

# GENERAL RISK DISCLOSURE



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MPS Marketplace Securities Limited

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319, 28<sup>th</sup> October Street, Kanika Business Centre, 8<sup>th</sup> Floor, 3105 Limassol – Cyprus  
Company Reg. No. HE 287875 | CySEC Licence No. 170/12

## 1 | INTRODUCTION

This document provides you with information about the risks associated with investment products, which you may invest in through services provided to you by MPS Marketplace Securities Limited (the “Company”). This document does not explain all the risks involved in investment products or how such risks relate to your personal circumstances. Investment products offered by the Company include derivatives.

**If you chose to enter into a derivative contract with the Company, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully. You should carefully review all documents that make up the Client Agreement to ensure you have a comprehensive understanding of how our products may function in different market conditions. Our trading service is execution-only and will be entering into trades with you on a principal-to-principal basis. We do not provide you with any investment advice. If you are in any doubt about the risks involved with your account, you should seek professional advice.**

## 2 | DIGITAL SHARES

Digital Shares are derivative contracts which allow you to obtain an indirect exposure to an underlying share (i.e. Google, Apple, Facebook, etc.) by speculating on rising or falling prices. This means that you will never own the underlying share, but you will make gains or suffer losses as a result of price movements in the underlying share to which you have the indirect exposure.

Digital Shares carry a high level of risk as there is no guaranteed return and you can lose the amount invested. However, with the Company’s trading platform, you cannot lose more than your trading account balance, i.e. you cannot be left in debt to the Company.

Trading Digital Shares is speculative and is only suitable for investors who:

- Have a high-risk tolerance;
- Are trading with funds they can afford to lose;
- Have knowledge and/or experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with trading in derivatives; and
- Want to generally gain short term exposures to financial instruments/markets and have savings.

### 3 | PURCHASE OF DIGITAL SHARE

Purchasing a Digital Share means you are speculating that the market price of the underlying share will rise between the time of the purchase and the sale. If the market price of the underlying share rises, you will make a profit. If however, the market price of the underlying share falls, you will suffer a loss.

### 4 | SELLING OF DIGITAL SHARE

Selling a Digital Share means you are speculating that the market price of the underlying share will fall between the time of the purchase and sale. If the market price of the underlying share rises, you will suffer a loss. If however, the market price of the underlying share falls, you will make a profit.

### 5 | MARKET VOLATILITY

Movements in the price of underlying markets can be volatile. You must understand that the price of underlying shares is determined by fluctuations in markets outside our control and this will have a direct impact on your profits and losses. Volatility can be unexpected and unpredictable. Therefore, knowing the volatility of an underlying market will help guide you before making a trading decision.

### 6 | SLIPPAGE

Slippage is the difference between the order price (i.e. the expected traded price) and the actual execution price. This may occur because the particular underlying market has become unusually volatile, making an order at a specific price impossible to execute and/or when large orders are executed and there may not be enough interest at the desired price level to maintain the expected price of trade.

### 7 | PAST PERFORMANCE

You should not assume that past performance bears any relation to potential future performance. There can be no certainty concerning the future performance of any underlying market or trades that you make. No representation can be made as to future performance.

### 8 | CHANGES IN REGULATIONS

Changes in, or the introduction of new, rules, regulations and laws or the way in which they are applied or interpreted may impact your trading with us. You may be exposed to the risks arising under the rules, laws and regulations of jurisdictions other than the jurisdiction in which you are located and/or with which you are familiar.

## 9 | OPERATIONAL RISK

Operational risks on your computer are inherent in every transaction. For instance, disruption in our operational processes such as communications, computers, computer or mobile networks or external events may lead to delays in the execution of a transaction. We do not accept or bear any liability whatsoever in relation to our operational processes, except to the extent that it is caused by the fraud or dishonesty of the Company.

## 10 | TAX RISK

You take the risk that your trades and any related profits may be or become subject to tax. We do not represent or warrant that no tax or stamp duty (other than trading duty) will be payable. You will be responsible for all taxes and stamp duty in respect of your trades. We do not provide any tax advice to clients, and you are responsible for your own tax affairs.

## 11 | CURRENCY RISK

You should be aware that Digital Shares denominated in currencies other than your local currency entails the additional risk associated with currency fluctuations.

## 12 | NO ADVICE

Our services are provided on an execution only basis. We do not provide investment advice in relation to Digital Shares. We sometimes provide factual information or research recommendations about a market, information about transaction procedures and information about the potential risks involved and how those risks may be minimised. However, any decision to use our products or services is made by you. You are responsible for managing your tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. We do not provide any regulatory, tax or legal advice. If you are in any doubt as to the tax treatment or liabilities of investment products available through your trading account, you should seek independent advice.