

Risk Disclosure Statement and Warning Notice

AINVESTING.EU

Last updated on June 2019

1. Introduction

- 1.1. This Risk Disclosure Statement and Warning Notice is provided to you (our Client and prospective Client) in compliance to Markets in Financial Instruments Act and all applicable to Up Trend Ltd. (“the Company” or “us”) regulations.
- 1.2. All Clients and prospective Clients should read carefully the following Risk Disclosure Statement and Warning 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 possible risks and other significant aspects involved in dealing in Complex Products like Contracts for Difference (“CFDs”), and as such the Client needs to ensure that his decision is made on an informed basis. The notice was designed to explain in general terms the nature of the risks involved when dealing in CFDs on a fair and non-misleading basis.
- 1.3. During the account opening process, the Company assesses whether the service requested by the Client is suitable for them. The assessment is done based on the information provided by the Client with regard to his/her knowledge, education and experience in trading on the financial markets. Regardless of Company’s assessment, the Client should perform his/her own careful assessment whether the services provided by the Company are appropriate for him/her and whether he/she could benefit from them. In case that the Company’s assessment shows that the requested service is not appropriate for the Client, the Company shall inform the Client about that and warn him/her of the risks involved. The decision whether to use the service, although it has been assessed as inappropriate for him/her, is up to the Client, and he/she must declare that fact explicitly to the Company.

PART ONE: General Warnings

2. Charges and Taxes

- 2.1. The Provision of Services by the Company to the Client is subject to fees, which are available on the website AlInvesting.eu. Before the Client begins to trade, he/she should obtain details and be informed of all fees, commissions and charges for which the Client will be liable. It is the Client’s responsibility to check and be updated for any changes in the charges.
- 2.2. The Client should ensure that he/she understands the true monetary value of the charges for any charges that are not expressed in monetary terms (e.g. as a percentage of contract value, spread, etc.).
- 2.3. The Company may amend the applicable charges at any time with one month prior notice to the Clients.

- 2.4. There is a possibility that a trade in any CFD by a Client be or become subject to tax and/or any other duty, depending on the tax legislation/regime applicable to each Client. The Company does not offer tax advice and does not warrant that no tax and/or any other stamp duty will be payable.
- 2.5. The Client is responsible for any taxes and/or any other duty which may accrue regarding his trading activity, and should seek independent advice if necessary.
- 2.6. It is noted that taxes are subject to change and without notice, based upon the relevant tax legislations applicable in Bulgaria and/or the Client's country of residence for tax purposes.
- 2.7. It is noted that the Company's prices in relation to CFD trading are set by the Company and may be different from prices reported elsewhere. The Company's trading prices are the ones at which the Company is willing to buy or sell CFDs to its Clients at the point of the deal. As such, they may not directly correspond to real time market prices of the underlying assets at the point in time at which the purchase or sale of CFD occurs.

3. Third Party Risks

- 3.1. The Company may transfer money received from the Client to a third party (a bank located outside Bulgaria for example). The Company has no responsibility for any acts or omissions of any third party to whom it will transfer money received from the Client.
- 3.2. The legal and regulatory regime applying to any such third party may be different from that of Bulgaria and in the event of insolvency or any other equivalent failure of that third party, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in Bulgaria. The Company will not be liable for the solvency, acts or omissions of any third party referred to in this clause.

4. Insolvency

- 4.1. The Company's insolvency or default, may lead to positions being liquidated or closed out without the Client's consent.

5. Investors Compensation Fund

- 5.1. The Company is a member of the Investor Compensation Fund, established in Bulgaria as a legal entity. Its registered address is at 31 Tsar Shishman Str., Sofia, Bulgaria; website: www.sfund-bg.com. Certain clients will be entitled to compensation under the Investors Compensation Fund where the Company fails. Compensation shall not exceed 20 451 Euro for each entitled Client. For more details please refer to the [Investors Compensation Fund document](#).

