



HTFX EU
Changing The Way You Trade

Risk Disclosure Statement

This notice is provided to you in accordance with the Investment Services and Regulated Market Law of 2017 (Law number: 87(I)/2017).

In consideration of HTFX (EU) LTD (hereafter the “Company”) agreeing to enter into over-the-counter (“OTC”) contracts for differences (“CFDs”) and foreign exchange contracts (“FX Contracts”) with the undersigned (hereinafter referred to as the “Customer”, “you”, “your”), Customer acknowledges, understands and agrees that:

Trading is very speculative and risky

Trading CFDs and FX Contracts is highly speculative, involves a significant risk of loss and is not suitable for all investors but only for those customers who:

- (a) understand and are willing to assume the economic, legal and other risks involved;
- (b) are experienced and knowledgeable about trading in derivatives and in underlying asset types; and
- (c) are financially able to assume losses significantly in excess of margin or deposits because investors may lose the total value of the contract not just the margin or the deposit.

Neither CFDs nor FX Contracts are appropriate investments for retirement funds. CFD and FX transactions are among the riskiest types of investments and can result in large losses. Customer represents, warrants and agrees that Customer understands these risks, is willing and able, financially and otherwise, to assume the risks of trading CFDs and FX Contracts and that the loss of Customer’s entire account balance will not change Customer’s lifestyle.

Risks related to long CFD positions, i.e. for purchasers of CFDs

Being long in CFD means you are buying the CFDs on the market by speculating that the market price of the underlying will rise between the time of the purchase and sale. As owner of a long position, you will generally make a profit if the market price of the underlying rises whilst your CFD long position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying falls whilst your CFD long position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

Risks related to short CFD positions, i.e. for sellers of CFDs

Being short in CFD means you are selling the CFDs on the market by speculating that the market price of the underlying will fall between the time of the purchase and sale. As owner of a short position, you will generally make a profit if the market price of the underlying falls whilst your CFD short position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying rises whilst your CFD short position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

High leverage and low margin can lead to quick losses

The high degree of “gearing” or “leverage” is a particular feature of both CFDs and FX Contracts. The effect of leverage makes investing in CFDs riskier than investing directly in the underlying asset. This stems from the margining system applicable to CFDs which generally involves a small deposit relative to the size of the transaction, so that a relatively small price movement in the underlying asset can have a disproportionately dramatic effect on your trade. This can be both advantageous and disadvantageous. A small price movement in your favour can provide a high return on the deposit, however, a small price movement against you may result in significant losses. Your losses

will never exceed the balance of your account, which is balanced to zero, if the losses are higher than the amount deposited. Such losses can occur quickly. The greater the leverage, the greater the risk. The size of leverage therefore partly determines the result of your investment.

Margin Requirements

Customer must maintain the minimum margin requirement on their open positions at all times. It is Customer’s responsibility to monitor his/her account balance. Customer may receive a margin call to deposit additional cash if the margin in the account concerned is too low. The Company has the right to liquidate any or all open positions whenever the minimum margin requirement is not maintained and this may result in Customer’s CFDs or FX Contracts being closed at a loss for which you will be liable.

Cash Settlement

Customer understands that CFD and FX Contracts can only be settled in cash and the difference between the buying and selling price partly determines the result of the investment.

Prices, Margin and Valuations are set by the Company and may be different from prices reported elsewhere

The Company will provide prices to be used in trading, valuation of Customer positions and determination of Margin requirements. The performance of your CFD or FX Contract will depend on the prices set by the Company and market fluctuations in the underlying asset to which your contract relates. Each underlying asset therefore carries specific risks that affect the result of the CFD concerned.

Rights to Underlying Assets

You have no rights or obligations in respect of the underlying instruments or assets relating to your CFDs or FX Contracts. The Customer understands that CFDs can have different underlying assets, such as stocks, indices, currencies and commodities.

Currency Risk

Investing in FX Contracts and CFDs with an underlying asset listed in a currency other than your base currency entails a currency risk, due to the fact that when the CFD or FX Contract is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.

One click trading and immediate execution

The Company’s online trading system provides immediate transmission of Customer’s order once Customer enters the notional amount and clicks “Buy/Sell.” This means that there is no opportunity to review the order after clicking “Buy/Sell” and Market Orders cannot be cancelled or modified. This feature may be different from other trading systems you have used. Customer should utilize the Demo Trading System to become familiar with the Online Trading System before actually trading online with the Company. Customer acknowledges and agrees that by using the Company’s online trading system, Customer agrees to the one-click system and accepts the risk of this immediate transmission/execution feature.

The Company is not an adviser or a fiduciary to customer

Where the Company provides generic market recommendations, such generic 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 buy or sell, or the solicitation of an offer to buy or sell, any Foreign Exchange Contracts or Cross Currency Contracts. Each decision by Customer to enter into a CFD or FX Contract with the Company and each decision as to whether a transaction is appropriate or proper for Customer, is an independent decision made by the Customer. The Company is not acting as an advisor or serving

as a fiduciary to Customer. Customer agrees that the Company has no fiduciary duty to Customer and no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with Customer following the Company's generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided by the Company.

