

RISK DISCLOSURE

1. Introduction

IFCMARKETS. CORP. is a British Virgin Islands (the "BVI") incorporated Company No. 669838, having its registered office at Quijano Chambers, P.O. Box 3159, Road Town, Tortola, British Virgin Islands (in this notice, "the Company", also "we", "us", "our"). is licensed regulated in the British Virgin Islands by the British Virgin Islands Financial Services Commission (the "BVI FSC", or the "FSC") and holds Investment Business License No. SIBA/L/14/1073 (the "License") of the following categories:

Category 1: Dealing in Investments
Sub-category B: Dealing as Principal;

Category 2: Arranging Deals in Investments.

This disclosure contains important information about the risks associated with dealing in derivative financial instruments, particularly, Contracts for Difference ("CFDs").

Trading is the buying and selling of financial instruments in order to make a profit. Financial instruments are assets that can be traded or exchanged, and CFD is one of such instruments. It is a complex financial instrument.

The trading instruments offered by IFCMARKETS. CORP. are over-the-counter (OTC) contracts. They are not traded on or guaranteed by, a licensed exchange. Rather, they are traded "over-the-counter", and the counterparties to any transactions in these trading instruments are you and we.

Each transaction in these trading instruments, which is agreed and entered into by IFCMARKETS. CORP. with you, will be entered into by us as a principal. Accordingly, the Company "makes a market" in its products, which means that it states the price at which it is prepared to deal with its clients on a "principal to principal" basis.

2. Complex Instruments Warning

You are warned that complex instruments, like CFDs, are considered more difficult to understand than traditional investments and are derivative products which entail significant risks. Before choosing complex instruments for trading, you should understand their nature and satisfy yourself that they are suitable for you in the light of your circumstances, financial objectives and risk tolerance.

If necessary, you should avail yourself of independent financial advice prior to engaging in any operations with complex instruments.

3. What is a CFD?

A Contract for Difference (CFD) is a contract based on fluctuations in the price of trading instruments. It is an agreement between a 'buyer' and a 'seller' to exchange the difference between the current price of an underlying asset (currencies, commodities, indices, shares etc.) and its price when the contract is closed.

CFDs are leveraged products, i.e. you can access the markets while only putting down a small deposit towards the total value of the trade. By taking 'long positions' or 'short positions' you can then take advantage of prices on the underlying assets moving up or down.

When the contract closes, the client will either receive or pay the difference between the closing value and the opening value of the CFD and/or the underlying asset(s), depending on whether the difference is positive or negative.

Notwithstanding the above, the Company provides you with a negative balance protection, per trading account, ensuring that you will not enter into a negative balance and be required to recover such losses and/or pay the difference to us.

You must understand that while looking to profit from market movements, they may not necessarily be in your favour. Fluctuations in the value of trading instruments may result in losses to you, and you must be prepared to lose your money.

Please be aware that CFDs and derivative products in general carry a high degree of risk and may not be suitable for many clients. Before trading in these financial products, you should fully understand their nature, the risks involved and your exposure. It is prudent to seek independent advice where necessary.

4. Leverage

Prior to trading in CFDs or other financial derivative products through your trading account with us, money will need to be added in your trading account. This margin will be only part of the overall contract value, and you will be able to trade in larger amounts using this "leverage". This is called margin trading, and it means that both your profits and your losses can be magnified. However, you will only lose funds within the balance on your trading account.

Sufficient equity must be available in your trading account at all times during open trades, so that the margin requirements can be met. You should therefore monitor your trades so that when prices move against you, you can deposit sufficient funds to avoid any margin calls/stop-outs; otherwise the Company may automatically close any or all of your trades (including any positions that are showing a profit at the time).

5. Stop-Out (Margin Close-Out) Rule

To each account, a margin close-out (i.e., stop-out) rule will be applied by the Company. As soon as the equity in your trading account (with any unrealised profit/losses) reaches the margin level required to maintain your open positions or drops below that level (i.e., 20% of the total margin required to maintain the open positions), we will start closing your open trades in order to prevent further losses in your trading account. Please also refer to our client documents and other disclosures.

6. Appropriateness Test

Prior to opening a trading account with us, you will be required to assess if trading in derivative products is appropriate for you. This is called the appropriateness test. We will give you a warning if, based on the information collected from you, we deem trading in CFDs, Forex or other derivative products not appropriate for you.