6. Technical Risks

- 6.1. The Client and not the Company bears the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems.
- 6.2. Transactions on an electronic system are exposed to risks associated with the system, including the failure of hardware, software, servers, communication lines and internet failure. The result of any such failure may be that the order is either not executed according to the Client's instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.
- 6.3. At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Platform(s), especially in fast Market (for example, when key macroeconomic indicators are released).
- 6.4. The Client acknowledges that the internet may be subject to events which may affect his access to the Company's Website and/or the Company's trading Platform(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks. The Company is not responsible for any damages or losses resulting from such events which are beyond its 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.
- 6.5. In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks amongst others, in which cases the Company has no liability of any resulting loss caused by:
 - (a) Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client;
 - (b) Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), and the trading or information server of the Client;
 - (c) Outage (unacceptably low quality) of communication via the channels used by the Client, the Company, the provider, or the communication operator (including voice communication);
 - (d) Wrong or inconsistent settings of the Client Terminal;
 - (e) Untimely update of the Client Terminal;
 - (f) When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialing, when trying to reach an employee of the broker service department of the Company due to communication quality issues and communication channel loads;
 - (g) The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Client from the Company;
 - (h) Trading over the phone might be impeded by overload of connection;

- (i) Malfunction or non-operability of the Platform, which also includes the Client Terminal.

6.6. The Client may suffer financial losses caused by the materialization of the above risks and shall be responsible for all related losses he may suffer. The Company accepts no responsibility or liability in the case if such a risk materializes.

7. Trading Platform

7.1. The Client is warned that he assumes a risk of financial loss when trading through an electronic platform, which may be a consequence of, amongst other, the following:

- (a) Failure of Client's devices, software and poor quality of connection;
- (b) Failure, malfunction or misuse of the Company's or Client's hardware or software by the Client;
- (c) Failure, malfunction or misuse of the Client's hardware or software;
- (d) Improper work of Client's equipment;
- (e) Wrong setting of Client's Terminal;
- (f) Delayed updates of Client's Terminal.

7.2. The Client acknowledges that only one Instruction is allowed to be in the queue at one time. Once the Client has sent an Instruction, any further Instructions sent by the Client are ignored and the "order is locked" message may appear until the first Instruction is executed.

7.3. The Client acknowledges that the only reliable source of Quotes Flow information is that of the live Server's Quotes Base. The Client acknowledges that the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes may simply not reach the Client Terminal.

7.4. The Client acknowledges that when the he/she closes the order placing/deleting window or the position opening/closing window, the Instruction, which has been sent to the Server, shall not be cancelled.

7.5. Orders may be executed only one at a time while being in the queue. Multiple orders from the same Client Account in the queue may not be executed simultaneously.

7.6. The Client acknowledges that the Order shall not be cancelled when the Client closes the Order.

7.7. If the Client decides to repeat an Order in cases where he has not received the result of the execution of the previously sent Order, the Client shall accept the risk of making two similar Transactions instead of one.

7.8. The Client acknowledges that if the Pending Order has already been executed but the Client sends an instruction to modify its level, the only instruction, which will

be executed, is the instruction to modify Stop Loss and/or Take Profit levels on the position opened when the Pending Order triggered.

8. Communication between the Client and the Company

- 8.1. The Client shall accept the risk of any financial losses caused by the fact that the Client has received with delay or has not received at all any notice from the Company.
- 8.2. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.
- 8.3. The Company has no responsibility if unauthorized third persons have access to information, such as electronic communication when the above are transmitted between the Company and the Client or when using the internet or other network communication facilities, telephone, or any other electronic means.
- 8.4. The Company has controls and procedures in place and in order to ensure its compliance with the provisions of the European Union General Data Protection Regulation, which comes into effect from May 2018.
- 8.5. The Client is fully responsible for the risks in respect of undelivered Company Online Trading System internal mail messages sent to the Client by the Company as they are automatically deleted within 3 (three) calendar days.

9. Force Majeure Events

- 9.1. In case of a Force Majeure Event the Company may not be in a position to arrange for the execution of Client Orders or fulfill its obligations under the agreement with the Client. As a result the Client may suffer financial loss.
- 9.2. The Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under this Agreement where such failure, interruption or delay is due to a Force Majeure event.
- 9.3. The Client shall accept the risk of financial losses.

