



FxPro Global Markets MENA Limited  
**Risk Disclosure Notice**

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## 1. SCOPE OF THE NOTICE

- 1.1 FxPro Global Markets MENA Limited. (referred to as **'FxPro'**, the **'Firm'**, **'us'**, **'we'** and **'our'**) provides you with this 'Risk Disclosure Notice' (the **'Notice'**) to help you understand the risks that might arise when trading Contracts for Difference (**'CFDs'**). **However, you need to bear in mind that the Notice does not contain all the risks and aspects involved in trading CFDs.** The Client (referred to as the **'Client'**, **'you'**, **'your'** and **'yourself'**) should carefully read the Notice in conjunction with the 'Client Agreement', the 'Order Execution Policy' and the documentation/ information available to you through our Website.
- 1.2 You need to ensure that any decision to engage in trading CFDs is made on an informed basis and in light of your **knowledge** and **experience** as well as to your **personal circumstances** (including but not limited to your financial position). In addition, you need to ensure that you understand the nature of CFDs and the extent of all risks and aspects involved in trading CFDs. It is your responsibility to consider whether the products are suitable for you or not and whether you can afford to risk [all of your initial investments and/or any realised or unrealised trading profits'].
- 1.3 Please note that CFDs are leveraged financial products and therefore as such, trading CFDs involves a high risk of loss as price movements are influenced by the amount of leverage the client is using. For example, if a client is using 50 times leverage a movement of 0.5% will result in a gain or a loss of 25%. Nonetheless, as a result of the 'Negative Balance Protection' (**'NBP'**) you may not lose more than your initial investment. You are however at risk of losing all of your initial investments and/or any realised or unrealised trading profits' []].
- 1.4 Trading CFDs is not appropriate for all persons. Under no circumstances, you should risk more than you are prepared to lose.
- 1.5 For any capitalised term, which has not been defined in the Notice, please refer to Schedule A ('Glossary') of the 'Client Agreement'.

## 2. APPROPRIATENESS ASSESSMENT

- 2.1 When processing your 'Account Opening Form' FxPro carries out an assessment of your appropriateness to trade CFDs and determines, based on information you provide us with, if you have sufficient knowledge and experience to understand the risks involved in trading CFDs. We will inform you of the results of our assessment but this does not relieve you of the need

to carefully consider whether to trade CFDs. If we warn you that trading CFDs may not be appropriate for you, then you should refrain from trading CFDs until you attain sufficient knowledge and experience, for example you may trade CFDs on a demo account prior to trading CFDs in a live environment and you acquainted yourself sufficiently with the relevant risks.

### **3. NATURE OF CFDs**

- 3.1 CFDs are agreements to exchange the difference in value of a particular instrument or currency between the time at which the agreement is entered into and the time at which it is closed. CFDs allow the Firm's Clients to replicate the economic effect of trading in particular currencies or other instruments without requiring actual ownership of those assets; a full list of the CFDs on offer by FxPro is available on our Website.
- 3.2 CFDs are derivative products traded off-exchange (or Over-the-Counter ('OTC')); this means FxPro is at all times the counterparty to the Client trades and any CFD trades entered into with the Firm, can only be closed with us. Your ability to open and/or close trades is dependent on the availability of our trading platform(s).
- 3.3 You understand that you are not entitled to the physical delivery of the underlying instrument (or reference instrument) of the CFDs you are trading and you have no rights in the underlying instrument (such as voting rights in case you are trading CFDs on shares).
- 3.4 CFDs fluctuate in value during the day; the price movements of CFDs are determined by a number of factors including but not limited to availability of market information.

### **4. PRICES AND COST**

- 4.1 The prices generated by our trading platform(s) are derived from the prices of the relevant underlying instruments, which the Firm obtains from third party liquidity/ price providers. The prices of CFDs that you trade with us include a mark-up; this means that the spreads offered by us comprise of (i) the raw spreads received from liquidity/ price provider(s) and (ii) a mark-up (where applicable).
- 4.2 For trading certain CFDs, the Client may be required to pay a commission and/ or other fees; these instances are described in detail in our Website. For all type of CFDs offered by the Firm, the commission (if applicable) and financing/ overnight fees are not incorporated into the

Firm's quoted prices and are instead charged explicitly to the Client Account(s). In the case of financing/ overnight fees, the value of opened positions in some types of financial instruments is increased or reduced by a daily financing fee 'swap' throughout the life of the trade. The financing fees are based on prevailing market interest rates. From Mondays to Thursdays swap is charged once for every business day and on Fridays swap is charged in triple size in order to account for the weekend; details of daily financing/ overnight fees applied, are available in our Website.

