

FxPro

Trade Forex Like a Pro

GENERAL RISK DISCLOSURE

v6, 3rd March 2010

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FXPRO Financial Services Ltd (hereinafter called the “Company”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission (license number 078/07). This notice is provided to you in accordance with the Markets in Financial Instrument Directive (MiFID) of the European Union.

FXPRO Financial Services Ltd does not and cannot guarantee the initial capital of the Clients’ portfolio or its value at any time or any money invested in any financial instrument.

The Client should unreservedly acknowledge and accept that, regardless of any information which may be offered by the Company, the value of any investment in Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

The Client should unreservedly acknowledge and accept that he runs a great risk of incurring losses and damages as a result of the purchase and/or sale of any Financial Instrument and accepts and declares that he is willing to undertake this risk.

The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows and understands the features risks involved for each one of the Financial Instruments.

The Client should declare that he has read, comprehends and unreservedly accepts the following:

- i. Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.
- ii. Some Financial Instruments may not become immediately liquid as a result e.g. of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks.
- iii. When a Financial Instrument is traded in a currency other than the currency of the Client’s country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance.
- iv. A Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in the Client’s country of residence. In some cases, these risks may be greater. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.
- v. A Derivative Financial Instrument (i.e. option, future, forward, swap, contract for difference) may be a non delivery spot transaction giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument.
- vi. The value of the derivative financial instrument may be directly affected by the price of the security or any other underlying asset which is the object of the acquisition.
- vii. The Client must not purchase a derivative financial instrument unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.
- viii. The Client acknowledges and accepts that there may be other risks which are not contained above.

The Client should take the risk that his trades in Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.

Before The Client begins to trade, he should obtain details of all commissions and other charges for which the Client will be liable. If any charges are not expressed in money terms (but for example as a dealing spread), the Client should obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.

In order to comply with the Markets in Financial Instrument Directive (MiFID) of the European Union, the Company will classify the prospective client as Retail Client, Professional Client 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 Client should consider carefully whether investing in a specific Financial Instrument is suitable for him in the light of his circumstances and financial resources. Investing in some Financial Instruments entails the use of “gearing” or “leverage”. In considering whether to engage in this form of investment, the Client should be aware of the following:

- i. The high degree of “gearing” or “leverage” is a particular feature of Derivative Financial Instruments. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client’s trade. If the underlying market movement is in the Client’s favour, the client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients’ entire deposit, but may also expose the Client to a large additional loss. In regard to transactions in derivative Financial Instruments with the company, a derivative Financial Instrument is a non delivery spot transaction giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. The Client must not purchase derivative Financial Instrument unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.
- ii. The Client may be called upon to deposit substantial additional margin, at short notice, to maintain his investment. If the Client does not provide such additional funds within the time required, his investment position may be closed at a loss and he will be liable for any resulting deficit. With regards to transactions in derivative Financial Instruments, the Company has the discretionary right to start closing positions when margin decreases to about 10%, and automatically close all positions at market prices if margin drops below 5%. The company guarantees that there will be no negative balance in the account when trading Financial Instruments provided by the Company.
- iii. Such transactions may not be undertaken on a recognised or designated investment exchange and, accordingly, they may expose the Client to greater risks than exchange transactions. The terms and conditions and trading rules may be established solely by the counterparty. The Client may only be able to close an open position of any given contract during the opening hours of the exchange. The Client may also have to close any position with the same counterparty with whom it was originally entered into. In regard to transactions in Financial Instruments with the Company, the company is using a Trading Platform for transactions in Financial Instruments which does not fall into the definition of a recognised exchange as this is not a Multilateral Trading Facility because the Company is always the counterparty in every client transaction.
- iv. The Company may not provide the Client with investment advice relating to investments or possible transactions in investments or make investment recommendations of any kind. This prohibition is subject to an exception where advice given amounts to the giving of factual market information or information, in relation to a transaction about which the Client has enquired, as to transaction procedures, potential risks involved and how those risks may be minimised.
- v. The Company may be required to hold the Client’s money in an account that is segregated from other clients and the Company’s money in accordance with current regulations, but this may not afford complete protection.

This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in all financial instrument and investment services. The Client will be informed in more detail for the risks involved based on the categorisation assigned to him by the company and the investment services and financial instruments selected.

Please refer to the Risk Disclosure for Financial Instruments if you are considering trading with the Company in derivative Financial Instruments.