Risk Warning Notice

1. General Provisions

We, IMPEX Trading Limited, is the International Company registered under Republic of Vanuatu International Companies Act, [CAP 222], company number 14860, having it's registered address at: PO BOX 1276, Govant Building, Kumul Highway, Port Vila, Republic of Vanuatu, with Dealers in Securities Principle License granted by Vanuatu Financial Services Commission (hereinafter "Company").

Impex Trading Limited is a global Dealer in Securities that provides financial trading services. We offer to our customers a wide range of services and opportunities to get access to stock and OTC markets, providing individual approach. We are aimed to expand our capacities in this area and provide extremely open and beneficial interaction between traders and investors.

We provide this Risk Warning Notice to prospective clients in accordance with the requirements of the appropriate legislation, which applies to the provision of dealing in securities services.

Contracts for Difference (hereinafter "CFDs") are complex instruments and come with a high risk of losing money rapidly due to leverage. The majority of retail investor accounts lose money when trading CFDs. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

It should be noted that it is impossible for the Risk Warning Notice to contain all the risks and aspects involved in trading CFDs and other Forex speculative products (e.g. rolling spots). The Risk Warning Notice outlines the general nature of the risks involved on a fair and non-misleading basis. Clients need to ensure that their decision is made on an informed basis and as a minimum, they should be taking into consideration the following.

2. Main risks

Prior to trading CFDs and other speculative products such as rolling spots, Clients need to ensure that they understand the risks involved. CFDs and rolling spots are leveraged products; therefore, they carry a higher level of risk to one's capital, compared to other financial products. The value of CFDs and rolling spots may increase or decrease depending on market conditions.

Due to the fact that CFDs and rolling spots are leveraged products, engaging in such trading may not be suitable for all Clients, therefore before investing, independent advice should be sought if necessary. The potential for profit must be balanced alongside prudent risk management, given the significant losses that may be generated over a very short period of time when trading such instruments.

Clients should not commence trading in CFDs or/and other speculative Forex products unless they understand the risks involved.

3. **Profit taking is not certain**

Clients should not believe claims of large profits resulting from trading. Clients should realize that trading could result in immediate and substantial losses of the capital invested, including additional capital that may be required by investing in leverage/margin.

4. **Transaction costs may reduce profit taking**

Be aware that every time an individual trade is placed, the Company profits from the Ask/Bid Spread. These transaction costs are a major cause of Clients not being able to increase their trading size and developing as a trader. The total daily/monthly/yearly commissions may add to losses and/or significantly impact and reduce profits.

5. **Capital Loss and effect of leverage**

When trading under the effect of leverage, even small market movements may have great impact on the Client's deposited funds. It is noted that all accounts trade under the effect of leverage. Under the effect of leverage, and if the market moves against the Client, the Client may sustain a loss greater than the initially invested capital. It should be noted, however, that the Company operates on a "negative balance protection" basis; this means that Clients cannot lose more than their invested capital.

The Client shall be responsible for all financial losses caused by the opening of a position using temporarily available margin on the Client's trading account gained as a result of a profitable position opened at a non-market quote or at a quote received as a result of a manifest error, which was cancelled afterwards by the Company.

In addition, in the case of a force majeure event, the Client shall understand and accept the risk of possible financial losses.

Before investing in margin trading instruments or in any other trading strategy, Clients should understand clearly all risks involved, and ensure that they only invest financial resources that they can afford to lose, if market moves against them.

6. **Credit and Insolvency Risk**

When trading CFDs and rolling spots, Clients are effectively entering into an over-the-counter (hereinafter "OTC") transaction; this implies that any position opened with the Company cannot be closed with any other entity. OTC transactions may involve greater risk compared to transactions executed on regulated markets e.g. traditional exchanges; this is due to the fact that in OTC transactions there is no central counterparty and either party to the transaction bears certain credit risk. As a result, Clients are exposed to credit risk in case of default or insolvency of the Company.

The Company's insolvency or default, may lead to positions being liquidated or closed out without the Client's consent. In certain circumstances, the Clients may not get back the actual assets, which they deposited as collateral and they may have to accept any available payments in cash or by any other method deemed to be appropriate.

7. **Market Risk**

Market Risk is the risk of experiencing losses due to events that affect the overall performance of the financial markets. CFDs and other Forex related transactions are exposed to market events, such as the implementation of governmental, agricultural, commercial and trade programs and policies, national and international socioeconomic and political events, natural disasters etc., which may substantially affect the price or availability of a given underlying. Based on the underlying of each contract,

Clients are exposed to different types of market risk such as interest rate risk, commodity risk, equity risk and foreign exchange risk.