- 4.3 FxPro acts as principal to client transactions on a matched principal basis, hedging such transactions with other companies of FxPro Group. FxPro Group companies act as market maker when executing Client trades and FxPro Group may profit from any Client losses. For more types of potential conflicts of interest, please refer to our 'Conflicts of Interest Policy'.
- 4.4 You should not fund your Account using money obtained from any credit facility (including bank loan or otherwise). You should understand that your overall risks will be significantly increased if you are using credit facility to trading CFDs. For instance, if you incur a loss on your trades, you will still have to repay any amount borrowed plus any interest or other costs. Therefore, you shall never finance any trades on such borrowed money and you should never rely on being able to profit on any trade, in order to repay such amounts.

## **5. MARKET CONDITIONS, REQUIRED MARGIN, LEVERAGE AND STOP-OUT LEVELS**

- 5.1 Trading CFDs enables you to use leverage to open a trade by depositing a fraction of the total trade value; this means that a relatively small market movement may lead to a proportionately much larger movement in the value of your trade. For margin calculation purposes, the leverage level used will be the lower of: (i) the Account or (ii) symbol traded. This logic applies on all our trading platforms.
- 5.2 During the account opening process your default classification will be that of a retail client and the maximum default leverage is set at 1:50. If you are classified as a Professional Client, you can request a higher leverage but this will be at the discretion of the Firm, subject to the Client's appropriateness assessment as well as subject to the applicable rules and regulations. Retail clients have restricted leverage. Specifically, for forex major currency pairs, gold and major indices, maximum leverage is 1:50, for shares leverage is restricted to 1:10 whereas for forex minor pairs and any other instruments the maximum leverage is 1:20.
- 5.3 Financial markets may fluctuate rapidly to reflect events that are outside the control of the Firm and/or your control; as a result, prices will become volatile. One form of price volatility is 'gapping', which occurs when there is a sudden shift in prices from one level to another. This

can be caused, for example by unexpected economic events or market announcements, within or outside trading hours. Consequently, FxPro may be unable to execute your instructions at the requested price. In addition, if prices move against you, this will have a direct and real-time impact on your open trades, which may be automatically stopped-out. It is possible that you all your open trades will be stopped-out; not just the ones that are loss making.

- 5.4 You should note that any changes made to your leverage level, on an already traded Account, can immediately affect your open positions and may result in a stop-out.
- 5.5 It is your responsibility to monitor the required margin of your open positions at all times and in order to avoid a stop-out you may have to fund your Account. Note however that margin trading limits, stop-loss limits or other systems and controls designed to mitigate or limit loss exposures may not be effective or may fail.
- 5.6 For further information, please refer to the 'Margin and Leverage' section of the 'Order Execution Policy'.

## **6. FOREIGN EXCHANGE AND OTHER RELATED RISKS**

- 6.1 You will be impacted by foreign exchange movements, if you are trading in a product that is denominated in a currency other than the currency of your Account. Any currency conversion calculations are provided by the Firm to the Client in the currency in which the said Account is denominated and the currency of the relevant CFD, using the cross-spot rate.
- 6.2 Your capacity to trade CFDs may also be affected as a result of changes in the legal, regulatory, taxation environment and/or other.
- 6.3 Foreign markets will involve other risks from those that the United Arab Emirates markets may face. The potential for profit or loss from CFDs relating to a foreign market or denominated in a foreign currency will be affected by fluctuations in foreign exchange rates. It is possible for you to incur a loss if exchange rates change to your detriment, even if the price of the instrument to which the CFD relates remains unchanged.

