



**RISK
DISCLOSURE**

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IronFX Financial Services Limited (the “Company”), whose registered office is at 17, Gr. Xenopoulou, 3106 Limassol, Cyprus, is authorised and regulated by Cyprus Securities and Exchange Commission under licence number 125/10.

Following the implementation of the Markets in Financial Instruments Directive (MiFID) as well as the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007), the Company provides this notice with information about the risks associated when clients are dealing with Forex, Contract For Differences (“CFDs”) or any other financial derivative products. This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in trading in Forex, CFDs or any other financial derivative products.

Although CFDs and other financial derivative products can be utilised for the management of investment risk, some of these products are unsuitable and not appropriate for many clients as they carry a high degree of risk.

Forex, CFDs and other financial derivatives are leveraged products and involve a high level of risk. It is possible to lose all your capital. These products may not be suitable for everyone and you should ensure that you understand the risks involved. Seek independent advice if necessary

Gearing and Leverage

Before the client opens a trade on Forex, CFDs or any other financial derivative product he is required to maintain a margin. Margin is usually a relatively modest proportion of the overall contract value. This means that the client will be trading using “leverage” or “gearing”.

The “gearing” or “leverage” is often obtainable in trading Forex, CFDs and other financial derivative products. This means a relatively small market movement can lead to a proportionately much larger movement in the value of the client’s position, and this can work either against the client or for the client.

At all times during which the client opens trades, they must maintain enough equity, consider all running profits and losses, for meeting the margin requirements. If the prices move against the client then the client must deposit funds to avoid any margin calls or otherwise the Company will be entitled to close one or more or all clients’ trades.

Appropriateness

The Company requires the client to pass through an appropriateness test during the application process and warns the client, if on the basis of information provided, the trading on Forex, CFDs or any other derivative product is not appropriate based on the client’s profile.

Off-Exchange Transactions

When the client trades Forex, CFDs or any other financial derivative product with the Company, the client will be entering into an off-exchange (OTC) derivative transaction, by placing their orders through the Company's trading platform. OTC transactions may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. The client needs to open and close a position with the Company that is not transferable to any other person. In this case, the client may be exposed to the risk of the Company's default.

Underlying Market Volatility

Forex, CFDs and other financial derivative products are instruments that allow the client to trade on price movements in underlying markets/instruments. Even though the Company offers its own prices at which the client trades Forex, CFDs or any other financial derivative product, the Company's prices are derived based on the underlying instruments/markets.

It is important for the client to understand that the fluctuation of the underlying instrument will affect the client's profitability. The client should also be aware of "gapping" where such events can result in a significant profit or loss on the client's account. "Gapping" can occur when the underlying instrument/market is open and when it is closed.

Cost and Charges

All relevant costs and charges will be provided by the Company or set out on the Company's website. Clients should be aware of such costs and charges that may influence the account profitability of the client.

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 present 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.

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