



# RISK DISCLOSURE & WARNING

**VPFX FINANCIAL SERVICES L.L.C.**

[www.vpfxmena.com](http://www.vpfxmena.com)



**DISCLAIMER**

VPFX Financial Services L.L.C. (SCA License no: 20200000242) is an authorized and registered limited liability company under the law of the Securities Commodities Authorities (SCA), United Arab Emirates, under its exclusive partnership with VPFX Limited (Malaysia) to exclusively facilitate our UAE Nationals and Residents. However, VPFX Financial Services is not authorized to hold clients assets or money and all services are provided only on introduction and promotion basis.

## 1. Risk Warning

- a. Prospective clients should study the following risk warnings very carefully. Please note that we do not explore or explain all the risks involved when dealing in Financial Instruments (including Contracts for Difference “the CFDs” and Equities). We outline the general nature of the risks of dealing in Financial Instruments on a fair and non-misleading basis.
- b. In particular, Contracts for Difference (‘CFDs’) are complex financial products and not suitable for all investors. CFDs, are leveraged products that mature when you choose to close an existing open position. By investing in CFDs, you assume a high level of risk and can result in the loss of all of your invested capital.
- c. Unless a client knows and fully understands the risks involved in each Financial Instrument, they should not engage in any trading activity. You should not risk more than you are prepared to lose. VPFX will not provide clients with any investment
- d. advice in relation to investments, possible transactions in investments, or Financial Instruments, neither will we make any investment recommendations. Clients should consider which Financial Instrument is suitable for them according to their financial status and goals before opening an account with VPFX.
- e. If a client is unclear about the risks involved in trading in Financial Instruments, then they should consult an independent financial advisor. If the client still doesn’t understand these risks after consulting an independent financial advisor, then they should refrain from trading at all.
- f. Purchasing and selling Financial Instruments comes with a significant risk of losses and damages and each client must understand that the investment value can both increase and decrease, clients they are liable for all these losses and damages, which could result in more than the initial invested capital once they make the decision has been made to trade.

## 2. Client’s Acknowledgment

- a. The Client shall be responsible for the risks of financial losses caused by the failure of information, communication, electronic and other systems. The result of any system failure may be that his order is either not executed according to his instructions or it is not executed at all.
- b. The Company does not accept any liability in the case of such a failure.
- c. While trading through the Client Terminal the Client shall be responsible for the risks of financial losses caused by:
  - client’s or Company’s hardware or software failure, malfunction or misuse;

- poor Internet connection either on the side of the Client or the Company or both, or interruptions or transmission blackouts or public electricity network failures or hacker attacks, an overload of connection;
- the wrong settings in the Client Terminal;
- delayed Client Terminal updates;
- the Client disregarding the applicable rules described in the Client Terminal user guide and in the Company's Website.

### 3. Abnormal Market Conditions

- a. The Client acknowledges that under Abnormal Market Conditions the period during which the Instructions and Requests are executed may be extended.

### 4. Trading Platform

- a. The Client acknowledges that only one Request or Instruction is allowed to be in the queue at one time. Once the Client has sent a Request or an Instruction, any further Requests or Instructions sent by the Client are ignored and the "Order is locked" message appears until the first Request or Instruction is executed.
- b. The Client acknowledges that the only reliable source of Quotes Flow information is that of the real/live Server's Quotes Base. Quotes Base in the Client Terminal is not a reliable source of Quotes Flow information because the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes simply may not reach the Client.

### 5. Terminal

- a. The Client acknowledges that when the Client closes the order placing/modifying/deleting window or the position opening/closing window, the Instruction or Request, which has been sent to the Server, shall not be canceled.
- b. In case the Client has not received the result of the execution of the previously sent Instruction but decides to repeat the Instruction, the Client shall accept the risk of making two Transactions instead of one, however, the client may receive an "Order is locked" message as described in point
- c. The Client acknowledges that if the Pending Order has already been executed but the Client sends the Instruction to modify its level and the levels of If-Done Orders at the same time, the only Instruction, which will be executed, is the instruction to modify Stop Loss and/or Take Profit levels on the position opened when the Pending Order triggered.