## **7. TECHNICAL RISKS**

- 7.1 We try to generate prices continuously and provide you with access\* to our trading platforms throughout the trading sessions as indicated on our Website. However, there are instances

where this is not possible; for example, instances of poor telecommunication/ internet connectivity, system errors and outages and/or other factors. The above may cause prices to change between the time an order is placed and the time the order has been received by the Firm. In addition, these technical risks may significantly impact the execution of your orders.

*\* Access to our trading platforms includes access via mobile applications.*

## **8. CLIENT MONEY**

- 8.1 Any money that we hold on your behalf will be kept in a separate trust account with an institution within or outside DIFC and the UAE, including the European Economic Area ('EEA'), separated from the Firm's money. Client money may also be held with other regulated FxPro entities. According to applicable legislation, the Client Money can be pooled with money belonging to other Clients (the 'Omnibus Account') or co-mingled into one or more trust accounts with other client's money, which is also held on trust. Therefore, an individual Client will not have a claim against a specific sum in a specific account, in the event of insolvency. A Client's claim may be against the Client Money in the Omnibus Account. In general, accounts held with institutions, including omnibus account(s), face various risks, including the potential risk of being treated as one (1) account in case the institution defaults without any consideration of the ultimate beneficial owners of the Omnibus Account. Another risk might be that the funds in the Omnibus Account may be exposed to obligations of FxPro connected with the positions of other Clients in case FxPro is unable to meet its obligations towards them. In the event that the solvency of the institution that FxPro utilises to keep Client Money is partially or fully compromised, any loss shall be borne by you not us. In the event that any such institution defaults, the Client shall have no redress against the Firm.
- 8.2 There is also a risk that our insolvency or default may lead to your positions being liquidated or closed out without your consent. All deposits made with us are held on trust for you in a regulated trust account; in such circumstances those deposits would attract all the legal protections afforded to trust money. Net unrealised running profits are also held on trust by us (in excess of our contractual and regulatory requirements) and would normally be similarly protected for your benefit as beneficial owner, unless a court does not uphold the trust in relation to the net unrealised profits, in which event you would rank as an unsecured creditor of ours in relation to such net unrealised profits. The obligations to you under the Client Agreement and the CFDs are unsecured obligations, meaning that your rights against us are those of an unsecured creditor.
- 8.3 In the event of insolvency, winding up or other distribution event that results in a distribution of client's money, such distribution will be subject to DFSA's Client Money Distribution Rules. In cases where the Client Money is held in a jurisdiction outside the DIFC, the market practices,

insolvency and legal regime applicable in that jurisdiction may differ from the regime applicable in the DIFC.

## 9. NO ADVICE

- 9.1 FxPro will not give you any personal investment advice on any financial instruments. Our client agreement specifically states that this is not within the scope of our agreement.
- 9.2 FxPro may, from time to time and as often as it deems appropriate, issue and/or distribute third party material (the **'Material'**), which contains information including but not limited to the conditions of the financial markets, posted through our Website and other media and/or received by you. It should be noted that the Material is considered to be marketing communication only and does not contain, and should not be construed as containing, investment advice and/or an investment recommendation and/or, an offer of or solicitation for any transactions in financial instruments; any decision to enter into a specific transaction shall be made by the Client following an assessment by him/herself of their situation. FxPro makes no representation and assumes no liability as to the accuracy or completeness of the information provided, nor any loss arising from any investment based on a recommendation, forecast or other information supplied by any employee of FxPro, a third party or otherwise. The Material is not prepared in accordance with legal requirements promoting the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. All expressions of opinion included in the Material are subject to change without notice. Any opinions made may be personal to the author and may not reflect the opinions of FxPro.
- 9.3 As stated in 9.1 above, FxPro does not provide investment, financial, legal, tax, regulatory or other advice relating to investments or trading CFDs. Any material or information or other features, which may be provided to you through our Website, trading platforms, marketing or training events or otherwise, is generic and shall not be treated as advice appropriate for you or based on a consideration of your personal circumstances. You should seek independent professional advice from a suitably qualified advisor, if necessary, prior to engaging in trading CFD with us.
- You should consult with your own legal and other professional advisers before committing to any transaction, signing any documents and/or entering into any legally binding arrangement in relation to these products.

