Risks

Trying to develop a project as complex as this brings about many risks, not all of which are technical in nature. Identifying these risks early on is a crucial task in mitigating the chances of them affecting the project, it allows us to best prepare for certain scenarios should they arise or even avoid them completely.

**Server Issues**

* Being a live trading platform the reliance we will have on our servers will be paramount, therefore it also presents as one of our greatest risks for the project. The ability for our platform to stay online and operate as intended is vital due to the live trading aspect; any server issues or crashes would directly impact our platform’s capacity to monitor and execute trades. If there were to be any major down time, many trades that could have taken place would not be able to be executed, potentially resulting in decreased profits or increased losses for our users which would directly affect the platforms reputation and quality.

**AI Sabotage**

* ~~With the main feature of our platform being the use of AI to analyse data and execute trades based on that information, the ability to sabotage the AI/data must be taken into consideration. The data our AI reads will need to be completely factual and not altered by biased opinion, agendas, or judgements. These issues are prevalent on the internet and the ability to have perceptions, and therefore data, altered on a specific issue, topic, or product by people looking to capitalise on how the platform operates is a very real threat. The other issue comes from people, not necessarily wanting to capitalise on profiting from such an exercise, but simply wanting to cause a nuisance. By attacking certain issues, topics, or products through the method of ‘trolling’, the ability to alter trends and perceptions is very possible. A constant review of data sources would need to be undertaken to make sure that they are reliable in nature and not susceptible to biased influences or basic ‘trolling’.~~
* With the main feature of our platform being the use of AI to analyse data and execute trades based on that information, the ability to sabotage the AI/data must be taken into consideration. The data our AI reads will need to be completely factual and not altered by biased opinion, agendas, judgements or fake news. These issues are prevalent on the internet, so it is of utmost importance to filter out this irrelevant data to prevent people looking to capitalise on how the platform operates. The other issue comes from people, not necessarily wanting to capitalise on profiting from such an exercise, but simply wanting to cause a nuisance. It is common place for internet trolls to spread misinformation or write inflammatory content about certain issues in order to manipulate the market. A constant review of data sources would need to be undertaken to make sure that they are reliable in nature and not susceptible to biased influences or basic ‘trolling’. It is also important that the AI can recognise and flag potential erroneous data.

**Government Regulations**

* Although our platform is essentially a trading tool, we will need to be aware and remain vigilant of certain government regulations, and their tendency to change, around such a platform. Being a trading platform, it may be treated similarly to the manual trading platforms in use today; however, there may also be issues that come about due to the AI aspect of it. As there are not any real AI driven trading platforms operating in the public domain with actual money it is hard to gauge how a government would react to such a platform being introduced. Regulations could be brought in to regulate peoples ability to trade with the platform, there could be limits put on the platform and how it could operate, and there could also be certain taxes and fees introduced due to the automatic nature of the platform. These possible regulations could directly affect the performance, profitability, and viability of the platform.

**Underestimating Costs**

* Underestimating the expenses and timeframe for AI algorithm completion can be identified as one of the largest initial risks a project like this would have. Insufficient foresight into the design of the algorithm or unexpected issues regarding how it operates could result in the need of going back to the drawing board to fix the aforementioned issues. The possibility of repeatedly going back to the drawing board would be extremely detrimental to any budget that we have allocated for development. While adequate planning would certainly limit the risk of this occurring, the possibility of it draining our budget is a very real threat.

**Operation Costs Exceeding Profit**

* A complex platform like this would not be cheap to operate and maintain, the costs associated with running such a platform would need to be obtained through user fees – but, the risk around this issue is twofold. On one hand the chance for the operation costs outweighing profits would result in a budget deficit which would make the platform a frivolous pursuit as it would be a drain on funding; the way to fix this issue would be to increase fees and usage costs for the user to utilise the platform. The issue with this is that you then risk making the platform too expensive for the intended user to access, making it less successful and directly impacting its viability and usefulness. The budget would have to be constantly monitored and analysed throughout development and operation to make sure that it remains a practical project.

**Safely Holding User Funds**

* As a platform that handles trading and investments, we would need to facilitate the depositing and withdrawing of fiat, and protect the user's assets including funds, stocks, shares, commodities, and cryptocurrencies from hacking attempts and similar. Such an event would be devastating, particularly early on when the platform has neither the necessary funds to restore the user's assets, nor a good reputation to continue trading afterwards.

**Law suits**

* The platform will be trading on behalf of the user with the goal of increasing their portfolio; however, with any type of trading there are risks and if a user were to lose their funds, they may try to sue us to seek compensation. Consequently, it is crucial to have thorough terms, conditions and agreements in place that protect us from this.