Risk Disclosure Notice

Introduction

Trading contracts for differences (“CFDs”) involves significant risk and is a complex financial activity. It does not guarantee any return or capital protection and may result in substantial losses. CFDs are not appropriate for all individuals or entities. Before engaging in CFD trading, interested parties should take all necessary steps to understand the nature of the market, the specific products involved, and the risks inherent in such trading. They should also ensure they have adequate capital and only invest funds they can afford to lose.

This Risk Disclosure Notice (“Risk Disclosure”) aims to provide Clients with a transparent understanding of the risks involved in CFD trading. It is the responsibility of anyone intending to engage in CFD trading to fully understand the potential for capital loss and other associated risks. The decision to trade CFDs or use the Company’s services should be made independently and based on informed consideration and acceptance of these risks. Clients should only trade with capital they are prepared to lose.

This document does not encompass all potential risks associated with trading CFDs. Clients are expected to further educate themselves about the industry and associated dangers. This Risk Disclosure Notice forms part of the Client Agreement, alongside other documents and policies issued by the Company.

General Risks of Trading CFDs

Leverage Risk
Leverage allows traders to gain exposure to assets using a small initial margin. While this can magnify profits, it also increases potential losses. The Company has implemented a negative balance protection mechanism, as detailed in the Client Agreement, which minimizes this risk.

Market Risk
CFD prices are influenced by real-world events such as government decisions, economic policies, legislation, natural disasters, geopolitical tensions, and social changes. These events may cause price fluctuations or trading suspensions. Other market-related risks include commodity, interest rate, foreign exchange, and equity risks.

Over-the-Counter (OTC) Risk
Trading CFDs OTC—directly with the Company—means there is no central counterparty, unlike regulated exchanges. This presents a persistent credit risk, which traders should understand and accept.

Volatility Risk
CFD markets are volatile. Price fluctuations can be extreme, increasing both potential gains and losses. High volatility may lead to execution delays, sudden price shifts, or temporary unavailability of markets.

Liquidity Risk
At times, CFDs may become illiquid, meaning they cannot be traded immediately. Illiquidity may result in losses that are difficult to predict or mitigate and may lead to increased transaction costs.

Technology Risk
Online trading involves risks related to technology, including hardware or software failures, internet or system outages, power disruptions, and cyberattacks. Clients should use reliable internet connections, secure and updated systems, and adopt preventive measures like antivirus software. It is the Client's responsibility to ensure their trading environment is stable.

Communication Risk
Communications from the Company will be delivered through official channels based on the information provided by the Client. It is the Client's responsibility to maintain updated contact details, check communications regularly, and monitor the Company's website for announcements. The Company is not liable for any risk arising from the Client's failure to stay informed.

Trading Suspension Risk
Due to the unpredictable nature of the CFD market, certain trades may be delayed, suspended, or executed at less favorable prices than expected. Rapid market movements may lead to losses that exceed anticipated amounts.

Force Majeure Risk
Events outside the Company's control—such as war, terrorism, pandemics, natural disasters, civil unrest, or regulatory actions—may impact the market and result in trading losses.

Slippage Risk
Slippage occurs when a trade is executed at a price significantly different from the expected quote, often during periods of high volatility. This can result in either better or worse execution prices than anticipated.

Third-Party Risk
Client funds may be held with third parties such as banks or electronic money institutions. Although the Company exercises due care, it is not liable for losses resulting from third-party actions, including insolvency.

Margin Requirement Risk
Failure to maintain sufficient funds in a trading account may lead to position closures or trading restrictions. Clients must monitor their margin levels and fund their accounts accordingly.

Fraudulent Third-Party Risk
Scammers may impersonate Company representatives. Clients must verify the identity of anyone claiming to represent the Company and communicate only through official channels using Company-provided contact details.

Further Acknowledgements

- Clients confirm that trading is lawful in their jurisdiction.
- Clients are responsible for determining and fulfilling any tax obligations resulting from their trading activity.
- All orders are processed sequentially; subsequent orders cannot be executed until the initial one is completed.
- Clients are responsible for seeking legal advice before trading or waive their right to do so.
- Clients acknowledge that they have assessed their financial position before trading and have made an informed decision.
- Any correspondence related to this policy must be sent to **Support@banexcapital.com**