

Risk Disclosure and Warning Notice

Effective Date: 1st April 2024

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Important information

FXON Ltd (herein after “the Company”, “us”, “our” or “we”) is committed to complying with applicable laws wherever we do business. This is not only vital to our continued success in an increasingly regulated global marketplace, but also reflects our commitment to conduct business in accordance with the highest legal and ethical standards.

The Company is registered in the republic of Seychelles under the applicable regime, with registration number 8428188-1, and authorised by the Financial Services Authority of Seychelles with Securities Dealer’s License Number SD091. Its registered office is at F2-2A, Second Floor, Oceanic House, Providence Estate, Mahe, Seychelles.

This “Risk Disclosure and warning Notice” (hereinafter called the “document”) provides outlines on a fair and non-misleading basis the general nature of the risks involved when dealing with CFDs.

Trading in options, futures and contracts for difference in foreign exchange, precious metals, bourse indexes, single stocks and commodities is high risk and not suitable for everyone. You should carefully consider your investment objectives, level of experience and risk appetite before making any decision to trade with us. Most importantly, do not invest money you cannot afford to lose.

There is considerable exposure to risk in any transaction, including, but not limited to, leverage, creditworthiness, limited regulatory protection and market volatility that may substantially affect the price, or liquidity of the markets that you are trading.

Our Services will not be appropriate for you unless you are knowledgeable and experienced in the financial services market and in the types of transactions described in this document.

By entering into the market of CFD trading, you acknowledge and agree that you have the appropriate knowledge and experience to use our Services, that you understand the risks involved and that you have provided us with all the information necessary for us to confirm our Services are appropriate for you. If you are unsure about whether our Services are appropriate for you then you should consult an independent financial adviser.

Along with this this document, following documents found on the Company’s website (namely “Client Agreement” and “Complaints Procedure”), as amended from time to time, (together the “Agreement”), as well as any other documentation that may be communicated applicable to a Client as a result of his participation in any of the Company’s campaigns and/or other promotion programs, set out the terms upon which the Company will offer Services hereunder to the Client and shall govern all CFD activity of the Client with the



Company during the course of entering into usage of our services.

The Company may provide the Agreement or any other documents in language other than English. Translation or information provided in language other than English is for informational purpose only and do not bind the Company or have any legal effect whatsoever, the Company has no responsibility or liability regarding the correctness of the information therein and the Client should also refer to the English version and the Website for information on the Company and its policies.

1. General Risk associated with CFD trading/transaction

A. Use of Leverage

The client acknowledges that leverage in CFD trading/transactions allows clients to gain exposure to the underlying asset with a smaller upfront investment, known as margin.

While leverage is a powerful tool, it can be seen as a double-edged sword. This is because both profits and losses can be magnified by even small market movements; and clients could incur large losses if their position moves against them.

However, retail clients cannot lose more than the balance on their trading account(s) as the Company provides “negative balance protection”. Before investing in margin trading instruments, clients shall ensure that they only invest funds that they can afford to lose.

B. Nature of Market

The client acknowledges that CFDs are exposed to market events, such as the implementation of governmental, agricultural, commercial and trade programs and policies, national and international socioeconomic and political events, natural disasters etc., which may substantially affect the price or availability of a given underlying asset. Based on the underlying of each contract, clients are exposed to different types of market risk such as interest rate risk, commodity risk, equity risk, foreign exchange risk, and others.

The client must therefore carefully consider their investment objectives, level of knowledge and experience as well as their risk appetite prior to entering this market.

C. Volatility

The client acknowledges that volatility risk can significantly impact a CFD position, as higher volatility may lead to larger price swings, increasing both the potential profits and losses.

Clients should understand and agree that if market conditions become abnormal and/or too volatile, the time required to process their orders and instructions may increase.

Accordance with [Section 1-B](#), please be informed that this volatility risk is in relation to the nature of financial markets and financial instruments.

D. Foreign Exchange/Currency Risk

It is possible to buy or sell CFDs in a currency that is different from the base currency of your account. In such cases, the movement in foreign exchange rates may affect your realised profit or loss. Furthermore, clients face foreign exchange risk if they make payments in a currency that differs from the currency of their trading accounts.

E. Liquidity/Clearing house/Settlement

Liquidity/Clearing house and/or Settlement risk refers to the possibility that certain underlying assets may not be readily tradable or lack immediate market liquidity during a specific time frame, which could result in losses that are difficult to prevent or mitigate. In such cases, the bid-ask spread may become wider, making transactions more expensive.

