Risk Disclosure Statement

Risk warning

Potential customers should study the following risk alerts very carefully. Please note that we have not explored or explained all the risks involved in financial instrument transactions. We outline the overall characteristics of risk on a fair and non-misleading basis.

In particular, CFDs are complex financial products and are not suitable for all investors. CFDs are leveraged products that expire when you choose to close a position. By investing in CFDs, you assume a high level of risk, which may cause you to lose all your invested capital.

Clients should not engage in any trading activities until they know and fully understand the risks involved in each financial instrument. The risks you take should not exceed your tolerance. FXTM will not provide clients with any investment advice related to investments, possible investment transactions or financial instruments, and will not make any investment recommendations. Customers should consider which financial product is suitable for them before opening an account with FXTM. If clients cannot understand these risks after consulting an independent financial advisor, they should not engage in trading activities at all. There is a significant risk of loss and loss associated with buying and selling financial instruments. Every client must understand that once a trading decision is made, the value of the investment may rise or fall. The client is responsible for all these losses and losses, and the amount of losses and losses may exceed the initial investment.

2. Statement

Technical risk

1. The customer is responsible for the risk of financial loss caused by the failure of information, communication, electronics and other systems. The result of any system failure may be that his order did not execute as he ordered or that his order did not execute at all. In this case, the company does not assume any responsibility.

2. When trading through the client terminal, the client is responsible for the risk of financial loss caused by:

- **(a) the** customer or company's hardware or software is malfunctioning, malfunctioning, or misused;
- **(b)** Poor internet connection, interruption, transmission failure or public grid failure or hacking, overloaded connection of the customer or the company or both parties;
- **(c)** Client settings are incorrect;
- **(d)** client upgrade delay;
- **(e) The** customer disregards the "Customer Terminal User Guide" and the applicable rules described on the company's website.

3. Customers agree that when the transaction flow is extremely large, customers may have some difficulties connecting to the dealer by telephone, especially when the market is rapidly fluctuating (such as when key macroeconomic indicators are released).

Abnormal market conditions

4. The Client acknowledges that the execution of instructions and requests under abnormal market conditions may be delayed.

Trading platform

5. The client acknowledges that only one request or instruction can be queued for execution at a time. Once the customer has sent a request or instruction, further requests or instructions sent by the customer will be ignored, and the "order is locked" message appears before the first request or instruction is executed.

6. The client acknowledges that only a reliable source of the quote stream information is the basis of the real / actual server quote. The client's quotation is not a reliable source of the quotation stream information, because the connection between the client terminal and the server may be mid-term at some time, and some of the quotation may not reach the client terminal.

7. The client acknowledges that when the client closes the order / modify / delete window or the open / close window, the order or request that has been sent to the server cannot be cancelled.

8. In the case where the customer does not receive the execution result of the previous instruction but decides to repeat the instruction, the customer should accept the risk of conducting two transactions instead of one transaction, but the customer may receive the "order" as described in 2.5 points Locked "message.

9. The client acknowledges that when the pending order transaction has been executed, but at the same time the client sends an order to modify its level and once the order level (If-Done Orders), the only order to be executed is to modify when the limit order is triggered Stop Loss and / or Take Profit levels for opened positions.

communication

10. Client accepts the risk of financial loss caused by delay in receiving company notification or failure to receive any notification from company.

11. The Client acknowledges that the unencrypted information transmitted by email is not protected by any unauthorized access.

12. The customer is fully responsible for the risks associated with the internal mail information of the undelivered trading platform sent by the company to the customer, as this information will be automatically deleted within 3 (three) calendar days.

13. The customer is fully responsible for the privacy of the information received from the company and accepts the risk of any financial loss caused by unauthorized access to the customer's trading account by a third party.

14. When information including electronic addresses, electronic communications and personal data, access data is transmitted between the company or any other party through the Internet or other network communication equipment, telephone or any other electronic means, if authorized / unauthorized The company is not responsible for access to the information by authorized third parties.

force majeure

15. In the event of force majeure, the client shall accept the risk of financial loss.

3. Risk warning notice for foreign exchange and derivative products

1. This announcement does not disclose in full all risks and other important matters of derivative products such as foreign exchange and futures, options, CFDs. Please do not rush into trading until you understand the nature and risk of these products. You should also make sure that the product is suitable for your financial and financial situation. Certain policies, such as "intertemporal" positions and "saddle portfolios", may have the same risks as the most basic "long positions" or "short positions".

Although foreign exchange and derivatives can be used for investment risk management, some products are not suitable for many investors. Until you understand and understand the risks involved, you should not directly or indirectly engage in the trading of derivative products, otherwise you may lose all your capital. Different investment instruments involve the same risks, so customers should understand the following points when deciding whether to trade such instruments:

Impact of leverage

2. Under margin trading conditions, even small market fluctuations may have a significant impact on customers' trading accounts. It is important to note that all account transactions are affected by leverage. The client must consider that if the market moves contrary to his expectations, he may lose more than his investment. The client is responsible for all risks, the financial resources he uses, and the strategy chosen.

