



## Appendix III: Risk Warnings and Acknowledgements

### **III. Risk Warnings and Acknowledgements**

#### **1. Introduction**

1.1. The risk warnings and acknowledgements are provided to you by DUB Investments Ltd (the "Company"), in accordance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2007, Law 144(I)/2007, as amended or replaced ("the Law").

#### **2. General Risk Warnings**

2.1. All prospective Clients should read carefully the following risk warnings contained in this document before deciding to apply for an account with the Company.

2.2. 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 Financial Instruments (including CFDs). 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.

2.3. The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows and understands the risks involved for each one of the Financial Instruments.

2.4. The Company will not provide the Client with any investment advice relating to investments or possible transactions in investments or in Financial Instruments or make investment recommendations of any kind.

2.5. In light of the risks, the Client should get into such transactions only if he understands the nature of the trading into which he is about to engage and the extent of his exposure to risk. If the Client does not understand the risks involved he should seek advice and consultation from an independent financial/professional advisor. If the Client still does not understand the risks involved in trading in any Financial Instruments, he should not trade at all.

2.6. The Client should acknowledge 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 accept that he is willing to undertake this risk.



#### Appendix III: Risk Warnings and Acknowledgements

2.7. The Client unreservedly acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of any investment in Financial Instruments (especially Contracts For Difference) may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

### **3. Technical Risks**

3.1. The Client is hereby warned that when trading in an electronic platform (including the Platform of the Company) he assumes the responsibility and risk of financial loss which may occur as a consequence of (but not limited to) the following:

- (a) Any error or failure or interruption or misuse or disconnection in the operation of the Platform or of the trading systems of the Broker or of the systems used by the Provider, or any delay caused by the Client Terminal or Transactions made via the Client Terminal, any technical problems, system failures and malfunctions, equipment or software failures or malfunctions, system access issues, system capacity issues, security breaches and unauthorized access, and other similar computer and electronic problems and defects in relation to the Platform, or the trading systems of the Broker or the systems used by the Provider;
- (b) Poor Internet connection either on the side of the Client or the Company or the Broker or the Provider, or interruptions or transmission blackouts or public electricity network failures or internet connection failures or hacker attacks or overload of connection or high internet traffic demand, communication line failure;
- (c) Failure of information, communication, electronic, internet, telephone, public electricity network and other systems used by the Company, the Client, the Broker or the Provider;
- (d) Improper work of Client's equipment, wrong settings in the Client's terminal, delayed updates in the Client's terminal or the Client disregarding of the applicable rules in the Client terminal;
- (e) When delays or other errors caused during the transmission of Orders and/or messages via computer or other communication devices;
- (f) When information received via computer or via other communication devices is inaccurate.



#### Appendix III: Risk Warnings and Acknowledgements

The result of any such failure may be that the Client's Order generated from the Platform is either not executed by the Broker according to the Client's and/or Provider's instructions (as applicable) or it is not executed at all or is not executed on time.

3.2. The Client acknowledges that at times of excessive deal flow the Client may have some difficulties to be connected with the Company's Platform or the Broker's trading facilities, especially in a Fast Market (for example, when key macroeconomic indicators are released) and this may result in Orders being executed with delay or not executed at all or not executed at declared prices.

#### **4. Abnormal Market Conditions**

4.1. The Client acknowledges that under Abnormal Market Conditions the period during which the Orders are placed/transmitted for execution with the Broker may be extended or it may be impossible for Orders to be executed by the Broker at declared prices or executed immediately or executed at all.

#### **5. Client-Broker Relationship Risks**

5.1. The Client is warned that the provision of the Services by the Company to the Client is conditional upon the continuous operation and accessibility of the Trading Account of the Client with his Broker and the acceptance of Orders/Instructions by the Broker from the Platform or the Client. Should the Broker decide, for any reason not due to the Company, to reject any or all Orders/Instructions from the Platform, to suspend or freeze or close the Trading Account or bar access to it, the Client may suffer losses as his open positions may be closed at current prices or losses from expected profits or additional charges being imposed. The Company will have no responsibility or liability for any loss caused to the Client in such an event.

5.2. It is understood that the Broker has its own Contract Specifications required for each type of CFD Order, which may be altered from time to time, for example Spread, Swaps, Lot Size, Initial Margin, Necessary Margin, Hedged Margin, the minimum level for placing Stop Loss, Take Profit and Limit Orders, daily financing charges, various fees and charges etc. and which apply every time an Order/Instruction is generated from the Platform. The Company does not have any control over such Contract Specifications and each Order/Instruction entered into from the Platform will be made according to such Contract Specifications.