10. Abnormal Market Conditions

- 10.1. 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. Therefore Stop Loss Orders cannot guarantee the limit of loss.

11. Foreign Currency

- 11.1. Fluctuations in the exchange rates for Financial Instrument notes traded in the Client's domestic currency may have a negative effect on the value, price and performance of the Financial Instrument and may lead to losses for the Client.

PART TWO: Risks associated with Complex products (CFDs)

Trading in financial products always involves a risk. As a general rule, you should therefore only trade in financial products if you understand the products and the risks associated with them.

12. Trading CFDs is VERY SPECULATIVE AND HIGHLY RISKY

12.1. Trading CFDs is very speculative and highly risk due to the financial markets volatility and the leverage (trading on margin) involved. Trading these products may result in loss of the entire amount invested and therefore is not suitable for all members of the general public but only for those who:

- have an acceptable level of knowledge and/or experience to understand the characteristics of CFDs and risks associated with trading on margin;
- have ability to bear 100% loss of all funds invested;
- have a high-risk tolerance; and
- intend to use the product for short-term investment, intraday trading, speculative trading, portfolio diversification and/or hedging of exposure to an underlying asset.

12.2. Trading underlying assets of the CFDs without using margin is less risky than trading leveraged CFDs.

12.3. The previous performance of a CFD does not guarantee its current and/or further performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.

12.4. CFDs prices may fluctuate rapidly and over wide ranges and will be influenced by, among other things, the market price of the Underlying Asset, the earnings and performance of the company or companies whose shares comprise the Underlying Asset or a related index, the performance of the economy as a whole, the changing supply and demand for the Underlying Asset or related instruments and indices, governmental, agricultural, commercial and trade programs and policies, interest rates, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

12.5. Example of Leverage and Margin Losses on CFDs: if you open a CFD position based on shares of company "A" with total value of 100 000 EUR and, if the Margin Requirement is 20%, you will be required to deposit 20 000 EUR. And then if the value of you position depreciates to 70 000 EUR, you will have lost your 20 000 EUR deposit plus additional 10 000 EUR. That means that by using leverage you may lose more than you have deposited in your account. However, it should be noted that the Company operates on a "negative balance protection" basis. This means that the Client cannot lose more than his/her overall investment. However, the Company has the right to liquidate your positions if margin insufficiency occurs. The Client should self-monitor that the margin requirements are met.

12.6. Margin requirement can vary significantly among the different types of Underlying Assets and the Company determines it based on the historical volatility of the Underlying Asset. Therefore the Company has the right to increase or decrease its margin requirements at any time, in its sole discretion.

13. Slippage

13.1. Slippage is the difference between the expected price of a Transaction in a CFD, and the price that the Transaction is actually executed at. Slippage often occurs during period of higher volatility (for example, due to news) making an Order at a specific price impossible to execute, when market orders are used, and also when large Orders are executed when there may not be enough interest at the desired price level to maintain the expected price of trade.

14. No Investment, Tax or Trading Advice

14.1. The Company does not provide either investment, tax and trading advice or investment recommendations of any kind. If the Client does not understand the risks involved he/she should seek advice and consultation from an independent financial advisor. If the Client still does not understand the risks involved in trading CFDs, he/she should not trade at all. We are acting on your instructions only and will not advise you on any transaction, nor will monitor your trading decisions to determine if they are appropriate for you or to help you avoid losses.

14.2. The Company may, from time to time and in its sole discretion, provide the Client (in newsletters which it may post on its Website or via the Trading Platform or otherwise) with information, news, market commentary or other information but not as a service. Where it does so:

- (a) the Company will not be responsible for such information;
- (b) the Company gives no representation, warranty or guarantee as to the accuracy, correctness or completeness of such information or as to the tax or legal consequences of any related Transaction;
- (c) this information is provided solely to enable the Client to make his own investment decisions and does not amount to investment advice or unsolicited financial promotions to the Client;
- (d) if the document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, the Client agrees that he will not pass it on to any such person or category of persons;
- (f) the Client accepts that prior to dispatch, the Company may have acted upon it itself to make use of the information on which it is based. The Company does not make representations as to the time of receipt by the Client and cannot guarantee that he will receive such information at the same time as other clients.