## 6. Communication

- a. The Client shall accept the risk of any financial losses caused by the fact that the Client has received with delay or has not received at all any notice from the Company.
- b. The Client acknowledges that the unencrypted information transmitted by email is not protected from any unauthorized access.
- c. The Client is fully responsible for the risks in respect of undelivered trading platform internal mail messages sent to the Client by the Company as they are automatically deleted within 3 (three) calendar days.
- d. The Client is wholly responsible for the privacy of the information received from the Company and accepts the risk of any financial losses caused by the unauthorized access of a third party to the Client's Trading Account.
- e. The Company has no responsibility if authorized/unauthorized third persons access to information have, including electronic addresses, electronic communication, and personal data, access data when the above are transmitted between the Company or any other party, using the internet or other network communication facilities, telephone, or any other electronic means.

## 7. Force Majeure Event

- a. In case of a Force Majeure Event, the Client shall accept the risk of financial losses. Risk Warning Notice for Foreign Exchange and Derivative Products
- b. This notice cannot disclose all the risks and other significant aspects of foreign exchange and derivative products such as futures, options, and Contracts for Differences. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in light of your circumstances and financial position. Certain strategies, such as a "spread" position or a "straddle", maybe as risky as a simple Long or Short position.
- c. Although forex and derivative instruments can be used for the management of investment risk, some of these products are unsuitable for many investors. You should not engage in any dealings directly or indirectly in derivative products unless you know and understand the risks involved in them and that you may lose entirely all of your money. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points:

## 8. Effect of Leverage

- a. Under Margin Trading conditions even small market movements may have a great impact on the Client's Trading Account. It is important to note that all accounts trade under the effect of Leverage. The Client must consider that if the market moves against the Client, the Client may sustain a total loss greater than the funds deposited. The Client is responsible for all the risks, financial resources the Client uses, and for the chosen trading strategy.
- b. It is highly recommended that the Client maintains a Margin Level (percentage Equity to Necessary Margin ratio which is calculated as  $\text{Equity} / \text{Necessary Margin} * \%100$ ) of not lower than %1,000. It is also recommended to place Stop Loss to limit potential losses, and Take Profit to collect profits when it is not possible for the Client to manage the Client's Open Positions.
- c. The Client shall be responsible for all financial losses caused by the opening of the position using temporary excess Free Margin on the Trading Account gained as a result of a profitable position (canceled by the Company afterward) opened at an Error Quote (Spike) or at a Quote received as a result of a Manifest Error.

## 9. High Volatile Instruments

- a. Some Instruments trade within wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of losses as well as profits. The price of Derivative financial instruments is derived from the price of the underlying asset to which the instruments refer (for example currency, stock, metals, indices, etc).
- b. Derivative financial instruments and related markets can be highly volatile. The prices of instruments and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions, it may be impossible for a Client's order to be executed at declared price leading to losses.
- c. The prices of instruments and the underlying asset will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market place. Therefore, a Stop Loss order cannot guarantee the limit of loss.
- d. The Client acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value. This is owed to 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 may also expose the Client to a large additional loss.

## 10. Communication

- a. Some of the underlying assets may not become immediately liquid as a result of reduced demand for the underlying asset and the Client may not be able to obtain the information on the value of these or the extent of the associated risks.

## 11. Futures

- a. Transactions in futures involve the obligation to make or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, the margining requirements, which are set out below.

## 12. Contracts for Differences

- a. The CFDs available for trading with the Company are non-deliverable spot transactions giving an opportunity to make a profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. If the underlying instrument 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 any additional table-accordion commissions and other expenses incurred. So, the Client must not enter into CFDs unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional table-accordion commissions and other expenses incurred.
- a. Investing in a Contract for Differences carries the same risks as investing in the future or an option and you should be aware of these as set out above. Transactions in Contracts for Differences may also have a contingent liability and you should be aware of the implications of this as set out below.

