Risk statement

All investments carry risk. Different investment strategies carry different levels of risk depending on the financial products that make up the strategy. Generally, financial products with the potential for the highest returns may also carry the highest risk.
Your level of acceptable risk will vary compared to other investors' risk appetite and will depend on a range of factors such as your age, your investment timeframe, how comfortable you feel about exposing your capital to risk, the nature and size of other investments you hold and the extent to which online trading fit into your overall financial plan.
The nature of CFDs/online trading allows BROKER to have a control or influence over the performance or return of investment on CFDs/online trading. It is important to note that no return is guaranteed. Future returns may differ from past returns and Clients may lose some or all of their money invested. Additionally, laws (including tax laws) that affect online trading may change in the future which may have an adverse effect on your returns.
Online trading offered by BROKER involves a high level of risk due to its speculative nature. Accordingly, we strongly recommend that you obtain your own financial, legal, taxation and other professional advice to determine whether these products are an appropriate investment for you.
BROKER limits your potential loss to the amount of money deposited in your account by using a fixed amount, that may be lost and which is disclosed to the Client before opening a trade or CFD. However, as a result of a variety of unsuccessful trades you may still sustain losses in amount of entire capital in your account (deposit). Therefore, only risk capital should be invested i.e. money you can afford to lose.
This section include the significant risks that may affect your investments with BROKER.

1. Concentration risk

The risk that investing in a limited number of Positions (i.e. one or a limited few financial instruments) will result in the value of your investment being more volatile than if you invested in a more diversified investment strategy. This is because your investment is exposed to a smaller range of assets and is therefore more sensitive to fluctuations in the value of those assets.

2. Counterparty risk

A key area of risk associated with OTC online trading is the counterparty risk borne by Clients, i.e. the potential for the issuer to be unable to fulfil its obligations resulting in loss for the Clients. As BROKER issues online trading, you are dealing with BROKER as the counterparty to every transaction. You will therefore be exposed to the financial and business risks, including credit risk, associated with dealing with BROKER.
Each trade is an over-the-counter contract and is not traded on an exchange or market. You will not be able to transfer or assign trades to any other person. Only BROKER can close your Positions. OTC online trading is not guaranteed by an exchange or clearing house, and Clients therefore face the risk that BROKER may fail to meet some or all of its obligations.
You are reliant on BROKER's ability to meet its counterparty obligations to you to settle its relevant obligations. If BROKER were to become insolvent, then we may be unable to meet our obligations to you in full or at all. In this case, the Clients may become unsecured creditors in an administration or liquidation and will not have recourse to any underlying assets in the event of BROKER insolvency. Clients must rely on BROKER to have in place appropriate arrangements to minimise the risk that it will not be able to meet its obligations.

3. Currency / Market risk

This is the risk that the markets move in a direction not anticipated by you.
Changes to the markets of the underlying assets can have an immediate impact on the value of your investment. Positive movements in other markets, such as equity markets, or other countries, can negatively affect your investment; especially where the investments in the other market are used as a hedge for the instrument you hold (or vice versa).

4. Derivative risk

CFDs/online trading are derivative financial products. The value of a derivative is linked to the value of an underlying asset and can be highly volatile. Risks associated with using derivatives may include, but are not limited to, the value of the derivative failing to move in line with that of the underlying asset and the potential illiquidity of the derivative. While the use of derivatives can offer the opportunity for higher returns, it can also magnify your losses.

5. Execution risk

There are a number of risks relating to our ability to execute an order placed (both in opening and closing a Position) on the Trading Platform. These include:

5.1 Slippage / Gapping

There are occasions when there are larger than ordinary 'gaps' in the depth of orders on both the buy and sell side. This is usually due to a change in liquidity circumstances and effects the volatility and volume of available matching orders. This is commonly referred to as 'slippage'. It will generally occur prior to, during and subsequent to the release of fundamental news where major financial institutions have removed their orders from the liquidity markets pending the outcome of that news.
This creates conditions where orders are difficult to execute at desired prices, as there are large 'gaps' in the buying and selling depth of a particular currency pairing or precious metal.
This can cause significant losses where this occurs when we are attempting to automatically close your position or where you have placed a stop loss at a particular point. The next best available price may be significantly lower than the trigger point for an automatic close of your position or your elected to place a stop loss.