Recommendations are not guaranteed

The generic market recommendations provided by the Company are based solely on the judgment of the Company's personnel and should be considered as such. Customer acknowledges that Customer enters into any Transactions relying on Customer's own judgment. Any market recommendations provided are generic only and may or may not be consistent with the market positions or intentions of the Company and/or its affiliates. The generic 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 generic recommendations will reduce or eliminate the risk inherent in trading CFDs and/or FX Contracts.

No guarantees of profit

There are no guarantees of profit nor of avoiding losses when trading CFDs and FX Contracts. Customer has received no such guarantees from the Company or from any of its representatives. Customer is aware of the risks inherent in trading CFDs and FX Contracts and is financially able to bear such risks and withstand any losses incurred.

Internet Trading

When Customer trades online (via the internet), the Company shall not be liable for any claims, losses, damages, costs or expenses, caused, directly or indirectly, by any malfunction, disruption or failure of any transmission, communication system, computer facility or trading software, whether belonging to the Company, Customer, any exchange or any settlement or clearing system.

Quoting Errors

Should a quoting error occur (including responses to Customer requests), the Company is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant Account. Any dispute arising from such quoting errors will be resolved on the basis of the fair market value, as determined by the Company in its sole discretion and acting in good faith, of the relevant market at the time such an error occurred. In cases where the prevailing market represents prices different from the prices the Company has posted on our screen, the Company will attempt, on a best efforts basis, to execute Transactions on or close to the prevailing market prices. These prevailing market prices will be the prices, which are ultimately reflected on the Customer statements. This may or may not adversely affect the Customer's realized and unrealized gains and losses.

Compensation

The Company participates in the Investor Compensation Fund for retail 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.

Third Party Risks

It is understood that the Company will promptly place any Client money it receives into one or more segregated account(s) (denoted as 'clients' accounts') with reliable financial institutions (within or outside Cyprus or the EEA) such as a payment institution, credit

institution, electronic money institution or a bank in a third country. Although the Company shall exercise due skill, care and diligence in the selection of the financial institution according to Applicable Regulations, it is understood that there are circumstances beyond the control of the Company and hence the Company does not accept any liability or responsibility for any resulting losses to the Client as a result of the insolvency or any other analogous proceedings or failure of the financial institution where Client money will be held.

The financial institution (of the above paragraph) where Client money will be held may be within or outside Cyprus or the EEA. It is understood that the legal and regulatory regime applying to any such financial institution outside Cyprus, or the EEA will be different from that of Cyprus. Hence, in the event of the insolvency or any other equivalent failure or preceding of that person, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in Cyprus.

The financial institution to which the Company will pass Client money (as per above paragraph) may hold it in an omnibus account. Hence, in the event of the insolvency or any other analogous proceedings in relation to that financial institution, the Company may only have an unsecured claim against the financial institution on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the financial institution is insufficient to satisfy the claims of the Client.

It is understood that the Company does not execute Client Orders on own an own account basis, i.e. as principal to principal against the Client; the Company receives and then transmits and executes Client Orders with a third party (the Liquidity Provider). This is known and straight through process and is explained in the "Summary Best Interest and Order Execution Policy" found at [click here](#). In the event of lack of liquidity of the Liquidity Provider after a successful Order for the Client, the Company will not be able to settle the transaction for the Client (i.e. pay the Client the Difference of his successful trade).

Force Majeure Events

In case of a Force Majeure Event the Company may not be able to arrange for the execution of Client Orders or fulfil its obligations under the Client Agreement with the Client. As a result, the Client may suffer financial loss.

According to the Client Agreement, the Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under the Client Agreement where such failure, interruption or delay is due to a Force Majeure Event.

Communication between the Client and the Company

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.

The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.

The Company has no responsibility if unauthorized third persons have access to client's information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the Company and the Client or when using the internet or other network communication facilities, telephone, or any other electronic means.

The Client is fully responsible for the risks in respect of undelivered Company Online Trading System internal mail messages sent to the Client by the Company.

Acknowledgement

The client acknowledges and declares that he has read, understood and thus accepts without any reservation the following:

- The value of the Financial Instrument (including currency pair, CFDs, or any other derivative product) may decrease and the client may receive less money than originally invested or the value of the Financial Instruments may present high fluctuations;
- Information on past performance of a Financial Instrument does not guarantee the pre-sent and/or future performance; the use of historic data does not constitute a binding or safe forecast as to the corresponding future return of the Financial Instruments to which such data refers;
- Some Financial Instruments may not become immediately liquid due to various reasons such as reduced demand, and the Company may not be in a position to sell them or easily obtain information on the value of such Financial Instruments or the extent of any related or inherent risk concerning such Financial Instruments;
- When a Financial Instrument is negotiated in a currency other than the currency of the client's country of residence, any changes in an exchange rate may have a negative effect on the Financial Instruments' value, price and performance;
- A Financial Instrument in foreign markets may entail risks different than the usual risks in the markets at the client's country of residence. The prospect of profit or loss from transactions in foreign markets is also influenced by the exchange rate fluctuations.