

banxso.eu

Risk Disclosure Notice

The Risk Disclosure forms part of the Service Agreement

1. Introduction

1.1. XF Services Ltd, operating under the brand name 'banxso.eu', is a company incorporated and registered under Laws of the Republic of Cyprus under Registration Number HE 415244, having its registered office at 81 - 83 Grivas Digenis Avenue, 1st Floor, 1090, Nicosia (hereinafter the "Company"), and having been granted a license from the Cyprus Securities and Exchange Commission (hereinafter the "CySEC") to act as a Cyprus Investment Firm with license number 413/22, to provide investment and ancillary services.

1.2 This Risk Disclosure and Warning Notice ("Notice") is provided to you (our client and prospective Client) in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (L. 87(I)/2017), as subsequently amended from time to time ("the Law"), which is applicable to our Company ("we", "our", "us", "the Company").

1.3. The Company provides Contracts for Difference ('CFDs'). CFDs are high risk investments, which are not suitable for many investors.

1.4. The Company hereby confirms that it 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. In addition, the Client irrevocably acknowledges and accepts 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 therefore accepts and declares that he is willing to undertake this risk.

1.5. The Client irrevocably acknowledges and accepts that regardless of any information which may be offered by the Company, the value of any investment in a Financial Instrument may fluctuate downwards or upwards, and it is even possible that the investment may become of no value.

1.6. It is important that you fully understand the risks involved before deciding to enter into a trading relationship with us. If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully.

1.7. All Clients and prospective Clients should read carefully the following risk disclosures and warnings contained in this Notice, before applying to the Company for a Trading Account and before they begin to trade with the Company. However, it is noted that this document cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in the Financial Instruments offered by the Company. The Client shall be further informed in more detail of the risks involved, based on the categorization assigned to him by the Company and the investment services and Financial Instruments selected. This notice was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.

2. Invest only money that you can afford to lose

2.1. CFD's carry high level of risk and can result in large losses or even the total of the invested capital.

2.2. The client represents, warrants, acknowledges and understands the associated risks, is willing and able, financially and/or otherwise, to assume the risks of trading CFDs and that the loss of client's entire account balance will not change client's lifestyle.

3. Trading in CFDs

3.1. When you are trading in CFD's means that you are not entitled to ownership of the underlying asset of such a contract e.g. the actual Shares or the Rights offered in a Rights Issue event or the Shares offered in an Options contract. There is no delivery of the underlying asset.

3.2. **Trading in CFDs is VERY SPECULATIVE AND HIGHLY RISKY** and involves a significant risk of loss and is not suitable for all investors but only for those customers who:

- a. understand and are willing to assume the economic, legal and other risks involved;
- b. are experienced and knowledgeable about trading in derivatives and in underlying asset types; and
- c. are financially able to assume losses significantly in excess of margin or deposits because investors may lose the total value of the contract not just the margin or the deposit.

4. CFD's Risks

4.1. Contract for Differences (CFDs) are leveraged products that carry a higher level of risk to the client's capital compared to other financial products and may result in the loss of all of your invested capital. However, the Company operates on a '**Negative Balance Protection**' basis for Retail clients, which means that Retail clients cannot lose more than their initial investment. The value of trading CFDs may increase or/degree depending on the Abnormal Market Conditions.

5. Abnormal Market Conditions

5.1 The Client acknowledges that under Abnormal Market Conditions the period during which the Orders are executed may be extended or it may be impossible for Orders to be executed at declared prices or may not be executed at all.

5.2 Abnormal Market Conditions include but not limited to times of rapid price fluctuations of the price, rises or fall in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is lack of liquidity, or this may occur at the opening of trading sessions.

6. Risks of CFDs for buyers (long CFD positions)

6.1. Buying the CFD (long CFD position) on the market by speculating that the market price of the underlying will rise between the time of the purchase and sale you will generally make a profit if the market price of the underlying rises whilst your CFD long position is open.

6.2. On the contrary, you will suffer a loss, if the market price of the underlying falls whilst your CFD long position is open. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

7. Risks of CFDs for sellers (short CFD positions)

7.1. Selling the CFDs (short CFD position) on the market by speculating that the market price of the underlying will fall between the time of the purchase and sale you will generally make a profit if the market price of the underlying falls whilst your CFD short position is open.

7.2. On the contrary, you will generally suffer a loss, if the market price of the underlying rises whilst your CFD short position is open. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

8. Leverage, Volatility and Low Margin can lead to Quick Losses

8.1. For a CFD transaction the Client is required to maintain a margin. Margin is usually modest proportion of the overall contract value. The Client will be trading using “leverage” or “gearing”. This means a relatively small market movement can lead to a proportionately much larger movement in the value of the Client’s position, and this can work either against the Client or for the Client.

When opening a trade, clients must consider all running profits and losses, for meeting the margin requirements and maintain enough equity. If the market moves against the Client’s position and/or Margin requirements are increased, the Client may be required to deposit additional funds to maintain his position or face the risk of closure of his position(s) by the Company on his behalf. It is important that you monitor your positions closely because the effect of leverage increases the speed of occurrence of profits or losses. It is your responsibility to monitor your trades and while you have open trades you should always be in a position to do so. For more information regarding the maintenance margin levels and Stop Out levels please visit our website.

8.2. Financial markets may fluctuate rapidly to reflect events that are outside the control of our Company and/or your control; as a result, prices will become volatile. One form of price volatility is ‘gapping’, which occurs when there is a sudden shift in prices from one level to another. This can be caused, for example, by unexpected economic events or market announcements and other similar occurrences, within or outside trading hours. Therefore, our Company may be unable to execute your instructions at the requested price. In addition, if prices move against you, this will have a direct and real time impact on your trades which may be automatically stopped-out. It is possible that you and all your trades will be stopped out and not just the ones that are loss making.

