RISK DISCLOSURE

Tifia
GROUP FOR SUCCESS

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Work in the international currency market involves high profit as well as a high degree of risks due to fluctuation in prices, which cannot always be accurately predicted. Therefore, before starting to trade you need to clearly understand that trading of currencies and other instruments by using leverage is associated with high degree of risk and may not be suitable for all investors. This document covers main risks a Forex trader may face, and sets out the rules governing work in the foreign currency market.

1. Risks arising from marginal trade

1.1. High leverage and low margin can lead to the loss of funds due to price fluctuation. Even minor movement in the Forex market will have proportionally much higher impact on the funds involved in trading because of the use of leverage. In case market moves in the opposite direction against the position opened by you and/or in case the value of the required margin increases, you will urgently need to deposit additional money as required. A client shall clearly realize that his/her inability to maintain loss-making positions may result in losing part or all of the invested funds in the event of adverse changes in exchange rates of currencies or other tools.

1.2. The Company is not responsible for the losses incurred by a Client as a result of disregard for the use of limit orders (for example, stop-loss), which are aimed at limiting losses in case of changes/price movement against the position opened by a Client.

1.3. Certain circumstances in the market (such as the lack of liquidity), as well as market specific conditions (time of transaction, work hours of the market, etc.) can increase the chances of losing funds, and may make it impossible to place limit orders or close position.

1.4. The Client shall understand that in the event of conducting transactions in the market under the jurisdiction of a foreign country, such transactions shall be in accordance with the rules and regulations of that country, and thus these may offer different or diminished levels of protection. Therefore, prior to starting to trade in the Forex market the Client is required to learn and be familiar with the types of compensation and rules applicable under jurisdiction of the Client’s country or in other relevant jurisdictions. It is important to remember that local regulatory authority of the Client will not be able to force the markets under other jurisdictions comply with the laws ruling in the Client’s country, if trades have been conducted in the markets under other jurisdictions.

1.5. Before opening a trade, a Client shall understand and be aware of the requirement to pay commissions and other fees, which will affect the final trading outcome.

1.6. When a Client deals with the foreign currency other than the currency of his/her trading account, he/she shall be aware of all losses/adjustments, associated with conversion of the amount of the income into the currency of his/her account.

2. Risks associated with technical aspects

2.1. The Client shall be aware of his/her liability for losses incurred as a result of faulty software, telecommunication equipment and other technical problems arising through no fault of the brokerage company. The Company is not responsible for the failures of the third party software.

2.2. If the Client resends an order prior to receiving previous results, he/she bears responsibility for the results of all unplanned trades.

2.3. The Client accepts the necessity to keep passwords safe, giving access to the Client Area and to trading accounts, on the secure information storage media, and under no circumstances he/she shall transfer secret data to the third parties.

2.4 The Company is not responsible for consequence arising from the disclosure by a Client of his/her secret information to third parties and for the unauthorized access to the Client's e-mail by the third party.

3. Risks related to force majeure circumstances

3.1. In case of force-majeure conditions resulting in market instability, the Company is not liable for the losses incurred by the Client, due to sharp decline in liquidity and changes in price trend, associated with outbreak of hostilities, natural disasters, acts of terrorism, suspension of currency trading, etc., and which is beyond the control of the brokerage company.

Note also, that due to the high risks involved in trading in the Forex currency market, a trader should not carry out trading operations in the absence of sufficient funds to maintain open positions, which he/she can afford to lose.

Forex trader aims at increasing capital; therefore, the more money he/she deposits in his/her trading account, the faster he/she gains profit in case of successful transactions. However, in the event that a trader has invested funds for conducting trading operations, the loss of which can adversely affect the life of this trader, he/she will find it difficult to preserve emotional control needed for achieving success in trading.