

## Risk Disclosure Notice

Financial products traded on margin carry high degree of risk to your capital. Spread bets, CFDs and Forex are complex high risk instruments and therefore are not suited to all investors. CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **77% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.**

### 1. General

- 1.1 In this Risk Disclosure Notice, "we", "our" or "us" shall mean Finalto Trading Limited ("Finalto Trading"), a company registered in England and Wales under number 05196460, whose principal place of business is at The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW. We are authorised and regulated by the Financial Conduct Authority ("FCA") under Firm Reference Number 607305. In this Risk Disclosure Notice, "you" or "your" shall mean you as the Client.
- 1.2 This Risk Disclosure Notice is provided to you, as a Retail Client, in compliance with the rules of the FCA and under Markets in Financial Instruments Directive (Directive 2004/39/EC). Retail Clients are afforded the most protections under these rules.
- 1.3 We do not provide investment advice, our services are provided on an execution only basis, therefore any decision to employ our services and Products is your own, and you are responsible for assessing whether risk appetite and financial resources are adequate for these purposes.
- 1.4 We do not provide legal, regulatory, or tax advice, and you are responsible for complying with applicable laws, regulations, and tax implications of trading our Products. You should therefore seek independent legal and tax advice prior to trading our Products if you have any doubts in these respects.
- 1.5 This notice cannot disclose all the risks and other significant aspects of our Spot Forex, CFD and Spread Betting derivative Products. You should not deal in these Products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the Product are suitable for you in the light of your circumstances and financial position.
- 1.6 Although our Products can be utilised for the management of investment risk, for many members of the public our Products will not be deemed suitable. Different instruments involve different levels of exposure to risk and in deciding whether to trade our Products you should be aware of the following points.

### 2. The characteristic of our Products

- 2.1 When you trade any of our Products, both you and Finalto Trading are trading as principal on the price of our Over the Counter "OTC" Product which will relate to the price of a relevant underlying market (please refer to our Market Information Sheets for details of underlying markets), therefore you do not acquire any rights or delivery obligations in respect of the underlying market as you are simply trading on our OTC price.
- 2.2 Our Products are legally enforceable, can only be settled in cash, and you should understand that you expose yourself to the potential of unlimited losses when trading these Products.
- 2.3 Some Products will be quoted and settled in currencies other than the Base Currency of your account, therefore you should understand that these Products may additionally expose you to currency risk due to potential changes in exchange rates.

### 3. Leverage

**Finalto Trading Limited** 11th Floor Broadgate Tower, 20 Primrose Street, London, EC2A 2EW, United Kingdom

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3.1 Our Products are leveraged OTC derivatives that carry a high degree of risk. The 'gearing' or 'leverage' normally obtainable in respect of our Products means that a small deposit or down payment can lead to large losses or gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. It is therefore important that you understand, and are able to manage the features, and risks associated with trading leveraged OTC derivatives.

#### 4. Liquidity

4.1 As mentioned above, our OTC prices relate to underlying markets, therefore loss of liquidity in a relevant underlying market may have an adverse impact on our ability to price or trade our related OTC product.

4.2 Where there is significant or a complete lack of liquidity in a relevant underlying market, we may deem such market disruption to be an Event Outside of Our Control, as defined within the Client Agreement, and we may suspend trading, increase our spreads, change minimum or maximum trade sizes, or take any other action that we deem appropriate given the circumstances. In such circumstances, you may be prevented from closing open Positions, opening new positions, placing, editing or cancelling existing working orders, in respect of the affected OTC product.

#### 5. Volatility

5.1 Our OTC Product prices will also be subject to any fluctuations in the price of the relevant underlying market, which may be severe, and could lead to significant fluctuations in the profit or loss of your account. Volatility can lead to "Gapping" which means when the trading price of an underlying market differs significantly from the previous traded price, and the prices in between the current and previous were not available to trade. Gapping can occur at any time, but especially at the time of the open of the relevant underlying market, at times of significant world events, or at the time that price sensitive information is released.

#### 6. Default

6.1 In the unlikely event that we are not able to our obligations due to financial default, Finalto Trading is a member of the UK Financial Services Compensation Scheme, details of which can be found at <http://www.fscs.org.uk/>. However, your ability to claim will depend upon your personal circumstances.

If after reading this document, you do not understand any of the risk warnings set out above, please contact us before continuing or seek advice from an independent financial services advisor.

Financial products traded on margin carry high degree of risk to your capital. Spread bets, CFDs and Forex are complex high risk instruments and therefore are not suited to all investors. **CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 77% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. FX, Spread Bets and CFDs are provided by Finalto Trading Limited on an execution only basis; we do not provide any advice nor should any communication with us, either written or oral, be construed as such.

Finalto Trading Ltd is authorised and regulated by the Financial Conduct Authority (FCA), registration number 607305. Finalto Trading Limited is incorporated in England and Wales under company number 08663212 and whose registered address is at 11th Floor Broadgate Tower, 20 Primrose Street, London, England, EC2A 2EW