However it remains your responsibility to decide, even after passing the appropriateness test, whether or not to open an account, trade in CFDs, and to consider whether your financial resources are adequate and what level of risk you are willing and able to take.

7. CFDs are Over-the-Counter (OTC) Derivatives

CFDs and Forex contracts are not regulated by or traded or cleared on any exchange, that is, they are "Over-the-Counter" (OTC) transactions. Therefore, when trading in CFDs, you place your orders through the Company's trading platform and enter into OTC derivative transactions. There is no clearing house for CFDs, and any positions entered into with us must be closed with us.

OTC transactions may involve greater risk than investing in on-exchange contracts because there is no exchange market on which to close out an open position.

8. Market Volatility in Underlying Instruments

Trading in CFDs allows you to trade on price movements in underlying assets. You must be aware that the prices of the underlying assets, and therefore the derivative financial instruments, are subject to fluctuations, sometimes very substantial and rapid, caused by changes in market conditions that cannot be anticipated or controlled by you or the Company.

Investing in complex financial instruments, like CFDs, requires monitoring on a regular basis and over short time periods. These products are not suitable to 'buy and hold' trading. Market volatility may lead to rapid changes in your investment position and you may need to take immediate action to manage your risk exposure.

CFDs are therefore only suitable for those customers who fully understand the market risk and have previous trading experience.

9. Lack of Liquidity and Execution Risk

Sometimes, there may be no liquidity in the relevant underlying financial instrument, and you may be unable to trade CFDs referencing the specific underlying financial instrument. This may result from certain market conditions, for example, rapid price movements.

Execution risk arises because trades may not take place immediately. For example, the market has moved against you in the period between placing your order and its execution, and therefore your order was not executed at the price you expected.

Prices for trades made after the market is closed can differ widely from the closing price of the underlying asset, therefore the spread can be wider than when the market was open.

10. Swap Rate

Where any positions are held overnight, an applicable swap charge will apply. The swap values are clearly stated in the Company documents and you will be informed of them during the online account opening process.

The swap rate depends on the level of interest rates as well as our fee for holding an open position overnight. It is in the discretion of the Company to change the swap rate(s) at any given time and you will be informed of any such changes. You are responsible for being updated on the level of swap value prior to placing any order with us.

11. Tax

The Company will not be responsible for providing any tax guidance in connection with your investments. You should consult a professional tax consultant for taxation advice.

12. No Advice or Fiduciary Duty

The Company does not act in any fiduciary capacity with respect to your investments, or provide investment advice. We do not consider your circumstances, investment objectives, or financial goals, and any decision as to whether a transaction is appropriate or suitable for you, is an independent decision made solely by yourself. We have no fiduciary duty to you and will not be held responsible or liable for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with you taking any action based upon any generic recommendation or information provided by the Company.

13. No Guaranteed Profit

We cannot and do not give any guarantees, predictions or promises whatsoever as to earning profit or avoiding losses when trading in CFDs.

14. Internet Trading

You acknowledge that trading in CFDs and other derivative products through our trading platform may differ from trading on other electronic trading systems.

Trades on an electronic trading systems may be subject to risks associated with the system, *inter alia*, failure of hardware and software, system downtime, affecting the trading platform, your own systems, and the communications infrastructure.

You acknowledge that we shall not be held 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 us, you, or any third parties.

15. Acknowledgements

By signing up as a client, you acknowledge and declare that you have read, understood and accept without any reservation all the information included herein including the following:

- The value of a financial instrument (CFD or any other derivative product) may decrease or increase due to market conditions, and market movements and price fluctuations cannot be anticipated with guaranteed accuracy. You may receive less money than originally invested, and the invested capital may become of no value;
- Information on past performance of a financial instrument is not an indication of future performance. Historic data is not a reliable forecast as to the future return on the financial instruments to which such data refers;
- For some financial instruments, we may not be able to readily sell them or easily obtain information on their value because such instruments may not be immediately liquid for a variety of reasons;
- Any changes in currency exchange rates may have a negative effect on the financial instrument's value, price and performance; exchange rate fluctuations also influence the prospect of profit or loss from transactions in foreign markets;
- A financial instrument in foreign markets may entail risks different than the usual risks in the markets in your country of residence;

- You will not be able to use our trading platform to place or change orders at times when the markets are generally closed. There is a substantial risk that stop-loss orders left to protect open positions held over the weekend will be executed at levels significantly worse than their specified price.
