



CLIENT AGREEMENT

**RISKS ASSOCIATED WITH TRANSACTIONS IN
DERIVATIVE FINANCIAL INSTRUMENTS (CFDS)**

INTRODUCTION

- GFX Finance is the brand name of GLOBAL FX FINANCE LTD, a private company incorporated under the Companies Act 2006, with its registered office in England and Wales.
- This risk warning notice (the "Notice") is provided to the Company's Clients and Prospective Clients considering opening a trading account with the Company, under applicable law.
- Clients and Prospective Clients must read this Notice, accessible on the Company's website, before opening a trading account or commencing any trading activity with the Company.
- This Notice and the General Risk Disclosure document cannot explain all the risks and significant aspects of dealing in Derivative Financial Instruments (such as CFDs). It aims to explain the risks involved in general terms according to the law. Clients should be aware of all risks associated with trading in CFDs and seek independent financial advice if in doubt. The Company does not provide such advice. If the risks are not understood, Clients should not trade.

Volatility

- CFDs provided by the Company are derivative financial instruments whose prices are derived from the underlying assets. These assets and their markets can be highly volatile. Prices of CFDs and underlying assets may fluctuate rapidly and unpredictably, reflecting unforeseeable events or changes in conditions beyond your or the Company's control. Such movements will affect the Company's prices, your ability to open or close a position, and the price at which you can do so. In certain market conditions, it may be impossible to execute any order at the declared price. Even 'stop-loss orders', which execute trades only when the CFD reaches a particular price, cannot guarantee the limit of loss. 'Stop-loss orders' may not be filled at the stated price and once triggered, become market orders filled at the best available price, which may be lower than specified. CFD prices are influenced by various factors including changing supply and demand, governmental policies, political and economic events, and market psychology.
- Some underlying assets of CFDs may become illiquid due to reduced demand, making it difficult for Clients to obtain information on their value or the extent of associated risks.
- Trading in CFDs is speculative and involves a high degree of risk. Conducted using margin (covering only a small percentage of the underlying asset's value), small price changes in underlying assets can result in significant losses. Trading CFDs may result in

losing the margin held at the Company used as collateral for opening and maintaining trading positions.

- Transactions in the derivative financial instruments provided by the Company are conducted through the Company's Electronic Trading Platform and not on a recognized exchange, exposing you to greater risks than regulated exchange transactions. The terms and conditions and trading rules are established solely by the counterparty, which is the Company. You may be required to close an open position during the operating hours of the Company's Electronic Trading Platform.

DEFINATION

- CFDs, or "Contracts for Difference," are agreements between two parties to exchange the difference between the opening and closing prices of a contract. These contracts can involve various assets, including shares, currencies, commodities, and indices. CFDs allow investors to experience all the benefits and risks of owning a security without actually owning the underlying asset.

LOSSES

- The Client acknowledges and understands that the risk of loss from trading CFDs can be substantial, potentially exceeding the Initial Amount and any additional funds, including the Margin Requirement as detailed in the below section related to margin. Although CFD trading typically requires only a small deposit relative to the total trade volume (the margin requirement), profits and losses can quickly surpass this amount, necessitating adjustments to the margin requirement to maintain the initial amount.

ADDITIONAL OBLIGATIONS.

- The Client and/or Prospective Client must obtain details of all commissions and other charges they will be liable for before beginning to trade with the Company. This information can be found on the Company's website(s) and in the legal documentation available there. If any charges are not expressed in monetary terms (e.g., as a dealing spread), the Client and/or Prospective Client should obtain a clear written explanation, including examples, to understand what these charges mean in specific monetary terms.
- When the Client engages in CFD trading, they are trading based on price movements set by the Company. Prices quoted by the Company will include a spread, mark-up, or mark-down compared to prices the Company may receive or expect to receive if it covered transactions with the Client in the interbank market or with another counterparty. The Company advises that the total impact of spreads may be significant relative to the margin deposited, potentially making it more difficult for the Client to realize a profit.

