internet connection either on the Customer’s side or the Company’s or both; hardware or software failure, malfunction or misuse either on the Customer’s side or the Company’s or both; incorrect settings on the Customer’s terminal; the Customer disregarding the rules and procedures described in the Customer terminal and in the Company website.

#### **3.3. Communication:**

The Company bears no responsibility and the Customer will accept the risk of any loss that arises as a result of delayed or non-received communication sent by

the Company to the Customer. The Customer accepts sole responsibility for the privacy of any information contained within the communication received by the Company. The Company bears no responsibility for any loss that arises as a result of unencrypted information sent to the Customer by the Company that has been accessed through unauthorized means. The Customer accepts that any loss arising due to unauthorized access of a third party to the Customer's trading account is not the responsibility of the Company. The Customer is fully responsible for any non-received or unread internal messages sent to the Customer via the trading platform(s). The Company will ensure that the Customer is kept updated via the approved communication channels. The Company cannot be held liable for those messages that the Customer fails to receive, open or understand due to the failure of the email system and/or communication channel or corruption of the intended message.

#### **3.4. Force Majeure Event:**

In case of a Force Majeure Event the Company may not be in a position to arrange for the execution of Client Orders or fulfil its obligations under the Service Agreement with the Client or fail or delay in performing its obligations. As a result, the Client may suffer financial loss. The Company will not be held liable or have any responsibility for any type of loss or damage arising, directly or indirectly, due to a Force Majeure event.

#### **3.5. The Company Is Not an Adviser or a Fiduciary to the Customer:**

Where the Company provides general market recommendations, such general recommendations do not constitute a personal recommendation or investment advice and have not considered any of your personal circumstances or your investment objectives, nor is it an offer to trade, or the solicitation of an offer to trade, in any Forex/CFDs and/or other financial instruments. Each decision by Customer to trade in Forex/CFDs and/or any other financial instruments with the Company and each decision as to whether a transaction is appropriate or proper for the Customer, is an independent decision made by the Customer. The Company is not acting as an advisor or serving as a fiduciary to the Customer. The Customer acknowledges and agrees that the Company has no fiduciary duty to the Customer and no liability in connection with and is not responsible for any liabilities, claims, damages, indemnifications, costs and/or expenses, including attorneys' fees and/or any legal proceedings, incurred in connection with the Client following the Company's general trading

recommendations or taking or not taking any action based upon any general recommendation or information provided by the Company.

**3.6. Recommendations are Not Guaranteed:**

The general market recommendations that may be provided by the Company are based solely on the judgment of the Company's personnel and should be considered as such. The Customer acknowledges that it enters into any Transactions relying on his/her own judgement. Any market recommendations that may be provided are general only and may or may not be consistent with the market positions or intentions of the Company and/or its affiliates. The general market recommendations of the Company are based upon information believed to be reliable, but the Company cannot and does not guarantee the accuracy or completeness thereof or represent that following such general recommendations will reduce or eliminate the risk inherent in trading in Forex/CFDs.

**3.7. Cash Settlement of Forex/CFDs and/or other Financial Instruments:**

The Customer acknowledges and understands that Forex/CFD trading, or other financial instruments trading, can only be settled in cash.

**4. TRADING IN FOREX/CFDs IS RISKY AND SPECULATIVE:**

Trading in Forex/CFDs is highly speculative, involves an outstanding Risk of loss and is not suitable for everyone but only for those investors who:

- a) Understand and are willing to assume the economic, legal and other risks involved.
- b) Are financially able and prepared to lose all their Invested capital.
- c) Have the knowledge to understand Forex/CFD trading and the underlying assets.

The Customer represents, warrants and agrees that he/she understands these risks, is willing and able, financially and otherwise, to assume the risks of trading in Forex/CFDs and that the loss of the Customer's entire Account balance with the company will not change the Customer's lifestyle.

**5. PRICES ARE SET AND PROVIDED BY THE COMPANY'S MARKET MAKER MAY DIFFER FROM PRICES REPORTED ELSEWHERE**

The Company will provide the prices to be used in trading and valuation of Customer positions in accordance with its Trading Policies and Procedures. Prices are provided by the Market Maker of the Company. The trading rates assigned to the assets on the Company's website are the ones at which the Company is willing to sell Forex/CFDs to its Customers at the point of sale. As such, they may not directly correspond to real time market levels at the point in time at which the sale of options occurs.

## **6. RIGHTS TO UNDERLYING ASSETS**

The Customer has no rights or obligations in respect of the underlying instruments or assets relating to your Forex/CFD trading.

## **7. RIGHT TO CANCEL AN ORDER**

The Customer will have the right to cancel his/her trade for a period of at least 2 seconds after clicking the CALL or PUT button (cancelling the trade will not affect your trading balance and the funds will be returned to your trading account).