## 13. Off-exchange Transactions in Derivatives

- a. CFDs, forex, and precious metals are off-exchange transactions. While some off-exchange markets are highly liquid, transactions in off-exchange or non-transferable derivatives may

involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an Open Position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction, or to assess the exposure to risk. Bid prices and Ask prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently, it may be difficult to establish what is a fair price.

- b. In regards to transactions in CFDs, forex and precious metals with the Company, the Company is using a trading platform for transactions in CFDs which does not fall into the definition of a recognized exchange as this is not a Multilateral Trading Facility and so do not have the same protection.

## 14. Foreign Markets

- a. Foreign markets involve various risks. On request, the Company must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

## 15. Contingent Liability Investment Transactions

- a. Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. The Margin requirement will depend on the underlying asset of the instrument. Margin requirements can be fixed or calculated from the current price of the underlying instrument, it can be found on the website of the Company. If you trade in futures, Contracts for Differences, or sell options, you may sustain a total loss of the funds you have deposited to open and maintain a position. If the market moves against you, you may be called upon to pay substantial additional funds at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss, and you will be responsible for the resulting deficit. It is noted that the Company will not have a duty to notify the Client of any Margin Call to sustain a loss-making position.
- b. Even if a transaction is not marginalized, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.
- c. Contingent liability investment transactions that are not traded on or under the rules of a recognized or designated investment exchange may expose you to substantially greater risks.



## 16. Collateral

- a. If you deposit collateral as security with the Company, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral depending on whether you are trading on a recognized or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off-exchange.
- b. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets that you deposited and may have to accept payment in cash. You should ascertain from your firm how your collateral will be dealt with.

## 17. Collateral

- a. Before you begin to trade, you should make yourself aware of all table-accordion commissions and other charges for which you will be liable. If any charges are not expressed in monetary terms (but, for example, as a percentage of contract value), you should ensure that you understand the true monetary value of the charges.
- b. There is a risk that the Client's trades in any Financial Instruments including derivative instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.
- c. The Clients are responsible for managing their tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. The Company does not provide any regulatory, tax or legal advice. If the Clients are in any doubt as to the tax treatment or liabilities of investment products available through the Company, they should seek independent advice.

## 18. Suspensions of Trading

- a. Under certain trading conditions, it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.
- b. Placing a Stop Loss will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an Order at the stipulated price. In addition, under certain market conditions, the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.

## 19. Clearing House Protections

- a. On many exchanges, the performance of a transaction by your firm (or a third party with whom it is dealing on your behalf) is guaranteed by the exchange or clearinghouse. However, this guarantee is unlikely in most circumstances to cover you, the Client, and may not protect you if your firm or another party defaults on its obligations to you.
- b. On request, the Company must explain any protection provided to you under the clearing guarantee applicable to any unexchanged derivatives in which you are dealing. There is no clearinghouse for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognized or designated investment exchange.

## 20. Insolvency

- a. The Company's insolvency or default may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets that you lodged as collateral and you may have to accept any available payments in cash or by any other method deemed to be appropriate.
- b. Segregated Funds will be subject to the protections conferred by Applicable Regulations.
- c. Non-segregated Funds will not be subject to the protections conferred by Applicable Regulations. Non-segregated Funds will not be segregated from the Company's money and will be used in the course of the Company's business, and in the event of the Company's insolvency, you will rank as a general creditor.
- d. This notice is provided to you in accordance with applicable legislation.
- e. The Company may pass money received from the Client to a third party (e.g. a bank, a market, intermediate broker, OTC counterparty or clearinghouse) to hold or control in order to effect a Transaction through or with that person or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction.
- f. The Company has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.
- g. The third-party to whom the Company will pass 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 the insolvency or any other analogous proceedings in relation to that third party, the Company may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. The Company does not accept any liability or responsibility for any resulting losses.

- h. The Company may deposit Client money with a depository who may have a security interest, lien or right of set-off in relation to that money.
- i. A Bank or Broker through whom the Company deals with could have interests contrary to the Client's interests.



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