#### Appendix III: Risk Warnings and Acknowledgements

5.3. It is understood that the Broker has its own trading and execution procedures, which may be altered from time to time, for example but not limited to execution venues, when an Order may be changed or removed, when Orders may be rejected by the Broker, any cut-off times, how often swaps are calculated, how Orders are executed and execution venues, funding requirements of CFDs, Margin Requirements, policy on Error Quotes (Spikes), Policy on Pip-Hunting, Policy on Snipers, events for termination etc. The Company does not have any control over such trading and execution procedures which apply when Orders/Instructions are generated from the Platform and thus the Company will not be liable for any damage, loss or any costs that arise from such trading and execution procedures of the Broker.

5.4. It is understood that the Broker will charge the Client its own fees for the provision of the brokerage and ancillary services to the Client and the operation and maintenance of the Trading Account whether the Client is operating his Trading Account with or without the Platform. The Company does not have any control over such fees and the Client is solely responsible for such costs.

### **6. Communication**

6.1. 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.

6.2. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access of third parties.

6.3. The Company has no responsibility if authorized 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, telephone, any other electronic means, fax or post.

6.4. The Client is wholly responsible for keeping the privacy of all the information sent by the Company and accepts the risk of any financial losses caused by the unauthorized access of the third party to the Client's Account.

6.5. The Client is fully responsible for the risks in respect of undelivered Platform internal mail messages sent to the Client by the Company as they may be automatically deleted after some time.



Appendix III: Risk Warnings and Acknowledgements

## **7. Force Majeure Events**

7.1. In case of a Force Majeure Event the Client accepts the risk of financial losses.

## **8. Risk Warnings Regarding Contracts For Differences**

### **8.1. General**

8.1.1. This notice cannot disclose all the risks and other significant aspects of Contracts for Differences (CFDs). The Client should not deal in these products unless he understands their nature and the extent of his exposure to risk and that he may lose entirely all of his money and also any additional commissions and other expenses incurred i.e. from his Broker. The Client should also be satisfied that the product is suitable for him in the light of his circumstances and financial position.

8.1.2. Different CFDs involve different levels of exposure to risk and in deciding whether to trade in CFDs the Client should be aware of the following:

### **8.2. Effect of Leverage**

8.2.1. Under Margin Trading conditions even small market movements may have great impact on the Client's Trading Account with the Broker. It is important to note that Orders in CFDs are entered under the effect of Leverage (applied by the Broker). The Client must consider that if the market moves against the Client's Orders, he may sustain a total loss greater than the funds deposited. The Company shall not be responsible for the risks and for the chosen trading strategy of the Client or the Provider.

8.2.2. It is highly recommended that the Client maintains in its Trading Account a Margin Level (percentage Equity to Necessary Margin ratio which is calculated as  $\text{Equity} / \text{Necessary Margin} * 100\%$ ) of not lower than 1,000%. When activating the Automatic Orders mode, it is also recommended to place the Max Loss in pips to the Platform to limit potential losses. However, it is noted that placing Max Loss in pips cannot guarantee the limit of loss.

### **8.3. Highly Volatile Instruments**

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#### Appendix III: Risk Warnings and Acknowledgements

8.3.1. The CFDs traded in the Client's Trading Accounts with the Broker via the Platform are non-deliverable spot transactions giving an opportunity to make profit on changes in the Underlying Asset (e.g. currency pairs, indices, commodities, shares, oil, metals etc). The Client acknowledges and accepts that the value of CFDs may fluctuate downwards or upwards and it is even probable that they may become of no value. This is owed to the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value. So, a relatively small movement in the price of the Underlying Asset can have a disproportionately dramatic effect on the Client's trades. If the Underlying Asset movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit but also any additional commissions and other expenses incurred in the Client's Trading Account by his Broker. So, the Client must not use the Platform in any way, neither copy or contra-copy a Provider, unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred in the Client's Trading Account by his Broker.

8.3.2. The prices of CFDs and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company or the Broker. Under certain market conditions it may be impossible for an Order (generated from the Platform) to be executed by the Broker at the declared price of the Client or Provider (as applicable), thus leading to losses. The prices of CFDs and the Underlying Asset will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market place. Therefore, placing Max Loss in pips cannot guarantee the limit of loss.

### **8.4. Off-Exchange Transactions**

8.4.1. CFDs transactions entered into via the Platform are off-exchange transactions (Over-The-Counter). 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.



