UBK Markets

Universal Brokerage Key to Markets

RISK DISCLOSURE NOTIFICATION

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Risk Disclosure Notification

1. INTRODUCTION

UBK Markets Ltd, (hereinafter referred to as the "Company") is an investment firm that operates as a broker globally, where investment and ancillary services can be provided.

UBK Markets Ltd is incorporated in the Republic of Cyprus with registration number HE293861. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC), with license No. 186/12 The Company's office is located at Kyriakides Business Center, 2d floor, Leoforos Spyrou Kyprianou, 67, 4003, Limassol, Cyprus.

The Company is operating under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (the "Markets in Financial Instruments Directive (2014/65/EU)" or "MiFID II") and amending Directive 2002/92/EC and Directive 2011/61/EU, as last amended by Directive (EU) 2016/1034 of the European Parliament and of the Council, of 23 June 2016 and under Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (the "MiFIR") which was implemented in Cyprus by the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), which provide for the provision of Investment Services, the exercise of Investment Activities, the operation of Regulated Markets and other related matters (the "Investment Services and Activities and Regulated Markets Law"), as the same may be modified and amended from time to time.

The Customer acknowledges that the Company's official language is English.

2. SCOPE OF THE NOTICE

The Risk Disclosure Notice (hereinafter —"the Notice") is provided to the Customer in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017). The Notice is designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis, but does not disclose or explain all of the risks and all aspects involved in dealing in Financial Instruments. This Notice forms an integral part of the Customer Agreement.

3. RISK WARNING

The Customer should not risk more than he/she is prepared to lose. Before deciding to trade, the Customer must ensure that he/she understands the risks involved and takes into account his/her level of experience. Independent advice and consultation must be sought if the Customer deems it to be necessary.

The Customer acknowledges that there is a great risk of incurring losses in trading Financial Instruments and accepts that he/she is willing to undertake this risk.

The Company shall not provide the Customer with any investment advice in relation to trading Financial Instruments.

4. ACKNOWLEDGEMENT

Trading Platform

The Customer accepts that the only reliable source of price-sensitive data is the data which is presented on our live server, and that this service may be disrupted through no fault of our own resulting in such price-sensitive data not being available to the Customer.

The Customer shall regularly consult the "Help" menu or "User Guide" of the trading platform. In the circumstance where a conflict arises, the Customer Agreement will prevail unless the Company determines otherwise at its sole discretion.

The Customer acknowledges that the Company bears no responsibility if unauthorized third parties gain access to any information when such information is transmitted using the internet, the telephone or other electronic means.

Force Majeure Event

In the case of a Force Majeure Event, the Customer shall accept the risk of financial losses.

Technical Risk

The Company bears no responsibility for any loss that arises as a result of a system failure, including but not limited to delayed updates of the Customer's platform; poor internet connection (either on the Customer's side or the Company's or both); hardware or software failure, malfunction or misuse (either on the Customer's side or the Company's or both); incorrect settings on the Customer's platform; or the Customer disregarding the rules and procedures described in the Customer's platform and in the Company's website.

The Customer acknowledges and accepts that at times of excessive transaction flow, there may be a delay in contacting a member of the Dealing Department by telephone; especially when there are important market announcements, and the period in which instructions and requests are executed may be extended.

Communication

The Company bears no responsibility and the Customer shall accept the risk of any loss that arises as a result of delays or communication sent by the Company not being received by the Customer.

The Customer accepts sole responsibility for the privacy of any information contained within the communication received by the Company.

The Company bears no responsibility for any loss that arises as a result of unencrypted information sent to the Customer by the Company that has been accessed through unauthorized means.

The Customer accepts that any loss arising due to unauthorized access by a third party of the Customer's trading account is not the responsibility of the Company.

The Customer is fully responsible for any messages sent to the Customer via the trading platform(s) which are unread or not received. Such messages are automatically deleted within five (5) calendar days.

The Company shall ensure that the Customer is kept updated via the approved communication channels. The Company cannot be held liable for those messages that the Customer fails to receive, open or understand due to the failure of the email system or corruption of the intended message.

5. THIRD PARTY RISK

The Company may transfer money received from the Customer to a third party (e.g OTC counterparty, clearing house, bank, intermediate broker) in the course of facilitating a Transaction(s) of the Customer. The Company bears no responsibility for the insolvency, acts or omissions of any such third party.