F. Credit and Insolvency

The Company's insolvency or default or the insolvency or default of any parties involved in Transactions undertaken by the Company on the Client's behalf (including without limitation brokers, execution venues and liquidity providers), may lead to positions being liquidated or closed out without the Client's consent and as result the Client may suffer losses.

The Company as the issuer of a CFD may become temporarily or permanently insolvent, resulting in its inability to meet its obligations. The solvency of an issuer may change due to one or more of a range of factors including the financial prospects of the issuing company, the issuer's economic sector and/or the political and economic status of the countries where it and/or its business are located. The deterioration of the issuer's solvency will influence the price of the securities that it issues.

When trading CFDs, clients are effectively entering into an over-the-counter (hereinafter "OTC") transaction; this implies that any position opened with the Company cannot be closed with any other entity.

OTC transactions may involve greater risk compared to transactions executed on regulated markets (e.g. traditional exchanges); this is due to the fact that in OTC transactions, there is no central counterparty and either party to the transaction bears certain counterparty credit risk.

G. Charge and Taxes

The provision of Services by the Company to the Client may be subject to fees, available on the Company's website. Before the Client begins to trade, he should obtain details of all fees, commissions, charges for which the Client may be liable. It is the Client's responsibility to check for any changes in the charges.

If any charges are not expressed in monetary terms (but, for example, as a percentage or formula), the Client should ensure that he understands what such charges are likely to amount to and the Company may change its costs and associated charges at any time, according to the provisions of the Client Agreement found on the Company's website.

Client should acknowledge that 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. The Company does not offer tax advice and recommends that the Client seek advice from a competent tax professional if the Client has any questions.

Furthermore, It is noted that taxes are subject to change without notice.

If required by applicable law, the Company shall deduct at source from any payments due to the Client such amounts as are required by the tax authorities to be deducted in accordance with applicable Law.

It is possible that other costs, including taxes, relating to Transactions carried out on the Trading Platform may arise for which the Client is liable, and which are neither paid via us nor imposed by the Company. Although it is the Client's sole and entire responsibility to account for tax due and without derogating from this, the Client agrees that the Company may deduct tax, as may be required by the applicable law, with respect to his trading activity on the Trading Platform.

The Client is aware that the Company has a right of set-off against any amounts in the Client's Trading Account with respect to such tax deductions.

The Company's prices in relation to CFDs trading are set/quoted in accordance to the Company's Order/Execution Policy which is available on the Company's website.

The Company's prices may be different from prices reported elsewhere. The prices displayed on the Company's Trading Platform reflects the last known available price at the moment prior to placing any Order, however, the actual execution price of the Order may differ, in accordance with the Company's Order/Execution Policy and Client Agreement. As such, the price that the Client receives when he opens or closes a position may not directly correspond to real time market levels at the point in time at which the sale of the CFD occurs or reflect the prices of third-party brokers/providers.

H. Trading Platform

The Client is warned that when trading in an electronic Trading Platform he assumes risk of financial loss which may be a consequence of amongst other things:

- Failure of Client's devices, software, and poor quality of connection.
- The Company's or Client's hardware or software failure, malfunction, or misuse.
- Improper work of Client's equipment.
- Wrong setting of Client's Terminal.
- Delayed updates of Client's Terminal

All Clients' instructions are sent to our server and executed in order. Therefore, Clients cannot send a second order until their previous order has been executed. If a second order is received before the first is processed, the second order will be rejected. Clients assume responsibility for any unplanned trading operation that may be executed if they resubmit an order before being notified of the results of the first order.

The Client must understand that closing the order window or position window does not cancel the submitted order.

The Client acknowledges that only the quotes received from our server are valid. If there is a problem in the connection between the Client's terminal and our server, the Client can retrieve undelivered quote data from the Client terminal's quote database.

In case the Client has not received as a result of Force Majeure Events the execution of the previously sent Order but decides to repeat the Order, the Client shall accept the risk of making two Transactions instead of one.

The Client acknowledges that if a pending Order in a CFD has already been executed but the Client sends an instruction to modify its level, the only instruction, which will be executed, is the instruction to modify Stop Loss and/or Take Profit levels on the position opened when the pending Order triggered.

Slippage

Slippage can be known as a phenomenon when the requested price has slipped, i.e. the order was opened with a different price from the requested price. It refers to the difference between the expected price of a trade and the price at which the trade is executed.

