



# **RISK DISCLOSURE AND ACKNOWLEDGEMENT NOTICE**

## 1. INTRODUCTION

- 1.1 This Risk Disclosure and Acknowledgement Notice (“Notice”) is provided by CGTrade.
- 1.2 This Notice is provided to help the Client to understand the risks which may arise when the Client is using CGTrade’s trading service. This Notice is non-exhaustive and does not disclose or explain all of the risks that the Client might encounter while trading with CGTrade. We shall not be liable for any loss or damages as a result of the Client’s failure in understanding the risks described herein and the trading risks undisclosed in this Notice.
- 1.3 The Client shall read and understand this Notice before establishing any contractual relationship with CGTrade. The Client fully understands the risks involved before using our trading services and is solely responsible for any investment strategies, transactions or investments that the Client enters into. The Client should seek independent professional advice if the Client does not understand the risks explained herein.
- 1.4 The Client acknowledges that CGTrade reserves the right to amend or update this Notice at any time without prior notice to the Client. The amendments to the Notice shall become effective immediately and shall be legally binding on the Client upon publishing of this Notice on CGTrade’s website.
- 1.5 The official language of this Notice shall be English. CGTrade may provide this Notice in other languages for information purposes only and in the event of any inconsistency or discrepancy between the English version of this Notice and any other language version, the English version shall prevail.

## 2. DEFINITIONS

- 2.1 Throughout this Notice, unless the context otherwise requires, the following words and expressions shall bear the following meanings:
  - (a) “Applicable Regulations” means:
    - (i) parliamentary acts and regulations of the relevant regulatory authority of the Republic of Mauritius;
    - (ii) the regulations of the relevant financial exchange market; and
    - (iii) all other applicable laws to this Notice (and each as amended from time to time as applicable to this Notice).
  - (b) “CGTrade” is a brand name jointly operated by:
    - (i) Cgtrade Limited (Company No. 25355 BC 2019) with the registered address at Suite 305, Griffith Corporate Centre, PO Box 1510, Beachmont, Kingstown, St. Vincent and the Grenadines; and
    - (ii) CGTrade (Mauritius) Limited (Company No. 166217) with the registered address at C/O ABC Global Management Services Ltd 3rd Floor Standard Chartered Tower Cybercity, Ebene, Mauritius.

- (c) “Charges” means any applicable charges as provided in MetaTrader 4 Platform;
- (d) “Force Majeure Event” means any of the events set forth in the Client Agreement;
- (e) “Information” means any third party’s marketing material, newsletter and information;
- (f) “Manifest Error” means an error or misquote by CGTrade, any market, exchange, banking institution, information source, or any third party reasonably relied by CGTrade.
- (g) “Party” means either Client or CGTrade (collectively, “Parties”);
- (h) “Specified Default Event” means any of the events set forth in Client Agreement;
- (i) "Stop Loss" means an order to close an open position to achieve a certain level of prices to reduce losses;

### **3. NON-ADVISORY NATURE OF TRADING SERVICES**

3.1 CGTrade offers non-advisory, execution-only trading services to the Client.

3.2 CGTrade trading services shall not include the provision of any investment, tax, legal, regulatory or financial advice or recommendation. Any investment information displayed on CGTrade’s website shall not be construed as any investment advice.

3.3 The Client affirms, acknowledges and accepts that we shall not in any circumstances:

- (a) obliged to provide any investment advice in relation to any trading services;
- (b) bear any responsibility for any transaction or investment decision carried out by the Client; and
- (c) in response to the Client’s request for further market information, our disclosure of such factual market information to the Client shall not be construed as any investment advice.

3.4 The Client understands and acknowledges:

- (a) that all information published on CGTrade’s website is addressed to the general public solely for information purposes;
- (b) that mere explanation of the trading, transactions or other information shall not amount to advice on the merits of the investment;
- (c) that he is solely responsible for any investment strategy, transactions or investments that the Client enters into.

3.5 The information displayed CGTrade’s website and other media and/or received by the Client, shall only be construed as marketing communication and does not contain, and should not be construed as any investment advice and/or an investment recommendation for any transactions. We make no representation and warranty to the Information and shall not be liable for any direct or indirect loss or damages for any inaccuracies and incompleteness of the information provided.

