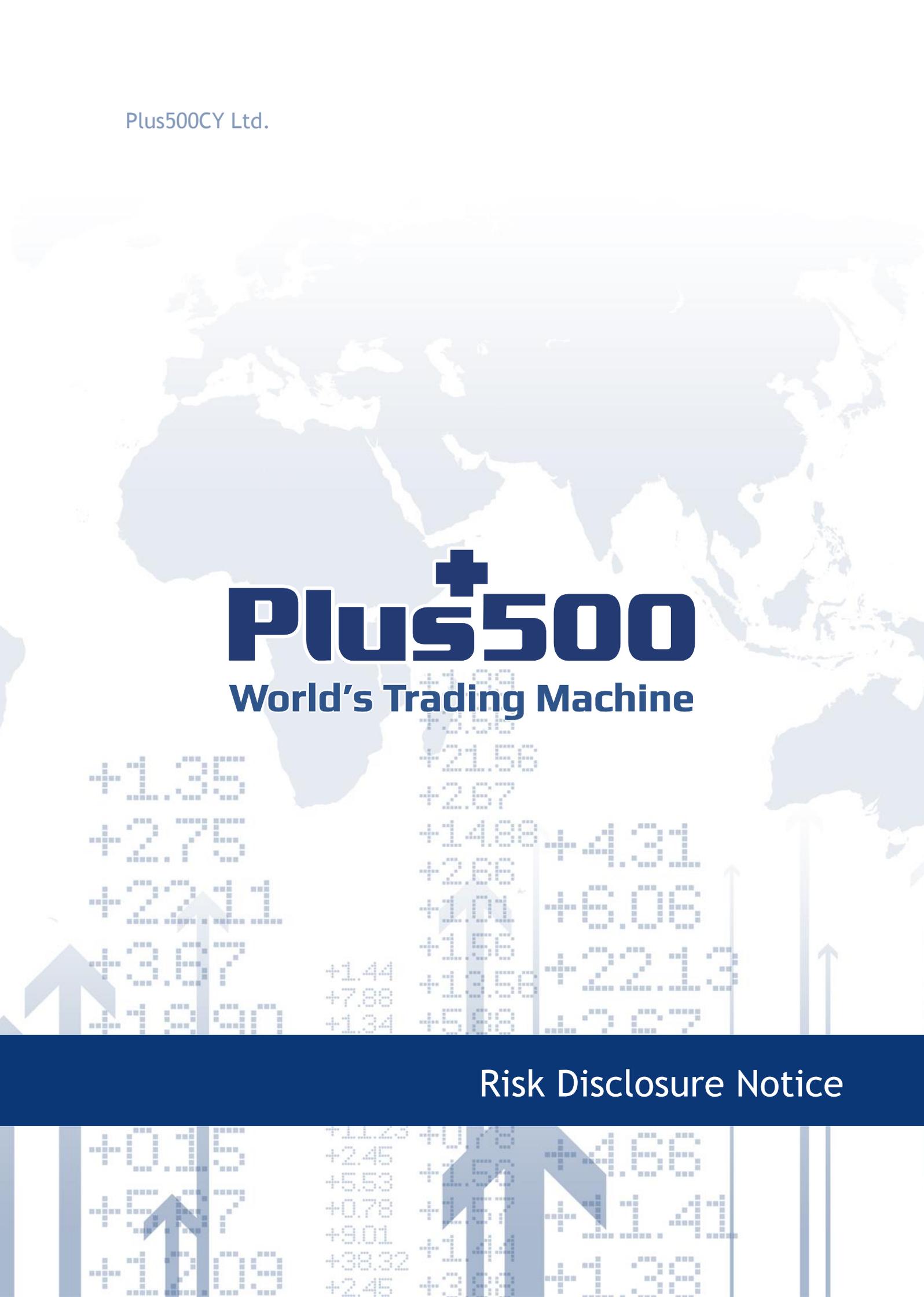


Plus500CY Ltd.



# Plus500

## World's Trading Machine

Risk Disclosure Notice





## 5. ONLY INVEST MONEY YOU CAN AFFORD TO LOSE

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- 5.1. Do not invest in CFDs with money you cannot afford to lose. An investment in CFDs carries a high degree of risk to the investor and, due to fluctuations in value, the investor may not get back the amount he has invested.

## 6. APPROPRIATENESS

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- 6.1. Subject to our obligation to assess the appropriateness of the Trading Platform for your circumstances, any decision whether or not to open an account, and whether or not you understand the risks is yours.
- 6.2. We may also ask you for information about your financial assets and earnings. We do not monitor on your behalf whether the amount of money that you have sent us or your profits and losses are consistent with that information. It is up to you to assess whether your financial resources are adequate and what level of risk you take.

## 7. POTENTIAL RISKS

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- 7.1. You cannot lose more than the balance of your Trading Account.
- 7.2. Before you open a CFD trade you must have enough funds on your account to cover the Initial Margin and, in order to keep the Transaction open, you must ensure that the amount in your Trading Account exceeds the Maintenance Margin. The Initial Margin will differ between Instruments and the amounts will be indicated on the Trading Platform. Trading using 'leverage' can work for or against you in equal measures; a small price movement in your favour can result in a high return on the Initial Margin placed for the trade, but a small price movement against you may result in substantial losses.

Trading CFDs on leverage means you can secure a significantly larger exposure to an underlying asset for a relatively small initial margin. However, the use of leverage magnifies the size of your trade, which means your potential gain and your potential loss are equally magnified.