We strongly recommend that customers maintain the level of margin (the ratio of the net value to the required margin as calculated by the net value / required margin * 100%) at a level of not less than 1,000%. We also recommend that clients set stop-loss orders to limit potential losses and take-profit orders to profit when they are unable to manage open positions.

In the case of incorrect quotes (price spikes) or apparently incorrect quotes that bring temporary excess free margin to the client's trading account to realize profitable transactions (later cancelled by the company), the client shall be responsible for all financial losses caused by using this part of the margin to open a position.

Highly fluctuating tools

3. Some financial instruments fluctuated sharply. Therefore, customers must seriously consider the high risk of loss when they think of the possibility of profit. The price of a derivative financial instrument is derived from the price of the underlying assets (such as foreign exchange, stocks, metals, indices, etc.) to which it refers. Derivative financial instruments and related markets may be highly volatile. The prices of instruments and underlying assets may fluctuate rapidly and widely and may reflect unforeseen events or changes in conditions that are beyond the control of the customer or the company. Under certain market conditions, a customer's order may not be executed at a published price, resulting in a loss. Among various factors, the prices of financial instruments and underlying assets are affected by changes in supply and demand, government, agriculture, business and trade projects and policies, domestic and international political and economic events, and the general psychological characteristics of the relevant markets. Therefore, a stop-loss order does not guarantee limit losses.

The client acknowledges and accepts that regardless of any information the company may provide, the value of financial instruments may fall or rise, and even the investment may become zero in value. This is because the margin system applicable to this type of transaction requires a relatively low investment deposit or margin compared to the total contract value, so relatively small fluctuations in the underlying market will have a disproportionately dramatic impact on customer transactions. If the underlying market trend meets the customer's forecast, then the customer is expected to make a profit, but the corresponding small development of the market in the opposite direction may not only cause the customer's total deposit loss, but may also cause the customer to face additional losses.

fluidity

4. Due to the decline in demand, the liquidity of some basic assets may be weakened, and customers may not be able to obtain value information or related risk levels of these assets.

futures

5. Futures trading involves the obligation to deliver the underlying assets of the contract at a future date, or in some cases to close the position in cash. They carry high risks. Futures trading is usually leveraged, which means that small deposits or down payments may bring profits, but also involve the risk of substantial losses. It also means that relatively small fluctuations in the market may cause correspondingly greater fluctuations in the value of your investment, and both profit and loss are possible. Futures trading involves contingent liabilities and you should be aware of this impact, especially margin requirements (listed below).

Option

6. There are many different types of options, with different characteristics depending on the following situations.

Call option

Buying options involves less risk than selling options, because you can invalidate options if the underlying asset price moves against you. The maximum loss is limited to the option fee plus handling fees or other transaction costs. However, if you buy a call option on a futures contract and you subsequently exercise that option, you will receive the futures. This exposes you to the risks described in the futures section and contingent liability investment transactions.

Put option

The risks involved in selling options are much greater than the options. You need margin to maintain your position, and the loss may exceed the option premium you receive. When you sell an option, you have a legal obligation to buy or sell the underlying asset if the exercise of the option is not good for you, regardless of how far the market price differs from the exercise price. If you already have the underlying assets (covered call options) that you want to sell when you sign the contract, the risk is reduced. If you do not own the underlying asset (unsecured call options), the risk will be unlimited. Only experienced people can make unsecured options, and they can only be implemented after ensuring full details of applicable conditions and potential exposures.

CFD

7. The CFDs provided by the company are non-deliverable spot transactions, which bring the opportunity to profit from changes in the underlying instruments such as exchange rates, commodities, stock market indexes or stock prices. If the trend of the underlying instrument meets the customer's expectations, the customer is expected to make a profit, but the corresponding relatively small reverse fluctuations in the market may not only cause the customer to lose all investment, but may also generate additional commissions or other costs. Therefore, unless clients are willing to bear the risk of losing their entire investment capital and any additional commissions and other costs, they should not trade CFDs.

Investing in CFDs carries the same risks as investing in futures or options, and you should be aware of the above. CFD trading may also have contingent liabilities and you should be aware of this effect.

Over-the-counter trading of derivatives

8. CFDs, foreign exchange and precious metals are all OTC. Although some OTC markets are highly liquid, the risks involved in over-the-counter or non-negotiable derivative transactions may be greater than the exchange-derivative transactions, as there is no exchange market to settle open positions. It may not be possible to close an existing position to evaluate the value of an OTC position or to assess the risk exposure. Bid and ask prices do not require quotes, they are determined by the dealer of these instruments, so it is difficult to determine the fair price.

In the company trading CFDs, foreign exchange and precious metals, the trading platform used by the company for CFDs trading is not within the scope of organized exchanges, because this is not a multilateral trading facility, so it does not provide the same protection.

