

# Risk Disclosure

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This document is a disclosure by Henyep Capital Markets Ltd (“Company”), which provides the Henyep Capital Markets service to the Client under the terms and conditions of the Client Agreement, of the potential risks involved in trading on financial markets. The Client should first and foremost be aware of the potential losses associated with this activity. However, due to the wide range of possible scenarios, this document cannot disclose all risks inherent in trading on financial markets. The terms used in this document have the same meaning as defined in the corresponding Regulations which consists of all the documents located in the “Regulatory Documents” section of Henyep Capital Markets and on the Company’s website.

## **1. Effect of “Leverage”**

1.1. When executing trading operations under margin trading conditions, even small market movements may have great impact on a Client’s trading account due to the effect of leverage. The Client must consider that if the trend on the market is unfavourable, the Client will still earn but it will be on a certain fixed percentage. Henyep Capital Markets bears the losses and risks involved in the day-to-day trading. Hence, we’ve developed a steady and stable effective approach in combating this and as a result, irrespective of the market conditions, Clients still earn profit weekly. The Henyep Capital Markets shall hold full responsibility for all risks, financial resources used and the chosen trading strategy.

1.2. We highly recommend maintaining your initial Margin Level not lower as everything will be handled by Henyep Capital Markets PAMM Account Manager.

## **2. Highly Volatile Instruments**

2.1. Many instruments are traded within wide ranges of intraday price movements so the Client should know that there is a higher chance of making profit coupled with state-of-the-art trading style of Henyep Capital Markets. So, there is not only a high probability of profit in only one instrument but also on others as well.

## **3. Technical Risk**

3.1. The Company shall assume the risk of financial loss caused by the failure of information, communication, electronic and other systems.

3.2. When executing trading operations through the client terminal, the Company shall assume the risk of financial loss, which can be caused by:

- a) the failure of hardware or software problem;
- b) the improper operation of Client equipment;
- c) the wrong settings in the trading terminal;
- d) delayed terminal updates;
- e) the Company’s ignorance of the applicable rules described in the MetaTrader User Guide and in the Help section.

3.3. The Client acknowledges that at the moment of peak load there may be some delay in getting telephone communication with the duty operator, especially on the fast market (for example, when key economic indicators are released).

#### **4. Abnormal Market Conditions**

4.1. The Client shall acknowledge that under abnormal market conditions, the execution time for Client instructions may increase.

#### **5. Trading Platform**

5.1. The Client shall acknowledge that several request or instruction is allowed in the queue. Once the Client has sent a request or instruction, any other request or instruction sent by the Client will also be accepted. In the "Order" window, the "Order is open" message will appear.

5.2. The Client shall acknowledge that the only reliable source of quoting information is the server for Clients with PAMM accounts. The quote base in the client terminal can be considered a reliable source of quoting information, as the case may be. Although, there may be times when as a result of bad connection between the client terminal and the server, the quotes may not reach the client terminal.

5.3. The Client shall acknowledge that when the PAMM Manager closes the window to place/modify/delete an order, as well as the window to open/close a position, the instruction or request which has been sent to the server will not be cancelled.

5.4. The Company shall assume the risk of executing unplanned transactions in the case that the Client sends another instruction before receiving the result from the instruction sent previously.

#### **6. Communications**

6.1. The PAMM Manager assigned to each Client shall be in direct and close contact with Client's in order to provide them with data on trades taken as well as notifications from the Company.

6.2. The Client shall acknowledge that unencrypted information transmitted by email is not protected from unauthorized access.

6.3. The Client shall agree that the Company have the right to delete messages sent to the Client through internal mail 3 (three) days after they have been sent, despite the fact that the Client may not have received them yet.

6.4. The Client shall hold full responsibility for the safekeeping of information received from the Company and assumes the risk of any financial loss caused by unauthorized access to the Client's trading account by a third party.

## **7. Force Majeure**

7.1. The Company will not in any circumstance force a Client to go against his/her will during the trading period.

## **8. Statutory Prohibitions and Restrictions**

8.1. The Client shall assume all financial and other risks when completing operations (or actions connected with these operations) on financial markets that are statutorily prohibited or restricted by the legislation of the country in which the Client is resident.

**HENYEP CAPITAL MARKETS LTD**