5.2 Delays in execution

The risk that an execution you place is delayed or not executed due to a delay in transmission of data between your device and its software and BROKER's Trading Platform and respective servers (see System Risk). This may result in the available price you had placed an order at no longer being available. As you will generally be accessing the Trading Platform over a third party Internet service provider there is a risk that this may be caused by your computer not maintaining a constant connection with the BROKER servers.

5.3 Reject/reset orders

Conditions may arise that make it difficult to execute orders at the given price due to an extremely high volume of orders and/or available liquidity. By the time orders are able to be executed, the Bid/Offer price at which BROKER (or its counterparty) is willing to execute a position may be several pips away.

5.4 Unavailable pricing

The risk that a financial instrument you intend to trade in or hold an open Position for is not offered by BROKER at a particular time. This generally occurs when liquidity in that relevant marker decreases and BROKER's liquidity providers are unable to provide a market for those products to BROKER. Clients will not be able to execute trades on such products.

5.5 Hedging risk

You may use online trading to for the purposes of hedging risks associated with other investments held on markets. The ability to hedge an underlying asset price by holding CFDs/online trading that move inversely to the other Positions you hold potentially allows you to protect your losses from either product. There is the risk that even a fully hedged Position may suffer losses due to rollover costs, exchange rate fluctuations or widening spreads. In addition, while a hedged Position reduces exposure to decreases in the value of a trade it will generally also reduce the potential for increased gains. If you are entering into a trade for the purposes of hedging, then the taxation consequences will depend on the nature of the underlying transaction or the asset or liability which is being hedged.

5.6 Interest rate risk

Underlying asset rates and values may be affected by changes to a jurisdiction's interest rates. In particular, the value of foreign exchange rate can fluctuate significantly in correlation to a change in a country's official interest rates relative to another country. For example, when the official interest rates rises relative to another country, the exchange rate may increase in favour of that country.

5.7 Regulatory risk

The risk that changes in government policies, regulations and laws may affect the value of your investment. You may be exposed a change in laws and regulations that materially impact on BROKER or the countries in which the currency positions you hold relate to.
A change in laws or regulations can also increase the costs of operating a business, or BROKER's ability to offer particular financial instruments.

5.8 Systems risk

The operational systems risk inherent in online trading systems apply to every trade placed. This includes disruptions to communications, IT systems, software or hardware errors or other events that delay, interrupt or otherwise effect our systems operation.
In the event such a disruption to our systems does occur you may suffer a financial loss or loss of opportunity. In accordance with our Important Disclosure, BROKER makes no warranties and is not liable in relation to the operation of the Trading Platform (including it software and hardware) or any other related service offered by BROKER except to the that disruption is caused by the fraud or dishonesty on the part of BROKER or its employees, agents or representatives.

5.9 No cooling off

There are no cooling-off arrangements for online trading. This means that when BROKER arranges for the execution of online trading, you do not have the right to return the Position, nor request a refund of the money paid to acquire the Position

6. Powers of BROKER to terminate and/or adjust your online trading transactions

In accordance with the Important Disclosure we may at any time, with or without notice:

1. cancel, reject or reverse any Position in respect of any online trading as BROKER reasonably deems appropriate;
2. set or amend any limits for a Client's account, including without limitations in respect of order's size, total number of Positions;
3. terminate a Client's account and prevent the Client from accessing the Trading Platform;
4. amend or void any online trading contract and in any proportion the Client may have with BROKER, including without limitations adjust the price, size or value of the Position;
5. refuse Orders.

BROKER may exercise its rights as specified above, as a result of any of the events, which include without limitation the following:

1. Full of partial failure of the BROKER trading system, including failure of the technology constituting the marketplace trading system or any of the communications linked to the BROKER trading system and the Client and/or any of the counterparties, or any other circumstance which is deemed impractical to use the BROKER trading system;
2. A breach of security of the BROKER trading system;
3. A material breach by the Client of his obligations under the Important Disclosure;

4. Non-compliance by the Client with any applicable (relevant) law;
5. Market conditions generally or conditions affecting a particular financial instrument make it necessary or desirable (usually under the abnormal trading conditions);
6. Absence of liquidity or unavailability of the relevant market information for any reason beyond BROKER's control;
7. BROKER reasonably considers it is necessary for the protection of its rights.

You should consider the above mentioned powers and rights of BROKER while trading with us.