## **8. NO GUARANTEES FOR PROFITS**

There are no guarantees of profit or of avoiding losses when trading in Forex/CFDs. The Customer acknowledges and accepts that he/she has not received such guarantees from the Company or from any of its representatives. The Customer must become aware of the risks inherent in trading in Forex/CFDs and is financially able to bear such risks and withstand any losses incurred.

## **9. EXPIRY SYSTEM ERRORS**

In case the expiry system fails for any reason and the Forex/CFD does not close at the available market price when the instructed price has been met, the system will issue a notification to a Risk Manager and/or Compliance Officer, in order for the position to be resolved manually. The affected client will be placed in the same position had the CFD closed at the available market price when the instructed price has been met.

## **10. RISKS PARTICULARLY ASSOCIATED WITH TRANSACTIONS IN FX/CFD FINANCIAL INSTRUMENTS**

Investing in some Financial Instruments entails the use of “gearing” or “leverage”. In considering whether to engage in this form of investment, the Client should be aware that the high degree of “gearing” or “leverage” is a particular feature of Derivative Financial Instruments. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client’s trade. If the underlying market movement is in the Client’s favor, the client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Client’s entire deposit, but also expose the Client to a large additional loss. In regard to transactions in derivative Financial Instruments, a derivative Financial Instrument is a non-deliverable spot transaction giving an opportunity to make profit or loss on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. The Client must not purchase derivative Financial Instrument unless he/she is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.

For further details please read our Risk Disclaimer for Financial Instruments which is available on the Company’s website.

## **11. OVER THE COUNTER (‘OTC’) TRANSACTIONS**

When trading in Forex/CFDs, the Customer is effectively entering into an OTC transaction; where the parties directly negotiate between each other rather than through a regulated exchange market. The Company is using a Trading Platform for transactions in Financial Instruments which does not fall under the definition of a recognized exchange or a multilateral trading facility. OTC transactions may involve greater risk compared to transactions occurring on regulated exchange markets. Due to the absence of a central counterparty, the parties bear certain credit risk, risk of default or may face situations where it is impossible to liquidate positions or to assess the value of a position and/or of the Option.

## **12. COUNTERPARTY RISK**

These risks are associated with the default of a counterparty whereas is unable to meet its financial obligations. The Company holds the clients' money in an account that is segregated from other clients' and the Company's money, in accordance with current regulations but this may not afford complete protection.

### **13. THRID PARTY RISK**

- 13.1. The Company may transfer money received from the Customer to a third party (e.g. OTC counterparty, clearing house, bank, Liquidity Provider/ Market Maker, Intermediate broker) in the course of facilitating the Transactions of the Customer or to effect a Transaction through or with that party. The Company bears no responsibility for the insolvency, acts or omissions of any such third party.
- 13.2. The third party to whom the Company will transfer the money may hold it in an omnibus account and it may not be possible to separate it from the Client's money or the third party's money. In the event of insolvency or withdrawal or winding up proceedings against the third party, may lead to the Client's positions being liquidated or closed against his/her wishes or non-execution of Client orders/transactions. In addition, the Company may only have an unsecured claim against the third party on behalf of the Client and the Client understands that there is a risk that his/her claim will not be satisfied. The Company does not accept any liability or responsibility for any resulting losses.
- 13.3. The Company may deposit Customer money with a depository who may have a security interest, lien or right of set-off in relation to that money.
- 13.4. A third party through whom the Company deals with could have interests contrary to the Customer's interests.

### **14. INVESTOR COMPENSATION FUND (ICF Fund):**

The Company participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Customers will be entitled to compensation under the Investor Compensation Fund where we are unable to meet our duties and obligations arising from your claim. Any compensation provided to you by the Investor Compensation Fund shall not exceed twenty thousand Euro (EUR 20.000). This applies to your aggregate claims against us.

Currently, any claims related to trading CFDs in virtual currencies are not subject to the compensation scheme offered by the Fund.

## **15. RISKS RELATED TO TRADING CFDs IN VIRTUAL CURRENCIES**

- There is no specific EU regulatory framework governing trading in CFDs in virtual currencies;
- Trading CFDs in virtual currencies falls outside the scope of MIFID regulated activities;
- CFDs in virtual currencies are complex, extremely risky and usually highly speculative;
- Trading CFDs in virtual currencies entail a high risk of losing all invested capital;
- Virtual currencies are underlying assets of high volatility and may result in significant loss over a short period of time;
- CFDs in virtual currencies are not appropriate for all investors and therefore clients should not engage in trading in relation to such products if they do not have the necessary knowledge in these specific products or if you cannot bear the loss of the entire invested amount. Clients need to ensure that are fully aware of the specific characteristics and risks in relation to these products;
- Trading CFDs in virtual currencies does not entitle the clients to any protection under the ICF;
- Clients will not be entitled to refer to the Cyprus Financial Ombudsman in case of a dispute related to trading CFDs in virtual currencies.