You should, therefore, closely monitor all of your open positions to manage the risk of large losses.

Each instrument has a fixed leverage which is specified in the instrument's details. An important consideration is whether or not, you wish to dedicate all of your deposit to meet your margin requirements. By dedicating all your deposit in this manner, you will be less able to deal with market volatility than if you only dedicate some of your deposit.

- 7.3. You must ensure that the amount in your Trading Account exceeds the Maintenance Margin in order to keep a Transaction open, otherwise, if our price moves against you, you may need to deposit additional funds, at short notice, to maintain your open position(s). If you fail to do this, we will be entitled to close or partially close one or more or all of your trades and you will be responsible for any losses that may be incurred.
- 7.4. You should also be aware that under our User Agreement we are entitled, at our sole discretion, to make a Margin Call which you are required to satisfy immediately. If you do



not satisfy the Margin Call in a timely manner, we will be entitled to close or partially close one, or more, or all of your trades. For more information please visit: <https://www.plus500.com.cy/en/FAQ/Trading/WhatIsMarginCall>

- 7.5. Unless you have taken steps to place an absolute limit on your losses by setting a Guaranteed Stop it is possible for adverse market movements to result in the loss of the entire balance of your Trading Account. Guaranteed Stops are not offered on all instruments, but there are other risk management tools available, e.g. by placing “Close at Loss” or “Close at Profit” orders on your account, that will help mitigate your losses. However, please note “Close at Loss” and “Close at Profit” are not guaranteed if the rate changes by more than a single pip. For more information please visit our FAQ Trading page: <https://www.plus500.com.cy/en/FAQ/Trading>
- 7.6. With CFDs customers can buy (“go long”) and close the position later by selling. Alternatively customers can sell (“go short”) and close the position later by buying (the mere action of closing the position functions as the action of buying/selling). Selling at a higher/lower price than the purchase price yields a gain/loss accordingly. If the market goes against you and you do not have the necessary risk management tools in place your position could result in significant losses.

## 8. NOT SUITABLE AS INCOME

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- 8.1. The inherent concept of CFDs means they are not suitable for an investor seeking an income from their investments, as the income from such investments may fluctuate in value in money terms. For an investment in an OTC product, which is not a readily realisable investment, it may be difficult to sell or realise the investment and obtain reliable information about its value or the extent of the risks to which it is exposed.

## 9. FLUCTUATIONS IN THE MARKET

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- 9.1. It is important that you comprehend the risks associated with trading in CFDs, as fluctuations in the price of the underlying market will have an effect on the profitability of the trade. For example: the value of investments denominated in foreign currencies may diminish or increase due to changes in the rates of exchange.
- 9.2. Slippage occurs when the market moves suddenly in any direction, and is the difference between the expected price of a trade, and the price at which the trade was actually executed. The price is then said to have ‘slipped’ when the market has ‘gapped’ from one level to another. This applies in the event of either advantageous or disadvantageous price movements and can result in either losses (negative slippage) or gains (positive slippage).
- 9.3. Trading CFDs is only appropriate for those customers who fully understand the risks and have previous trading experience. If unsure, it is advisable to seek independent advice.

## 10. DERIVATIVES

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- 10.1. Positions opened with us are not traded on any exchange. The prices and other conditions are set by us, subject to any obligations we have to provide best execution, to act reasonably and in accordance with our User Agreement and with our Order Execution





- a) Failure of Client's devices, software and poor quality of connection;
- b) Plus500 or Client's hardware or software failure, malfunction or misuse;
- c) Improper work of Client's equipment;
- d) Wrong setting of Client's Terminal;
- e) Delayed updates of Client's Terminal.

12.4. The Client may suffer financial losses caused by the materialization of the above risks, Plus500 accepting no responsibility or liability in the case of such a risk materializing and the Client shall be responsible for all related losses he may suffer.

### 13. CURRENCY RISK

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13.1. Customers should be aware that CFDs denominated in a currency other than their home currency have the additional risk associated with currency fluctuations.

### 14. CLIENT MONEY & COUNTERPARTY RISK

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14.1. All funds and currencies belonging to you ("Client Money") shall be held by us in a designated client money bank account; and are subject to a right of off-set for all liabilities that you owe to us. Designated client money is segregated from the assets of the Company and is deemed client money for the purposes of the CySEC rules. We may place your funds in our designated Client Money account in a different currency to your base currency. Such Client Money will be at least equal in value to your base currency and will be in compliance with Cyprus regulatory requirements. No interest is due or will be paid in respect of Client Money.

14.2. Given that you are dealing with Plus500CY as the counterparty to every transaction, you will have an exposure to us in relation to each of your transactions and are reliant on our ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as 'counterparty risk'.

14.3. The Company participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Certain clients will be entitled to compensation under the Investor Compensation Fund where the Company is unable, due to its financial circumstances and when no realistic prospect of improvement in the above circumstances in the near future seems possible. Compensation shall not exceed twenty thousand Euro (EUR 20.000) for each entitled Client. For more details please refer to the "Investor Compensation Fund" found on our website.

### 15. TRADING CRYPTOCURRENCY CFDs RISK

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15.1. The trading of CFDs on Cryptocurrencies is currently not covered under any specific EU regulatory framework. Consequently, Cryptocurrency CFDs fall outside the scope of the Company's regulated activities and customers should be aware that they may not have the





Plus500CY Limited is authorised and regulated by  
the Cyprus Securities and Exchange Commission (CySEC), CIF Licence No 250/14

Plus500CY Ltd. ■ 1 Siafi ■ Limassol 3042