## 10. PAST PERFORMANCE

- 10.1 Past performance, simulation or prediction of CFDs does not constitute an indication of future results. You should note that the value of your investment can decrease (as well as increase) as the market price of the underlying asset may fluctuate downwards (or upwards).

## 11. ADDITIONAL INFORMATION

- 11.1 For further information, please refer to the 'Guide to Investing' issued by the European Securities and Markets Authority ('ESMA') and the 'Investor Warning on Contracts for difference (CFDs)' issued jointly by ESMA and the European Banking Authority ('EBA'); also available on our Website.

## 12. RETAIL RISK DISCLOSURE STATEMENT

This disclosure is a necessary addition to your Client Agreement with FxPro Global Markets MENA Limited ('FxPro' or 'us') and should be acknowledged and signed by you. This disclosure is not intended to include all risks associated with the products and services provided to you by us. The products and services provided to you by FxPro are detailed in your Client Agreement. In addition to your Client Agreement FxPro should also provide you with this disclosure to outline the associated risks related to trading Contracts for Difference (CFDs). It is your responsibility to consider personally, or through any legal or professional advice, whether the products are suitable for you or not and whether you can afford to risk your investment.

**Significant Loss Potential and no guarantees:** You should be aware that the risk of loss can be substantial when transacting in CFDs. You should carefully consider whether such transactions are suitable for you and only risk an amount of money you can afford to invest/lose. You should also note that the funds or property you post as your initial deposit and the CFD positions you hold with us are not guaranteed. FxPro may use these deposits against losses generated by your transactions. You are personally responsible for all losses resulting from these positions, however your losses will be limited to the equity in your account per FxPro's negative balance protection policy (see Order Execution Policy section 11.3).

You should also be aware of the following:

**Margin Trading,** in the context of CFDs, involves posting funds or property in the form of a margin deposit to your CFD trading account. This margin deposit allows you to trade more than the deposit you

have posted. This is known as leverage. Any leverage you utilise will amplify your losses and you may rapidly lose all the funds or property you deposited as margin.

**Stop loss limits** are set to limit your losses. However, during times of significant market volatility, limited liquidity, failure of electronic or telecommunications systems, or force majeure it may not be possible to give effect to Stop Loss Limits at the requested price. Stop losses are not guaranteed and you will remain liable for all losses.

**Inherent Conflicts.** FxPro is the counterparty to all your transactions. When you sell, FxPro will be the buyer. When you buy, FxPro will be the seller. When you lose money on a transaction, FxPro may make money on the same transaction in addition to fees and commissions it may charge you. The prices offered to you by us may not necessarily be the best prices available and may differ from prices offered to other clients of FxPro.

**Electronic trading platforms**, no matter how convenient or efficient, do not remove the risks associated with transactions.

**Un-regulated activities.** An electronic trading platform for retail transactions is not an exchange. It does not connect to or route orders to an exchange. It is simply an electronic connection for communicating with FxPro. This trading platform may not be regulated by a financial services regulator. So how you and FxPro use the platform is governed only by your contract with FxPro.

Furthermore, services that you receive may be provided by another company, in another country, connected to FxPro. Activities conducted in those countries are not regulated by the DFSA. You should seek information from FxPro about which financial services regulator is responsible for regulating each of the products and services FxPro provides to you before you commit any funds.

This brief risk disclosure does **not disclose all risks** associated with transactions. You should carefully consider the amount of money you can afford to lose, before you commit funds for trading purposes. If you are not sure that you understand a particular product, instrument or transaction, you should first seek appropriate professional advice before entering into the product, instrument or transaction.

I acknowledge that I have received and read the disclosure above.

Client Signature: .....

Date: .....

The following table is provided to you by FxPro. It shows the number of non-discretionary retail accounts (that is, accounts that are similar to what you may have) maintained by us.

Retail Accounts Disclosure	Total Number of Accounts	Number of Profitable Accounts	Profitable Accounts Ratio
Most Recent Quarter			
Q-1			
Q-2			
Q-3			

Past performance is not a reliable indicator of future results