The Company may deposit Customer money with a depository who may have a security interest, lien or right of set-off in relation to that money.

A third party through whom the Company deals with could have interests contrary to the Customer's interests.

In the event where the Customer applies for a trading account in a different currency from the deposited money currency, the Company may use the depository's currency conversion facility for such a currency conversion.

The Company may use the depository’s currency conversion facility to convert the Customer’s money into an available trading currency, which is supported by the Company’s facilities.

6. FOREIGN EXCHANGE AND DERIVATIVES RISK WARNING NOTICE

This Notice cannot and will not disclose all the risks involved in Financial Instruments such as foreign exchange and derivative products (futures, options, and Contracts for Differences). The Customer should be satisfied that the product is suitable with regards to his/her personal circumstances and financial position. The Customer should not deal in such products unless he/she understands their nature and the extent of his/her exposure to risk. The Customer should not engage in any dealings in derivative products unless he/she knows and understands the risks involved in them and that he/she might suffer complete loss of all monies invested. It should be noted that no physical delivery of the Financial Instruments will occur. Any trading decision should be made on an informed basis taking into consideration the following:

Instruments with high volatility

The Customer must consider that there is a high risk of losses as well as profits, as some instruments trade within wide intraday ranges with volatile price movements. The prices of instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions which are beyond the control of the Company or the Customer. Market conditions may render it impossible for a Customer’s order to be executed at the declared price, leading to losses.

The prices of instruments are influenced by, amongst other things, the implementation of political, governmental, agricultural, commercial, financial, trade programs and policies, and national and international socioeconomic events, and the prevailing psychological characteristics of the relevant market place. Therefore a Stop Loss instruction/order cannot guarantee the limit of the Customer’s loss.

The Customer accepts that significant loss may lead to partial or total loss of the value of his/her investment. This is due to the margining system that applies to such trades where an adverse market movement can quickly lead to the loss of the Customer’s entire deposit, but which could also lead to a substantial additional loss.

Leverage (or Gearing)

Unlike traditional trading, margin trading enables the Customer to trade the markets by paying only a small fraction of the total trade value. It should be noted that leverage means that a relatively small market movement may lead to a proportionately much larger movement in the value of the Customer’s position.

Risk Disclosure Notification
Trading CFDs enables the Customer 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.

The Company shall monitor the leverage applied to Customer's positions and reserves the right to decrease the leverage depending on local regulatory requirements of different EU jurisdictions (example: Spanish Customers, Polish Customers, Maltese Customers), the Customer's knowledge, experience and/or his economic profile, the Customer's trade volume.

During the account opening process the default leverage is set at 1:30. The Customer shall reserve the right to request a higher leverage but this will be at the discretion of the Firm and subject to the Customer's appropriateness assessment.

Due to the fact 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 Customer is using. For example, if a Customer 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), the Customer may not lose more than his/her initial investment.

Stop Out Levels

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, the Company may be unable to execute Customers' instructions at the requested price. In addition, if prices move against the Customer, this will have a direct and real time impact on Customers' trades, which may be automatically stopped out. It is possible that you all your trades will be stopped out; not just the ones that are loss making.

The Customer 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.

It is Customers' responsibility to monitor the required margin of his/her open positions and in order to avoid a Stop Out he/she may have to fund his Account.

Contracts for Differences (CFDs)

A CFD is an agreement to either buy or sell a contract that reflects the performance of an underlying instrument including inter alia, foreign exchange, precious metals, futures and shares. A CFD is a non-deliverable spot transaction where the profit or loss is determined by the difference between the price a CFD is bought at and the price it is sold at and vice versa.

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Investing in CFDs entails the same risks as investing in a future or an option as set out below. A contingent liability may also arise as explained below.

Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk as they are traded under leveraged or geared situations as explained above.

A contingent liability may also arise as explained below.

Options

There are various types of options in existence each having different characteristics. The following conditions apply:

Buying options: This involves less risk than selling options as the holder can allow the option to lapse if the price of the underlying asset moves against the holder. The maximum loss is limited to the premium and any commission or other transaction charges. A buyer of a call option on a futures contract that exercises the option will acquire the future and will be exposed to the risks described.

