Risk Disclosure and Warning Notice

Contracts for Difference (CFDs) are complex instruments that offer no capital protection or guaranteed returns. The trading results are amplified due to leverage, making CFDs unsuitable for all investors. Traders should fully understand the product features and risks before opening trading accounts and only trade amounts they can afford to lose.

Scope of the Risk Disclosure

This document outlines the general risks involved in dealing with CFDs in a fair and non-misleading manner. Clients should not trade CFDs unless they understand the risks. It is impossible for this document to cover all risks and aspects of CFD trading or how these relate to each client's personal circumstances. Clients should make informed decisions and may seek professional advice before trading. This disclosure is informational and not marketing material or client solicitation. It should be read alongside the Client Agreement and General Business Terms available on the website.

Main Risks Associated with CFD Transactions

Use of Leverage Leverage allows clients to gain exposure to the underlying asset with a smaller upfront investment (margin). While it can magnify profits, it can also amplify losses. Retail clients cannot lose more than their account balance due to "negative balance protection." Clients should only invest funds they can afford to lose.

Credit and Insolvency Risk CFD trading involves over-the-counter (OTC) transactions, meaning positions opened with the Company cannot be closed with another entity. OTC transactions carry greater risk compared to regulated markets due to the lack of a central counterparty, leading to counterparty credit risk. The Company's insolvency or default may result in positions being liquidated without the client's consent.

Market Risk CFDs are exposed to market events such as governmental policies, socioeconomic events, and natural disasters, affecting the price or availability of the underlying asset. Clients are exposed to various market risks like interest rate, commodity, equity, and foreign exchange risks. Clients should consider their investment objectives, knowledge, experience, and risk appetite before trading.

Volatility Risk High volatility can lead to significant price swings, increasing potential profits and losses. Clients should understand that abnormal or volatile market conditions may delay order processing.

Foreign Exchange/Currency Risk Trading CFDs in a different currency from the account's base currency exposes clients to currency risk. Movements in exchange rates can affect realized profits or losses. Clients also face currency risk when making payments in a different currency from their trading accounts.

Liquidity Risk Certain underlying assets may not be readily tradable, leading to liquidity risk. This can result in wider bid-ask spreads, making transactions more expensive.

Technical Risk Online trading involves technical risks such as hardware/software failures, connectivity issues, and system malfunctions. Traders should use reliable technology, maintain a stable internet connection, and implement effective risk management strategies. They should also keep their login credentials secure and use strong passwords.

Trading Platforms Clients' instructions are executed in order. A second order cannot be sent until the first is executed. Closing the order or position window does not cancel a submitted order. Only quotes from the Company's server are valid. Connection issues may require retrieving undelivered quote data from the client terminal's database.

Communication Clients must ensure their contact information is current to avoid missing important communications.

Abnormal Market Conditions – Suspensions of Trading Rapid price movements may make it difficult or impossible to execute or liquidate positions. Stop loss orders may not eliminate losses as intended due to market conditions.

Force Majeure Events The Company is not responsible for financial losses from force majeure events, which are extreme, unavoidable circumstances beyond the control of the agreement participants.

Slippage Slippage occurs when the requested price has changed, resulting in the order being opened at a different price. It refers to the difference between the expected price of a trade and the price at which the trade is executed. Slippage can happen at any time but is most common during periods of high volatility. It does not indicate a positive or negative movement; any difference between the intended execution price and the actual execution price qualifies as slippage. The final execution price versus the intended execution price can be categorized as positive slippage, no slippage, or negative slippage. A market order may be executed at a less or more favorable price than originally intended.

Risks Associated with the Laws of Individual Governments Clients are responsible for ensuring that their trading and non-trading operations comply with the laws of the countries in which they operate, especially where such activities are restricted or prohibited.

Third-Party Risk The Company may deposit client funds with third parties. While the Company exercises due diligence in selecting these parties, it cannot control all circumstances and does not accept liability for losses resulting from the insolvency or failure of these third parties.

Additional Disclosures

Margin Requirements Clients must maintain the minimum margin requirement on their open positions at all times. It is the clients' responsibility to monitor their account balance and ensure sufficient funds are available to cover their trading strategy and margin requirements. Failure to do so may result in the liquidation of positions. Clients should not rely on last-minute deposits.

Rights to Underlying Assets CFDs do not confer any rights to the underlying instruments.

Taxation Clients should seek independent tax advice to determine if they are subject to any taxes, including stamp duty.

Impersonation Risk There may be instances of fraudulent impersonation of the Company's officers and representatives. Clients should not share personal data, including trading account information, with anyone claiming to represent the Company unless they have verified the person's identity through official Company contact details.

For any queries regarding this document or our products, please contact our customer support at support@EquinoxTrading.com. Before deciding to trade, carefully consider your financial situation, objectives, and needs, and seek independent financial, legal, tax, or other professional advice. Consult your legal, tax, and financial advisers about any risks associated with trading before entering into any transactions with the Company.