

RISK DISCLOSURE AND WARNING NOTICE

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Contracts for Difference (hereinafter “CFDs”) are complex instruments that provide no capital protection, and no guaranteed return, whereas the trading results are magnified due to the effect of leverage. Trading CFDs is not suitable for all investors; traders should make sure that they fully understand the features of the product and the risks involved before opening trading account(s). Traders should ensure that they only trade the amounts they can afford to lose, while being aware of trading risks.

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Scope of the Risk Disclosure

The Risk Disclosure and Warning Notice (hereinafter “Risk Disclosure document”) outlines on a fair and non-misleading basis the general nature of the risks involved when dealing with CFDs.

Clients should not commence trading in CFDs unless they understand the risks involved. It should be noted that it is impossible for the Risk Disclosure document to contain all the risks and aspects involved in trading CFDs, nor how such risks relate to each client's personal circumstances. Clients need to ensure that their decision is made on an informed basis. Clients may seek professional independent advice before commencing trading.

This disclosure is provided for informational purposes and should not be treated as marketing material or any form of client solicitation.

The Risk Disclosure document should be read in conjunction with the Client Agreement and General Business Terms that are available on the website.

Main risks associated with transactions in CFDs Use of leverage

Leverage in CFD transactions allows clients to gain exposure to the underlying asset with a smaller upfront investment, known as margin.

While leverage is a powerful tool, it can be seen as a double-edged sword. This is because both profits and losses can be magnified by even small market movements; and clients could incur large losses if their position moves against them. However, retail clients cannot lose more than the balance on their trading account(s) as the Company provides “negative balance protection”.

Before investing in margin trading instruments, clients shall ensure that they only invest funds that they can afford to lose.

Credit and Insolvency Risk

When trading CFDs, clients are effectively entering into an over-the-counter (hereinafter “OTC”) transaction; this implies that any position opened with the Company cannot be closed with any other entity. OTC transactions may involve greater risk compared to transactions executed on regulated markets (e.g. traditional exchanges); this is due to the fact that in OTC transactions, there is no central counterparty and either party to the transaction bears certain counterparty credit risk.

The Company’s insolvency or default may lead to positions being liquidated or closed out without the client’s consent.

Market Risk

CFDs are exposed to market events, such as the implementation of governmental, agricultural, commercial and trade programs and policies, national and international socioeconomic and political events, natural disasters etc., which may substantially affect the price or availability of a given underlying asset. Based on the underlying of each contract, clients are exposed to different types of market risk such as interest rate risk, commodity risk, equity risk, foreign exchange risk, and others.

Clients must therefore carefully consider their investment objectives, level of knowledge and experience as well as their risk appetite prior to entering this market.

Volatility Risk

Volatility risk can significantly impact a CFD position, as higher volatility may lead to larger price swings, increasing both the potential profits and losses.

Clients should understand and agree that if market conditions become abnormal and/or too volatile, the time required to process their orders and instructions may increase.

Foreign Exchange/Currency Risk

Be aware of currency risk. It is possible to buy or sell CFDs in a currency that is different from the base currency of your account. In such cases, the movement in foreign exchange rates may affect your realized profit or loss. Furthermore, clients face foreign exchange risk if they make payments in a currency that differs from the currency of their trading accounts.

Liquidity Risk

Liquidity risk refers to the possibility that certain underlying assets may not be readily tradable or lack immediate market liquidity during a specific time frame, which could result in losses that are difficult to prevent or mitigate. In such cases, the bid-ask spread may become wider, making transactions more expensive.

Technical Risk

Technical risk is an inherent aspect of online trading, encompassing potential challenges arising from hardware and software failures, connectivity issues, electricity network failures, hacker attacks, connection overload, system malfunctions, and other technical factors that may impact order execution and overall trading performance. Traders should use reliable technology and antivirus software and maintain a stable internet connection. Additionally, they should implement effective risk management trading strategies and stay informed about platform updates while having contingency plans for technical failures. Traders should refrain from sharing login credentials and should utilize strong and unique passwords.