8.3. You should note that any changes made to your leverage level on an already traded Account, can immediately affect you open positions and may result in a stop-out.

9. Past Performance

9.1. Information of the previous performance of a Financial Instrument does not guarantee its current 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 Instrument to which the said information refers; you should note that the value of your investment can decrease (as well as increase) as the market price of the underlying asset may fluctuate downwards (or upwards).

10. Technical Risks

10.1. The Company strives on a best effort basis to provide the Client with a secure and smooth online experience. However, the Client acknowledges the risk that should third parties (hackers) launch a coordinated attack against Company systems that there may be a disruption of services that may result in Client losses. The Company does not accept any liability resulting from such attacks to the extent that the Company has taken all reasonable measures on a best effort basis to fend off such malicious actions.

The Client acknowledges that the internet may be subject to events which may affect his access to the Company’s Websites and/or the Company’s trading Platform(s)/system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet

disconnection, public electricity network failures. The Company is not responsible for any damages or losses resulting from such events which are beyond its reasonable control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access the Company's Website and/or Trading System or delay or failure in sending orders or Transactions, not owed to the Company's gross negligence or wilful default.

10.2. The Client and **not** the Company shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic systems or other;

11. Costs and Charges

11.1. The Provision of Services by the Company to the Client is subject to costs (e.g. spread, swaps) available on the Company's website www.banxso.eu

11.2. For the purposes of this Statement, a swap means the interest added or deducted for holding a position open overnight.

11.3. Before you begin to trade, you should read and understand all fees, charges for which you may be liable. It is your responsibility to check for any changes in the charges.

11.4. If required by applicable Law, the Company shall deduct at source from any payments due to the Client such amounts as are required by the tax authorities to be deducted in accordance with applicable Law.

12. Client funds

12.1. The Company will place any Client funds it receives into one or more segregated account(s) (denoted as 'clients' accounts') with reliable financial institutions (within or outside Cyprus or the EEA) such as a credit institution or a bank in a third country.

12.2. Client funds are subject to a right of off-set for all liabilities that you owe to us, as stated in the [Service Agreement](#) and [General fees](#).

13. Investor Compensation Fund

13.1. The Company participates in the Investor Compensation Fund for Clients of Investment Firms regulated in the Republic of Cyprus. Claims of the covered Clients against the Company may be compensated by the Investor Compensation Fund where the Company is unable, due to its financial circumstances. Compensation shall not exceed twenty thousand Euros (€20,000) or 90% (ninety per cent) of the cumulative covered claims of each entitled Client, whichever is the lowest. For more details, please refer to the "Investor Compensation Fund Notice" found on the Company's Website at www.banxso.eu

14. Foreign Currency

14.1. Customers should be aware that when a Financial Instrument is traded in a currency other than the currency of the Client's country of residence and/or Trading Account, any changes in the exchange rates may have a negative effect on its value, price and may lead to losses for the Client.

14.2 The Client accepts and irrevocably undertakes the risk that his trades in Financial Instruments may be or become subject to tax and/or any other duty, for example due to changes in legislation or his personal circumstances. The Company hereby waives any warranty that no tax or any other stamp duty will be payable. Further, the Client and **not** the Company, shall be responsible for any taxes or any other duty which may accrue in respect of his trades.

15. No guarantees of profit

15.1. The Company provides no guarantees of profit nor of avoiding losses when trading CFDs. Customer has received no such guarantees from the Company or from any of its representatives.

15.2. The Client is aware of the risks inherent in trading CFDs and is financially able to bear such risks and withstand any losses incurred. The Client acknowledges and accepts that there may be other additional risks apart from those mentioned above.

16. Appropriateness

16.1 The Company requires the Client to pass through an appropriateness test during the application process and warns the Client if trading in CFDs is not appropriate for him, based on the information provided. In this context the Company has designed, implemented and maintains a scoring mechanism capable of identifying whether the product is appropriate for clients or not. The Company automatically rejects (potential) clients that obtain a very low score. For all other (potential) clients, any decision whether or not to open a Trading Account, and whether or not they will be given access to trade, will depend on the score result and additional actions (Like i.e. subsequent attendance of relevant Training Seminars)

17. Communication with Client

17.1. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.

17.2. The Company has no responsibility if unauthorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the Company and the Client or when using the internet or other network communication facilities, or any other electronic means.

18. Policy Review

18.1. The Company reserves the right to review and/or amend this Statement at its sole discretion, whenever it deems fit or appropriate by law, and the revised Statement will be uploaded on the Company's Website.

18.2. Your continued use of our services, following any notification of such amendments, constitutes your acknowledgement and consent to such amendments to this Statement.

19. No Advice

19.1 The Company may issue and/or distribute third party material which contains information including but not limited to the conditions of the financial markets, posted through our Website and other media and/or received by you. It should be noted that the material is considered as marketing

communication only and does not contain investment advice and/or investment recommendation and/or an offer or solicitation for any transactions in financial instruments;

19.2. The Company does not provide investment, financial, legal, tax, regulatory or other advice relating to investment on trading CFDs. You should always consult your own legal, financial and/or tax advisors for advice and assistance.

20. Additional Information

20.1 For further information, you may refer to the 'Guide to Investing' issued by the European Securities and Markets Authority ('ESMA') and the 'Investor Warning on Contracts for difference (CFDs)', issued jointly by ESMA and the European Banking Authority ('EBA').