## Appendix III: Risk Warnings and Acknowledgements

### **9. Risks and Acknowledgements Associated with the Automatic Orders Features of the Platform**

9.1. The Platform provided to the Client offers the Client with the ability to use the Automatic Orders function. This gives the Client the ability to choose a Provider from a list of Providers available on the Platform and decide to copy / imitate their exact trades or take the opposite trade automatically based on Data produced from the Provider. So, as soon as the Provider places an Order for himself, the Platform will automatically send a signal to the Trading Account to copy the Order or take an opposite Order to that of the Provider (depending on the mode chosen by the Client). However, the Company notes that the Automatic Orders Features are associated with various risks and the Client is urged to carefully read and consider the following risks before utilizing the Company's Automatic Orders Features on the Platform:

9.1.1. Should a Provider decide to close his positions or should the Company for any reason decide to close the Providers positions, all related Open Positions of the Client (who copy the Order or take an opposite Order of that Provider) may be closed automatically with the Broker at current prices, without notice to the Client. So, the Client should be able and prepared to bear the loss of the entire investment the Client made when following a Provider (whether he is copying or taking an opposite direction). It is also noted that the Company has the right to terminate its collaboration with the Provider at any time and without prior notice to the Client.

9.1.2. If the Client modifies or cancels the Orders of the Provider in the Automatic Orders mode, he will achieve a materially different result than the Provider's Orders and the Client's Order will not be automatically closed or changed when the original automatic position is changed or closed by the Provider and the Client may suffer loss as a result.

9.1.3. The Client has the right to deactivate the Automatic Orders function for a particular Order on the Platform or disconnect from a Provider. From that moment, the Client will take his own decisions regarding his Orders, Opening or Closing or modifying his Positions and the Company will receive and transmit such Client Orders to the Broker for execution according to the particular instructions of the Client. However, the Client



#### Appendix III: Risk Warnings and Acknowledgements

acknowledges and accepts that his intervention may frustrate the trading strategy of the Provider and cause losses to the Client.

9.1.4. Any past performance of the Providers indicated on the Platform is not indicative of future results or a guarantee for future performance.

9.1.5. The Company uses all reasonable endeavors to allow the placing of Client Orders in the Automatic Orders mode without undue delay and immediately as close as possible to the Transactions concluded by the Provider. The Client acknowledges that Automatic Orders allow only imitating or taking the opposite direction of Provider's Transactions, in a time approximate to the Provider's transactions. In addition, despite the Company's reasonable efforts, the Client acknowledges that the placing/execution of Orders may be delayed for reasons beyond the control of the Company and even perfect electronic devices do not guarantee that the placement/execution of Client's Orders will take place at the same time or approximate time at which the Provider's relevant Transaction was concluded or that it will be placed or executed at all.

9.1.6. The Company will use reasonable efforts to execute or transmit an Order (whether to open or close) but it is agreed and understood that execution or transmission may not always be achieved at all for reasons beyond the control of the Company.

9.1.7. The Client acknowledges that the Company shall not monitor any Providers' Data. The screening and selection of Providers is conducted by the Client on his own responsibility and it is acknowledged that the Company only serves as a means of transfer of the Data.

9.1.8. The Company cannot guarantee that the Client will always be able to communicate via the Platform with Providers or Brokers neither it guarantees that the Client will communicate without disruptions, delays or other communication-related flaws. The Company will not be liable for any such disruptions, delays or other omissions in any communication experienced by the Client when using the Platform.

9.1.9. The Client acknowledges that the Platform and in particular the Automatic Orders may not work error free. The Company does not warrant that the functions contained in the Platform will meet the Client's requirements or that the operation of the Platform will be uninterrupted or error free. The entire risk as to the quality and performance of



#### Appendix III: Risk Warnings and Acknowledgements

the Platform is with the Client. The Platform is provided by the Company on an "AS IT IS" basis.

9.1.10. The Company shall not be liable for any damage that the Client might suffer as a result of the use of Platform and the Automatic Orders function or taking the opposite direction of Provider's Transactions.

### **10. Commissions and Taxes**

10.1. The Client is informed that the use of the Platform by the Client entails the payment of a fee paid to the Company from the Broker in a way and method to be agreed between them. The Company will inform the Client of the applicable fee on request.

10.2. The Client is informed that the Company will pay the Provider a fee for the provision of the Data on the Platform. For the Client's convenience, the applicable fees for each Provider are disclosed to the Client on the Platform.

10.3. It is understood that the Broker will charge the Client its own fees for the provision of its own brokerage and execution services including the execution of Orders/Transactions generated from the Platform. In addition by switching the Automatic Orders Features one, the Client may incur additional costs from his Broker. So, before the Client begins to trade, he should make himself aware of all commissions and other charges for which he will be liable, as specified by the particular Broker. Finally, it is understood that the Company does not have any decision making power over such fees of his Broker.

10.4. If any fees or charges are not expressed in monetary terms (but, for example, as a percentage of contract value), the Client should ensure that he understands what such charges are likely to amount to and seek advice if he cannot understand them, before he begins to trade.

10.5. There is a risk that the Client's trades in any Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable to the Client. The Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades with his Broker.



## Appendix III: Risk Warnings and Acknowledgements

### **11. Foreign Currency**

11.1. When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance and may lead to losses for the Client.