Clients must therefore carefully consider their investment objectives, level of knowledge and experience as well as their risk appetite prior to entering this market.

8. **Liquidity of the underlying asset**

Liquidity risk is the risk that, for a certain period of time, some of the underlying assets may not be traded quickly enough (i.e. may not become immediately liquid) in the market to prevent or minimize losses. Liquidity risk is typically reflected in unusually wide bid-ask spreads or large price movements. As a result, the Client may not be able to obtain information on the value of these underlying assets or the extent of the associated risks.

9. **Company makes no warranty regarding the effectiveness, accuracy, or efficiency of the trading platforms**

From time to time, Clients may have difficulty accessing their account data due to a possible myriad of technical problems. The company makes no warranty of merchantability, no warranty of fitness for a particular purpose, and no other warranty of any kind, express or implied, regarding this service, data or information provided thereby, or any aspect regarding the order entry or execution services, except as required by applicable law, regarding possible damages, including, but not limited to, lost profits, trading losses or damages that result from reliance on inaccurate data or delay or loss of access to customer account execution services.

The execution of Clients' orders at all times, at the highest speed possible and in the best interests of the Client, is of great importance to the Company. However, the Client is exposed to the risk of financial loss that might arise due to possible system failures, which can result in the Client’s order not being executed according to the Client’s instructions or not executed at all. The Company does not accept any liability in the case of such system failures.

The following events shall be regarded as system failures:

- Client's or Company's hardware/software failure, malfunction or misuse;
- Poor Internet connection either on the side of the Client or the Company or both, interruptions, transmission blackouts, public electricity network failures, hacker attacks, overload of connection;
- The wrong settings in the Client’s terminal/ trading platform;
- Delayed Client terminal/ trading platform updates;
- The Client disregarding the applicable rules described on the Company's Terms of Business.

At times of excessive deal flow and/or during unusually high levels of volatility, the Client may experience difficulties with telephone connections with the Company.

10. **Communication**

The Client may be subject to financial losses that could be caused by the fact that he/she has received with delay, or has not received at all, a notice sent by the Company.

The Client acknowledges that the unencrypted information transmitted by email is not protected from any unauthorized access.

The Client is fully responsible for the privacy of the information received from the Company and accepts the risk of any financial losses caused by the unauthorized access of a third party to the Client's trading account.

The Company has no responsibility if any third person gets access to information, including electronic addresses, electronic communication and personal data, when the aforementioned are transmitted to the Company, or to any other party, where relevant, using the internet or other network communication facilities, telephone, or any other electronic means. It is noted, however, that the Company applies all reasonable steps to ensure that Clients’ personal data will be processed in a manner that ensures appropriate security, including possible protection against unauthorized or unlawful processing and against accidental loss, destruction or damage.

11. **Abnormal Market Conditions**

Under certain trading conditions, it may be difficult or impossible to liquidate a position or the period during which the Clients’ orders are executed, may be extended. This may occur, for example, at times of rapid price movement, when the prices rise or fall in one trading session to such an extent that under the rules of the relevant exchange, trading is suspended or restricted. Placing a stop loss order will not necessarily eliminate Clients' losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price. In addition, under certain market conditions, the price at which a stop loss order is executed may be worse than its stipulated price and the realized losses can be greater than expected.

12. **Third Party Risk**

The Client understands that the Company will promptly place any Client money it receives into segregated Client accounts with reliable credit institutions. The Company may hold Client money in omnibus accounts, opened in the Company's name. Although the Company shall exercise due skill, care and diligence in the selection of the credit institutions as described in our Terms and Conditions, it is understood that there are circumstances beyond the control of the Company and hence the Company does not accept any liability or responsibility for any resulting losses to the Client as a result of the insolvency or any other analogous proceedings or failure of the credit institutions where Client money will be held.

13. **Taxation**

Although investing in CFDs does not involve taking physical delivery of the underlying financial instrument, the Clients should seek independent tax advice, if necessary, to establish whether they are subject to any tax, including stamp duty.

14. **Margin Requirements**

Clients must maintain the minimum margin requirement on their open positions at all times. It is the Client's responsibility to monitor his/ her account balance. The Client may receive a margin call to deposit additional cash if the margin in the account concerned is too low. The Company has the right to liquidate any or all open positions whenever the minimum margin requirement is not maintained and this may result in Client's positions being closed at a loss for which the Client will be liable.

These Risk Warning Notice have been last updated on 05th February 2021