

WeTrade Capital (Seychelles) Limited

Risk Disclosure Policy

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This risk disclosure is intended to inform you of the risks that exist in trading activities on financial markets. You must recognize that these risks entail a chance of losing money while trading. This disclosure is informational and must not be considered a list of all possible risks.

1. Introduction

WETRADE CAPITAL (SEYCHELLES) LIMITED is a Securities Dealer Licensee regulated and authorised by the Financial Services Authority ('FSA') in Seychelles under the license number **SD196** (hereinafter referred to the "Company").

This Risk Disclosure Policy explains what you need to know about the products we can offer you. It is designed to provide you with the information you need to determine whether the products we offer are appropriate for your personal objectives, financial situation and needs, by explaining the risks, rights and obligations associated with our products.

Nothing in this Risk Disclosure Policy should be considered as a recommendation to trade in OTC Derivatives or any other financial instruments. We do not guarantee the investment performance of OTC Derivative products or the investment performance of the Underlying Assets. Past performance is no indication or guarantee of future performance. Use of examples in this Risk Disclosure Policy, are provided for illustrative purposes only and do not reflect our actions or determinations or an investor's personal circumstances.

2. Risk associated with transactions in OTC Derivatives

Trading in OTC Derivatives is not suitable for all investors and involves the risk of significant loss as well as potential for profit. Any losses you sustain may substantially exceed the amount of your initial deposit. Movements in the price of the margin contract's Underlying Asset (e.g., foreign exchange rates, commodity prices, or indices) are influenced by a variety of unpredictable factors of global origin. Violent movements in the price of the Underlying Asset may occur in the market, as a result of which you may be unable to settle adverse trades. We are unable to guarantee a maximum loss that you may suffer from your trading activities.

OTC Derivative products are considered speculative products which are highly leveraged and carry significantly greater risks than non-gearred investments. You should not invest in OTC Derivative products unless you properly understand the nature of OTC Derivative products and you are comfortable with the risks.

Engaging in CFDs carries a high degree of risk to your capital. You should not engage in this form of investing unless you fully understand the nature of the transactions you are entering into and the true extent of your exposure to the risk of loss. Your profit and loss will vary according to the extent of the fluctuations in the price of the underlying markets on which your transactions are based.

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3. Risk warning

It does not provide you with investment advice relating to its services, securities and other leveraged products and does not make investment recommendations of any kind. We sometimes provide factual information or research recommendations about a market, information about transaction procedures and information about the potential risks involved and how those risks may be minimised. However, any decision to use our investment products or services is solely made by you.

The Company does not and cannot guarantee the initial capital of your portfolio or its value at any time or any money invested in any security. You acknowledge and accept that, regardless of any information which may be offered by the Company, the value of the securities provided by the Company may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

4. Leverage

Investing in derivative securities entails the use of “gearing” or “leverage”. In considering whether to engage in this form of investment, you should be aware that the high degree of “gearing” or “leverage” is a particular feature of derivative securities. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on your trade. If the underlying market movement is in your favor, you may achieve a good profit, but an equally small adverse market movement may quickly result in the loss of your entire deposit. You must not purchase derivative securities unless you are willing to undertake the risks of losing all the money which you have invested.

5. Margin

Clients are required to deposit a Margin with the Company in order to open a position. The Margin requirement will depend on the underlying instrument of the derivative securities, level of leverage chosen and the value of position to be established. The Company will not notify the Client for any Margin Call to sustain a loss-making position. The Company has the discretionary right to start closing positions when Margin Level decreases to about 50%, and automatically close all positions at market prices if Margin Level drops below 20%.

It is your responsibility to monitor your account. Should the net value of the account (cash plus running profits minus running losses) fall below the margin required, we may close

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some or all of your trades, at the current market price. This should not however be taken as a guarantee, and it is your responsibility to ensure that sufficient funds are in your account at all times.

6. Technical risks

We are not responsible for financial losses arising from malfunctions in your electronic, communication, or information systems.

When working with the client terminal, you assume the risks arising from:

- a) Failures in your equipment, software, and connection.
- b) Errors in your client terminal settings.
- c) Failure to update your version of the client terminal in a timely manner.
- d) Your failure to follow the instructions for using the client terminal.

We are not responsible for errors that occur in the operation of the client terminal and will not compensate losses resulting from errors in the operation of the client terminal because we have a non-exclusive right to use the MetaTrader trading system (client terminal) for a specific purpose and do not have the right to provide technical support.

7. Market risks

Margined CFD trading relies on the price movement of underlying financial products. You are therefore exposed to similar, but magnified risks, to holding the underlying assets. In some cases, risks will be greater. You agree that if market conditions become abnormal, the time required to process your orders and instructions may increase.

8. Commission and Spreads

You should obtain details of all commissions and other charges for which you will be liable, prior to trading with the Company. Where charges are not expressed in money terms (such as a bid offer spread), you should obtain a clear explanation of what such charges are likely to mean in specific money terms. When commission is charged as a percentage it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

Some types of trades you make may require you to pay financing costs. Trades in currencies different than your base currency may require you to convert those foreign currencies to your base currency. The combination of overnight financing and foreign

exchange costs may exceed any profits on your trades or increase the losses that you may incur on your trade.

9. Risks associated with the laws of individual governments

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

10. Communication risks

You must be aware of the risk that information sent via unencrypted email may be accessed by unauthorized parties.

We are not responsible for financial losses arising from delayed or failed receipt of a company message.

You are responsible for the security of the credentials for your personal area and trading accounts, as well as, the confidential information that we send you. We are not responsible for financial losses arising from your disclosure of this information to third parties.

11. Force majeure events

We are not responsible for financial losses arising from force majeure events. These events are extreme and irresistible circumstances that are independent of the will and actions of the agreement participants, 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.