

Retail OTC Derivatives Risk Disclosure

This disclosure is a necessary addition to your client agreement with ActivTrades Plc – DIFC Branch (**ActivTrades Dubai**) 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 ActivTrades Dubai. The products and services provided to you by ActivTrades Dubai are detailed in your client agreement. In addition to your client agreement, ActivTrades Dubai should also provide you with this disclosure to outline the associated risks related to OTC Derivatives trading.

1. Significant Loss Potential and no guarantees:

You should be aware that the risk of loss can be substantial when transacting in OTC Derivatives. You should carefully consider whether such transactions are suitable for you and whether you can afford to risk all of your capital. You should also note that the funds or property you post as your initial deposit and the OTC Derivatives positions you hold with ActivTrades PLC are not guaranteed. ActivTrades PLC may use these deposits against losses generated by your transactions. You are personally responsible for all losses resulting from these positions and in some cases you may lose more than you deposited. You also understand that most retail clients transacting in OTC Derivatives products lose money and you're at a risk of losing all of your capital.

2. You should also be aware of the following:

a. Margin Trading, in the context of OTC Derivatives, involves posting funds or property in the form of a margin deposit to your OTC Derivatives 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. In these instances, ActivTrades PLC may seek to recover these losses in an appropriate forum, such as a court of law.

b. 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.

c. Inherent Conflicts. ActivTrades PLC are the counterparty to all of your OTC Derivatives transactions. When you sell, ActivTrades Group Entities will be the buyer. When you buy, ActivTrades PLC will be the seller. When you lose money on a transaction, ActivTrades PLC may make money on the same transaction in addition to fees and commissions it may charge you. The prices offered to you by ActivTrades PLC may not necessarily be the best prices available and may differ from prices offered to other clients of ActivTrades PLC. If you do not agree to these conflicts, you may not proceed with this application. By continuing/signing this document you confirm that you understand and agree to the stated conflicts of interest.

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

e. Un-regulated activities. An electronic trading platform for retail OTC Derivatives 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 ActivTrades Dubai and/or ActivTrades PLC. This trading platform may not be regulated by a financial services regulator. So how you and ActivTrades Dubai and/or ActivTrades PLC use the platform is governed only by your contract with the relevant entity.

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

3. This brief risk disclosure does not disclose all risks associated with OTC Derivatives 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.

The following table is provided to you by ActivTrades Dubai. The table shows the number of non-discretionary retail accounts (that is, accounts that are similar to the one that you may have) maintained by ActivTrades Group:

Profitable Accounts Ratio (%)		
Relevant Period	FX CFD	Other CFDs
2018 Q2	34.39%	31.84%
2018 Q1	33.51%	30.28%
2017 Q4	35.75%	31.55%
2017 Q3	33.26%	32.15%
Past performance is not a reliable indicator of future results.		