14.3. It is understood that market commentary, news, or other information provided or made available by the Company are subject to change and may be withdrawn at any time without notice.

15. CFDs are not traded on a Regulated Market and are not cleared on a Central Clearinghouse

15.1. CFDs are instruments with the Company as your counterparty, and are not traded on trading venues like Regulated Market, Multilateral Trading Facility or Organised Trading Facility and are not cleared on a Central Clearinghouse. Thus, trading venues and clearinghouse protections and rules do not apply to trading CFDs with us.

15.2. While some off-exchange markets are highly liquid, transactions in off-exchange or non-transferable derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an Open Position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and Ask prices need not be quoted in order to do so.

16. CFDs do not give the Client any Rights in the Underlying Asset

16.1. Contract for Difference is a financial instrument that provides opportunity to profit or avoid a loss (hedging position in the Underlying asset for example) by reference to fluctuations in the price of Underlying Asset, rather than by taking delivery of any Underlying Asset. No CFD transaction shall confer on you any right, voting right, title or interest in any Underlying asset or entitle or oblige you to acquire, receive, hold, vote, deliver, dispose of or participate directly in any corporate action of any Underlying Asset.

17. The Company has the right to adjust, modify and/or close-out CFD transactions in the event of corporate action affecting the Underlying Asset

17.1. The Company may, in its sole discretion, add, remove or suspend from the Trading Platform, any Instrument, from time to time in the event of a stock transformation event (for example as the result of a takeover, share consolidation/split, merger, spinoff, MBO, nationalization, de-listing, etc.) or if no customer Positions are held in a particular Instrument at that time.

17.2. Additionally, in the event we are no longer able to continue to provide an instrument in its existing format, we reserve the right, in our sole discretion, to amend the content or terms of an instrument including its expiry date, trading hours or any other parameters in the instrument details tab on the Company's Website by providing you with notice.

18. Credit risk

18.1. When trading CDS with the Company as your counterparty, the Client effectively enters into an OTC transaction, which implies that any position opened with the Company cannot be closed with any other entity. Thus, the Client is exposed to credit risk, which means that in the unlikely event of the Company becoming

insolvent, it may be unable to meet its obligations to the Client. Please note, however, that the Company is a member of the Investor Compensation Fund, established in Bulgaria as a legal entity. For more details please refer to the [Investors Compensation Fund document](#).

19. Liquidity risk

19.1. The company is not obliged to provide quotes for any CFD at any time and it cannot guarantee the continuous availability of quotations or trading for any CFD.

19.2. Some of the Underlying Assets may not be liquid from time to time as a result of reduced demand or supply. Therefore the Company may in, its sole discretion, cease quoting some CFDs and/or cease entering new CFD transactions at any time based on lack of market data, halts or suspensions or errors or illiquidity or volatility in the market for the Underlying Asset, the Company's own risk exposure, technical errors, communication problems, market or political or economic or governmental events, Acts of God or Nature or for any other Force Majeure reasons.

20. Risk of Foreign Currency Fluctuation

20.1. This is the risk which occurs when you deal in a CFD that is denominated in a currency other than the base currency of your account,

21. Risk of interest rate fluctuations

21.1. The value of open positions in CFDs is subject to overnight Premium or Rollover or Swap which covers the benefit/cost of the associated funding. Thus, fluctuations in the interest rates will affect the financing charges/rebates you will pay/receive on your Long/Short positions.

22. Risk of Regulatory and Taxation Changes

22.1. Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have an adverse effect on the value of your CFDs, the tax you pay on your CFDs, and the total return on your CFDs.

23. Risk of Trade Errors

23.1. The Company may cancel, adjust or close out CFD transactions to correct errors, including but not limited to CFD transactions executed at a time and price at or near which trades in the market for the Underlying Asset were cancelled or adjusted by the trading venues.

23.2. The Company may cancel, adjust or close out CFD transactions that are subject to technical errors in the Company's trading platform, and CFD transactions not reasonably related to the correct market price for the Underlying Asset.