Foreign exchange market

9. The foreign exchange market involves various risks. If required, the company must provide an explanation of the relevant risks and protection measures, if any, including the extent to which it will accept any liability for breach of contract by the foreign company through which it operates. Potential gains and losses on foreign exchange market transactions or contracts denominated in foreign currencies will be affected by exchange rate fluctuations.

Contingent liability investment transactions

10. Payment of guaranteed contingent liabilities will require customers to pay the purchase price in multiples, and if they do not, the purchase price will be paid in full. Margin requirements will depend on the underlying assets of the instrument. Margin requirements can be fixed or calculated at the current price of the underlying instrument, which you can view on our website.

If you trade futures, CFDs, or sell options, you may lose all of your guarantees placed by the dealer to open or maintain a position. If the market fluctuates in your direction, you may have to pay a considerable amount of additional guarantees shortly after receiving the notice to maintain your position. If the client fails to complete the transaction within the required period, his position can be closed and the losses caused will be borne by the client. Note that the company is not responsible for maintaining margin calls for maintaining positions.

Even if it is not guaranteed, there may be further payment obligations in certain circumstances, which require payment of more than the amount paid when the customer signs such contracts.

Trading on a recognized or designated investment exchange, or contingent liability transactions that are not conducted in accordance with the rules of a recognized or designated investment exchange, may expose clients to significant risks.

Collateral

11. If the customer uses collateral as a guarantee, the processing method will vary according to the type of transaction and the market. Depending on whether you are trading on a recognized or designated investment exchange, your collateral handling may differ significantly from that of the exchange (and the relevant clearing house) or over-the-counter transactions. If a customer executes a transaction with collateral as a guarantee, the deposited collateral may lose its status as a customer's asset. Even if the customer's transaction ultimately proves successful, the customer may get back the same asset that was deposited, and may have to accept the current payment. You should find out from your company how your collateral will be disposed of.

Commissions and taxes

12. Before you start trading, you should know all the commissions and other fees you will bear. If the fee is not expressed in currency (such as a percentage of the contract value), you should ensure that you understand the true monetary value of the fee.

13. Clients may need to pay taxes or pay other taxes on transactions in any financial instrument, including derivatives, such as due to changes in legislation or personal circumstances. The company does not ensure that you are not subject to taxes and / or other stamp duties. The customer bears any taxes and / or other taxes that may occur on this transactions.

Suspension of trading

14. Under certain trading conditions, it may be difficult or impossible to close a position. For example, when the market price fluctuates rapidly, if the price increases or decreases significantly within a trading day, then according to the regulations of the relevant exchange, trading will be suspended or restricted. Setting a stop loss does not necessarily limit your loss to the planned amount because market conditions make it impossible to trade at the agreed price. In addition, under certain market conditions, the execution price of a stop loss order may be worse than the price set by the customer, and the actual loss may be greater than expected.

Settlement protection

15. On many exchanges, the trading performance of your company (or a third party doing business on your behalf) is ensured by the exchange or clearing agency. However, if your company or another party defaults, the above guarantees may not apply to you in many cases and may not protect you. Upon request, the Company must explain to you the protection we provide you in the event that the settlement guarantee applies to any OTC derivatives you are trading. There are no clearing houses for traditional options and OTC instruments that have not been traded in accordance with the rules of an approved or designated investment exchange.

Insolvency

16. The company's bankruptcy or default may cause your position to be closed or forced closed without your permission. In some cases, you may not be able to get back the actual assets you deposited for collateral, and you may have to accept payment in cash or other appropriate means.

17. Separated funds will be protected by corresponding regulatory agencies.

18. Non-separated funds are not protected by corresponding regulatory agencies. Non-separated funds will not be separated from the company's funds and will be used in the company's business process. In the case of the company's bankruptcy, you will be listed as an ordinary creditor.

4. Third party risks

This notice is formulated in accordance with the corresponding legal provisions.

1. The company may transfer the funds received from the customer to a third party (such as a bank, market, intermediary, over-the-counter market contract party or settlement agency) to hold or control to influence or conclude transactions or Fulfill the client's obligation to provide guarantees (such as initial margin requirements). The company is not responsible for any acts or omissions of third parties.

2. The third party may deposit funds in a comprehensive account, and it may not be possible to separate it from client funds or third party funds. In the case of a third party going bankrupt or facing other similar lawsuits, the Company may only represent the client with unsecured recourse against the third party, and the client will face a situation in which the company received insufficient funds from the third party to meet the client's claim. The company is not responsible for any losses arising therefrom.

3. The company may deposit client funds outside the European Economic Area on behalf of the client. The legal and regulatory mechanisms applicable to such credit agencies may differ from Cyprus, and in the event of the bankruptcy or other similar lawsuits, customer funds will be handled differently than if funds were deposited with a bank in Cyprus. The Company shall not be liable for the bankruptcy, acts or omissions of third parties mentioned in this Article.

4. The company may deposit client funds in a deposit institution, which may have security rights, liens or offsetting rights.

5. The bank or broker through which the company conducts its business may have interests different from those of the client.

If there is any difference between the Chinese and English meanings of this risk disclosure statement, the English version shall prevail.