The Client should carefully consider the effect of spreads, mark-ups, or mark-downs on their ability to profit from trading.

- The value of open positions in CFDs provided by the Company is subject to financing fees. The price of long positions in Financial Instruments is reduced by a daily financing fee throughout the life of the CFD, while the price of short positions is increased by a daily financing fee. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees are available on the Company's website(s)
- The Client should maintain sufficient available funds to avoid negative account equity due to position size and overnight financing fees, especially when trading CFDs on cash indices and shares where financing fees reflect corporate actions.
- The Client should be aware that CFD trades may be subject to tax and/or other duties, potentially due to changes in legislation or the Client's personal circumstances. The Company does not guarantee that no tax or other duties will be payable. The Client will be responsible for any taxes and/or duties that may accrue in respect of their trades.

Leverage

- The Client and any Prospective Client fully acknowledge and accept that, regardless of any information provided by the Company, the value of CFDs may fluctuate up or down and the investment could potentially become worthless. This is due to the high degree of "gearing" or "leverage" associated with CFDs. The margining system for these trades typically requires a relatively small deposit or margin compared to the overall contract value, meaning even a small movement in the underlying market can have a disproportionately large impact on your trades.

MARGIN

- The Client should understand the implications of CFD Transactions, particularly the specific margin requirements. The Client must deposit funds in their trading account to open a position reflecting the required margin. The specific margin requirement for each account will be provided to the Client before trading begins, and this information is available upon completion of the necessary steps to become an approved Client of the Company.
- The Client should also be aware that the Company offers leverage of up to 1:500. The Client acknowledges and understands that the Company reserves the right to offer a maximum leverage of up to 1:500 in certain instances, including: a) Trades opened within 15 minutes before, and 5 minutes after, significant news involving a particular trading instrument. b) Trades opened within 1 hour before and 1 hour after the daily rollover.
- Additionally, the Client acknowledges, agrees, and understands that the maximum leverage for a trading account may be automatically adjusted without prior notice.
- Margin requirements will depend on the underlying asset of the CFD, the chosen level of leverage, and the value of the position to be established.

- The Company will not notify the Client of any 'Margin Call' to maintain a loss-making position.
- The Client will not be able to hedge their open position if the Margin Level on their trading account is equal to or less than 100%.
- The Company reserves the discretionary right (a) to start closing positions when 'Equity' decreases to about 50% of the used 'Margin' for any particular Financial Instrument, and (b) to automatically close all positions at market prices when 'Equity' decreases to 10% of the used Margin level for Micro Accounts and below 20% of the used Margin level for all other accounts.

Declaration

- The Client acknowledges, confirms, and accepts that by entering into an Agreement with the Company and placing a CFD Order, they incur a high risk of losses and damages. The Client declares their willingness to proceed with this type of trading and undertakes these risks.

Revision

- The Company reserves the right to review and/or amend its Risk Disclosure statements at its sole discretion whenever it deems necessary, without prior notice to the Client.

CAUTION: It is emphasized that for many members of the public, trading in Contracts for Differences (CFDs) may not be suitable. The Client should not engage in CFD trading unless they fully understand the features and risks involved, including the possibility of losing all their money and incurring additional charges.

Risk Warning: Bonus Terms and Conditions

False Documents: Clients are cautioned against submitting false or misleading documents to obtain bonuses. Any attempt to do so may result in immediate disqualification from bonus programs and possible account closure.

Bonus Abuse: Engaging in bonus abuse, including but not limited to creating multiple accounts to claim bonuses multiple times, will not be tolerated. Such actions may lead to the forfeiture of bonuses and the termination of accounts.

Bonus Hedging and Arbitrage: Clients should refrain from exploiting bonus terms through hedging or arbitrage strategies, as this may violate bonus terms and result in the removal of bonus funds and profits earned through such methods.