## 4. TRADING RISKS

- 4.1 The Client understands that the trading services on CGTrade’s website are highly speculative and may expose the Client’s financial position to a high degree of volatility. Margin trading shall involve higher risks compared with other investments. You may suffer losses more than your initial investment and may be requested to deposit an additional substantial amount of funds in a short period to maintain your open positions. The Client accepts, understands and is aware of the risks herein and is willing to undertake this risk.
- 4.2 All trading services available on CGTrade’s website shall not constitute any solicitation or offer to transact the trading services. Some trading services are only limited to customers in certain countries and regions.
- 4.3 The Client acknowledges and accepts that:
- (a) CGTrade might not be able to execute the Client’s instructions in the event there is any “gapping” in the trading market;
  - (b) leverage may lead to large losses within a short period, so the Client is advised to monitor his positions closely;
  - (c) the Client’s investment decisions will be based solely on his evaluation of the market, financial circumstances and investment objectives wherein the Client undertakes not to hold CGTrade liable for any trading loss incurred;
  - (d) the Client is aware and understands the characteristics and risks in relation to each trading instruments and features of MetaTrader 4 Platform, and shall not trade or deal with each trading instruments unless the Client accepts and understands so;
  - (e) the Client understands and shall at all times comply with the Applicable Regulations in the Client’s jurisdiction;
  - (f) the Client is responsible to maintain proper functional computer equipment, with sufficient anti-virus protection and back-up system to prevent damage and/or unauthorised access to the client’s account and MetaTrader 4 Platform, and CGTrade shall not be liable for any loss or damages as a result of any faulty or error from the Client’s equipment;
  - (g) past performance of an investment is not an indication of its performance in the future;
  - (h) the Client or his authorised representative shall be deemed to be performing all transactions made on MetaTrader 4 Platform;
  - (i) the Client has read the Client Agreement, agree to all the terms and conditions and independently evaluated the risks and merits of our MetaTrader 4 Platform and transaction without relying on any representation and warranties otherwise mentioned in the Client Agreement;
  - (j) CGTrade does not guarantee the capital of the Client’s investment or money invested in any trading instrument;

- (k) security instruments traded on foreign markets may involve higher risks compared to the instruments traded on the Client's domestic trading market;
- (l) changes of any Applicable Regulations may affect the provision of trading services;
- (m) CGTrade shall not be liable for any loss or damages caused by failure, delay, interruption, malfunction in information, communication, or electronic systems, save for gross negligence or wilful default by us;
- (n) CGTrade shall not be liable for any loss or damages as a result of any Force Majeure Event or Specified Default Event;
- (o) any changes in the exchange rates may have a negative effect on its value, price and performance and may lead to losses for the Client;
- (p) the prices of some trading services available on the MetaTrader 4 Platform may be independent of any exchanges and we are not obliged to follow the prices of other exchange platforms;
- (q) CGTrade may suspend or make a deduction of Client Money on the Client's behalf in an account with an approved bank or third party where:
  - (i) the account may be subject to set-off rights, security or lien by us, the bank or third party, or we are required to do so by any regulatory authority; and
  - (ii) in the event of the insolvency of the bank or the third party, we shall not be liable for any loss or damages against the Client;
- (r) our prices of trading instruments are obtained from our liquidity providers, and when the liquidity of trading services is limited, there will be price gaps and liquidity shortages where transactions may not be executed at the price and volume intended;
- (s) the Client understands and undertakes to pay the Charges payable for the trading services;
- (t) the Client acknowledges that the Charges may change at any time without prior notice;
- (u) in the event of CGTrade's insolvency or involvement in a debt restructuring mechanism, the Client may not fully recover the funds or properties deposited in the account;
- (v) CGTrade shall not be liable for any loss, including loss of profits, income or opportunity to the Client suffered as a result of Manifest Error;
- (w) trading in foreign currencies involves a high risk of loss due to the fluctuation in the value and prices of the underlying financial instruments. The Client should understand and aware of the specific risks involved with the trading services before engaging with any transaction;
- (x) due to the adverse and unpredictable market movements:
  - (i) large losses could incur within a short period;
  - (ii) the time to process the Client's orders may increase;
  - (ii) a Stop Loss order may not be effective in limiting the loss incurred; and
  - (iii) there will be difficulty in liquidating some positions.

The Client should carefully consider the risks associated before dealing with any transaction and is encouraged to trade at volumes which the Client is prepared to lose.

## **5. THIRD-PARTY RISKS**

- 5.1 The Client acknowledges that we may involve or delegate our obligations under the Client Agreement to third parties necessary to perform our contractual obligations under the Client Agreement.
- 5.2 Electronic trading transaction systems are subject to the regulations and terms of the exchanges offering the system. The Client shall review the regulations and terms of the exchanges offering the trading system and/or listing the trading instruments before using their services.
- 5.3 We have exercised reasonable care and due diligence while engaging:
- (a) the third parties necessary to perform our contractual obligations under the Client Agreement; and
  - (b) the financial institutions responsible for managing the bank accounts.
- 5.4 Trading or routing orders through electronic systems vary according to the system providers. The Client shall review and understand the regulations and terms of the electronic trading system providers to understand the procedures and policies of their trading process, including but not limited to the system's order matching procedure, opening and closing procedures, prices and trading limitations. CGTrade shall not be liable for any loss or damages as a result of any error, failure or unavailability of the electronic trading system.
- 5.5 The Client Money shall be held on trust by us for the Client and the Client Money shall be segregated from our bank account at all times. We may hold the Client Money and the money of other clients in the same account and it might not be possible to segregate the Client Money from the other client. We shall retain the necessary records and Client's account details to distinguish this.
- 5.6 In the event of the monetary loss or insolvency of the relevant parties described in Clause 5.3, the Client may be forced to liquidate its positions or may lose the money deposited within the relevant third parties and/or financial institutions. We shall not be liable for any loss or damages to the Client as a result of the monetary loss, insolvency or similar proceedings suffered by the third parties or financial institutions. The Client also acknowledges that the financial institutions and third parties described in Clause 5.3 may have interest contrary to the Client's business or personal interests
- 5.7 We may deposit the Client Money with any third parties who may have a security interest, lien or right of set-off in relation to the Client's money.

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