Writing options: The writer of the option accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against him/her irrespective of the difference between the market price and the exercise price. The risk is considerably higher than buying options, especially when the writer does not own the underlying asset and can face unlimited risk.

Over-the-Counter (OTC) Transactions

When trading CFDs, foreign exchange and precious metals, the Customer is effectively entering into an OTC transaction; where the parties directly negotiate between each other rather than through a regulated exchange market.

OTC transactions may involve greater risk compared to transactions occurring on regulated exchange markets. Due to the absence of a central counterparty, the parties bear certain credit risk, risk of default or may face situations where it is impossible to liquidate positions or to assess the value of a position.

Trading Suspension

When trading conditions are such that it may be difficult or impossible to liquidate a position, such as when the relevant exchange trading is suspended or restricted, placing a Stop Loss will not necessarily limit one's losses to the intended amounts, as the execution of the Stop Loss order at the stipulated price may be impossible. Furthermore the execution of a Stop Loss order may be worse than its stipulated price and the realized losses may be larger than expected.

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Margin Account and Requirements

Margined transactions require the Customer to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. The level of the margin requirement will depend on the underlying asset of the instrument and can be fixed or calculated from the current price of the underlying instrument. Specific instrument margin requirements can be found on the Company website.

The Customer needs to ensure that he/she has sufficient margin on his/her trading account at all times in order to maintain an open position. It is the Customer’s obligation to monitor any open positions in order to avoid positions being closed by the Company due to unavailability of funds. The Company is not responsible for notifying the Customer in any such instances.

The Company is not obliged to make Margin Calls for the Customer and is not liable to the Customer for any failure by the Company to contact or attempt to contact the Customer.

The Company is entitled to change margin requirements by giving to the Customer five (5) calendar days written notice. However, in the case of a Force Majeure Event, the Company is entitled to change margin requirements without prior written notice.

Contingent Liability Investment Transactions

Due to the nature of margined transactions, as explained above, the Customer may sustain a total loss of the funds that were deposited to open and maintain a position. Failure on the Customer’s part to meet a margin calls i.e. pay additional funds to maintain a position, will result in the liquidation of the position, which may result in a loss that the Customer bears the responsibility to cover.

Transactions not margined, may still carry an obligation to make further payments over and above any amount paid when entering the contract.

Taxation, Commission and Other Charges

The Customer must be aware of commissions and other charges before embarking to trade. Charges may be expressed in monetary or percentage terms. It is therefore the responsibility of the Customer to understand the basis upon which such charges are made.

Legislation and changes thereto, or a change in the Customer’s personal circumstances may result in dealing in Financial Instruments taxable and subject to other duties.

The Customer should seek independent advice on his/her tax and/or other duty liability, as he/she is responsible for any such liabilities.

7. GENERAL NOTICE

This Notice is provided to you in accordance with the Markets in Financial Instrument Directive (MiFID II) of the European Union because you are considering dealing with the Company in the Financial Instrument provided by the Company ("Financial Instruments").

This Notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in Financial Instruments and was designed to explain in general terms the nature of the risks particular to dealing in the Financial Instruments provided by the Company and to help the Customer to take investment decisions on an informed basis.

In order to comply with the Markets in Financial Instrument Directive (MiFID II) of the European Union, the Company shall classify the prospective customer as Retail Customer, Professional Customer or Eligible counterparty when considering the application for opening an account, based on the information provided to the Company.

Prior to applying for an account the Customer should consider carefully whether trading in derivative Financial Instruments is suitable for him/her in the light of his circumstances and financial resources. Trading in derivative financial instruments entails the use of "gearing" or "leverage".

8. PAST PERFORMANCE

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

9. ADDITIONAL INFORMATION

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).

10. MONITOR AND REVIEW

The Company shall, on a regular basis, monitor and assess the effectiveness of this Policy and the sequence of its order execution arrangements and, in particular, the execution quality of the procedures explained in the Policy in order to deliver the best possible result for the Customer, and, where appropriate, the Company reserves the right to correct any deficiencies in this Policy and make improvements to its execution arrangements.

In addition, the Company shall review the Policy as well as its order execution arrangements at least annually. A review will also be carried out whenever a material change occurs that affects the ability of the firm to continue to obtain the best possible result for the execution of its Customers’ orders on a consistent basis using the venues included in this Policy.

The Company shall notify any Customers affected by material changes in its Policy or order execution arrangements.