Trading Platforms

All clients' instructions are sent to our server and executed in order. Therefore, clients cannot send a second order until their previous order has been executed. If a second order is received before the first is processed, the second order will be rejected. Clients assume responsibility for any unplanned trading operation that may be executed if they resubmit an order before being notified of the results of the first order.

Clients must understand that closing the order window or position window does not cancel a submitted order.

Clients acknowledge that only the quotes received from our server are valid. If there is a problem in the connection between the client terminal and our server, the client can retrieve undelivered quote data from the client terminal's quote database.

Communication

There is a risk that the client may miss important communications if their communication channels are not up-to-date or functioning properly. It is crucial for the client to ensure that their contact information is current and reliable to avoid any potential communication gaps and associated consequences.

Abnormal Market Conditions – Suspensions of Trading

Under certain trading conditions, it may be difficult or impossible to execute or liquidate a position, or the period during which the Clients' orders are executed may be extended. This may occur, for example, at times of rapid price movement, when the prices rise or fall in one trading session to such an extent that trading may be suspended or restricted. Placing a stop loss order will not necessarily eliminate clients' losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price. In addition, under certain market conditions, the price at which a stop loss order is executed may be worse than its stipulated price and the realized losses can be greater than expected.

Force Majeure Events

The Company is not responsible for financial losses arising from force majeure events. These events are extreme and unavoidable circumstances that are independent of the will and actions of the agreement participants, and that cannot be foreseen, prevented, or eliminated, including but not limited to natural disasters, fires, man-made accidents and disasters, emergencies at utility works and on utility lines, DDOS attacks, riots, military actions, terrorist attacks, uprisings, civil unrest, strikes, and the regulatory acts of state and local government authorities.

Slippage

Slippage is a phenomenon when the requested price has slipped, i.e. the order was opened with a different price from the requested price. It refers to the difference between the expected price of a trade and the price at which the trade is executed. Slippage can occur at any time, but is most prevalent during periods of high volatility. Slippage does not denote a negative or positive movement because any difference between the intended execution price and the actual execution price qualifies as slippage. The final execution price vs. the intended execution price can be categorized as *positive slippage*, *no slippage*, or *negative slippage*. A market order may get executed at a less or more favorable price than originally intended when this happens.

Risks associated with the laws of individual governments

Clients assume responsibility for trading and non-trading operations performed within countries where they are restricted or prohibited by law.

Third-Party Risk

The Company may deposit client money with a third party. Although the Company shall exercise due skill, care, and diligence in the selection of such a party, it is understood that there are circumstances beyond the control of the Company and hence the Company does not accept any liability or responsibility for any resulting losses to the client as a result of the insolvency or any other analogous proceedings or failure of such third parties.

ADDITIONAL DISCLOSURES

Margin Requirements

Clients must always maintain the minimum margin requirement on their open positions. It is the clients' responsibility to monitor their account balance and ensure that sufficient funds are in place to cover their trading strategy and minimum margin requirements. Failure to do so, may result in positions in the client's trading account, being liquidated. Clients should not rely on last-minute deposits.

Rights to Underlying Assets

CFDs do not provide any rights to the underlying instruments.

Taxation

The clients should seek independent tax advice, if necessary, to establish whether they are subject to any tax, including stamp duty.

Impersonation Risk

There might be cases of fraudulent impersonation of the Company's officers and representatives. Clients should not share their personal data, including information about their trading accounts, with persons who appear to represent the Company unless they have ensured that such persons communicate from the official contact details and domains of the Company.

In case of any queries regarding the content of this document and the features of our products, you may contact our customer support at support@rinxo.com

Before deciding to trade, you should carefully consider your financial situation, objectives and needs, and seek independent financial, legal, tax, and/or other professional advice.

In case of questions about any of the risks arising out of trading, you should consult with your own legal, tax, and other financial advisers prior to entering into any particular transaction with the Company.