RISK DISCLOSURE FOR CONTRACTS FOR DIFFERENCE

Introduction

This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in Contract for Differences ("CFDs"). The notice was designed to explain in general terms the nature of the risks involved when dealing in CFDs and to help you take investment decisions on an informed basis. This notice should be read together with the "General Risk Disclosure" (which may be found on our Website at www.simplefx.com).

The Client should consider carefully whether trading in the financial instruments of CFDs is suitable for him/her in the light of his/her circumstances and financial resources. In considering whether to engage in this form of trading, the Client should be aware of the following:

Risks Associated with Transactions in CFDs

It is emphasized that for many members of the public dealings in CFDs will not be suitable. The Client should not engage in any dealings directly or indirectly in CFDs unless he/she knows and understands the features risks involved in them.

- The Client should unreservedly acknowledge and accept that, regardless of any information which may be offered by SimpleFX (hereinafter referred to as: "Company"), the value of CFDs shall fluctuate downwards or upwards and it is even probable that the investment may become of no value.
- The high degree of "gearing" or "leverage" is a particular feature of CFDs. 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 the Client's trade. If the underlying market 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 may also expose the Client to a large additional loss. The CFDs available for trading with Company are non-deliverable spot transactions giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. If the underlying instrument 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 commission and other expenses incurred. So, the Client must not enter into CFDs unless he/she is willing to undertake the risks of losing all the money which he/she has invested and also any additional commission and other expenses incurred.
- Securities / Markets can be highly volatile. The prices of CFDs 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 Company. Under certain market conditions it can be impossible to execute any type of Clients order at declared price.
- The prices of CFDs 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 Stop Loss order cannot guarantee the limit of loss.

- CFDs Transactions have a contingent liability, and the Client should be aware of the implications of this in particular the margining requirements as set out below.
- Clients are required to deposit funds in their trading account in order to open a position. The Margin requirement will depend on the underlying instrument of the CFDs. Margin requirements can be fixed or can be calculated from the current price of the underlying instrument. Company will not notify the Client of any Margin Call to sustain a loss making position.
- Some of the CFD instruments may not become immediately liquid as a result of reduced demand for the underlying instrument and Client may not be able to obtain the information on the value of these Financial instruments or the extent of the associated risks.
- Information of the previous performance of the CFD does not guarantee its current and/or future performance as well as a performance of the underlying instrument. Use of historical data does not constitute safe forecast as to the corresponding future performance of the CFD and underlying instrument to which that information refers.
- The Client may be called upon to deposit a substantial additional margin, at short notice, to maintain his/her investment. If the Client does not provide such additional funds within the time required, his/her investment position may be closed at a loss and he/she will be liable for any resulting deficit. With regards to transactions in CFDs, Company has the discretionary right to start closing positions starting from the one with biggest loss when margin decreases to approximately 30%, and automatically close all positions at market prices if margin level drops below 5%. Company will automatically close all positions at market.
- Transactions in CFDs are not undertaken on a recognized exchange. Rather they are undertaken via Company' Trading Platform whereby execution is effected by Company or other financial institutions and, accordingly, CFDs may expose the Client to greater risks than regulated exchange transactions. The terms and conditions and trading rules are established solely by the counterparty which may be Company or some financial institution or other incorporated entity to be disclosed to the Client. The Client may be obliged to close an open position of any given CFD during the opening hours of Company' Trading Platform.

Other Additional Obligations

- Before the Client begins to trade, he/she should obtain details of all commissions and other charges for which the Client will be liable, which may be found on Company' website. Some charges may not be expressed in money terms but may, for example, be expressed as a dealing spread.
- The Client takes the risk that his/her trades in CFDs may be or become subject to tax and/or any other duty, for example, because of any changes in legislation or changes to his/her personal circumstances. Company does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his/her trades.