Slippage can occur at any time, but is most prevalent during periods of high volatility. Slippage does not denote a negative or positive movement because any difference between the intended execution price and the actual execution price qualifies as slippage. The final execution price vs. the intended execution price can be categorized as positive slippage, no slippage, or negative slippage. A market order may get executed at a less or more favourable price than originally intended when this happens.

Margin Requirements

The Client must always maintain the minimum margin requirement on their open positions.

It is the Client's responsibility to monitor their account balance and ensure that sufficient funds are in place to cover their trading strategy and minimum margin requirements. Failure to do so, may result in positions in the client's trading account, being liquidated. Clients should not rely on last-minute deposits.

I. Technical Issue

The Client and not the Company shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems, which are not the result of gross negligence or wilful default of the Company.

If the Client undertakes transactions on an electronic system, he will be exposed to risks associated with the system including the failure of hardware, software, servers, communication lines and internet failure. The result of any such failure may be that his Order is either not executed according to Client's instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.

The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.

At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Company's Platform(s)/system(s), especially in a fast market (for example, when key macroeconomic indicators or news are released).

The Client acknowledges that the internet may be subject to events which may affect his access to the Company's Websites and/or the Company's trading Platform(s)/system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks.

The Company is not responsible for any damages or losses resulting from such events which are beyond its reasonable control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access the Company's Website and/or Trading System or delay or failure in sending orders or Transactions.

In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks amongst other risks in which cases the Company has no liability of any resulting loss:

- (a) Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client.
- (b) Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider, and the trading or information server of the Client.
- (c) Outage (unacceptably low quality) of communication via the channels used by the Client, or the channels used by the provider, or communication operator (including voice communication) that are used by the Client or the Company.
- (d) Wrong or inconsistent with requirements settings of the Client Terminal.
- (e) Untimely update of the Client Terminal.
- (f) When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialling, when trying to reach an employee of the Company due to communication quality issues and communication channel loads.
- (g) The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Client from the Company.
- (h) Trading over the phone might be impeded by overload of connection;
- (i) Malfunction or non-operability of the Trading Platform, which also includes the Client Terminal.

The Client may suffer financial losses caused by the materialization of the above risks, the Company accepts 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.

J. Communication

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.

The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.

The Company has no responsibility if unauthorised 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, or any other electronic means.

The Client is fully responsible for the risks in respect of undelivered Company Online Trading System internal mail messages sent to the Client by the Company.

K. Abnormal Market – Trading suspension

The Client acknowledges that under Abnormal Market Conditions the period during which the Orders are executed may be extended or it may be impossible for Orders to be executed at declared prices or may not be executed at all.

Abnormal Market Conditions include but not limited to times of rapid price fluctuations of the price, rises or falls in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is lack of liquidity, or this may occur at the opening of trading sessions.

Under such Abnormal Market Conditions, it may be difficult or impossible to execute or liquidate a position, or the period during which the Clients' orders are executed may be extended. This may occur, for example, at times of rapid price movement, when the prices rise or fall in one trading session to such an extent that trading may be suspended or restricted. Placing a stop loss order will not necessarily eliminate clients' losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price. In addition, under certain market conditions, the price at which a stop loss order is executed may be worse than its stipulated price and the realized losses can be greater than expected.

L. Force Majeure Events

In case of a Force Majeure Event the Company may not be in a position to arrange for the execution of Client Orders or fulfil its obligations under the Client Agreement. As a result, the Client may suffer financial loss.

A Force Majeure Event includes without limitation each of the following:

- A. Government actions, the outbreak of war or hostilities, the threat of war, acts of terrorism, national emergency, riot, civil disturbance, sabotage, requisition, or any other international calamity, economic or political crisis that, in the Company's opinion, prevents it from maintaining an orderly market in one or more of the Financial Instruments in respect of which it deals on the Trading Platform;
- B. Act of God, earthquake, tsunami, hurricane, typhoon, accident, storm, flood, fire, epidemic or other natural disaster making it impossible for the Company to offer its Services;
- C. Labour disputes and lock-out which affect the operations of the Company;
- D. Suspension of trading on an Underlying Market, or the fixing of minimum or maximum prices for trading on a Market, a regulatory ban on the activities of any party (unless the Company has caused that ban), decisions of state authorities, governing bodies of self-regulating organizations, decisions of governing bodies of organized trading platforms;

- E. A financial services moratorium having been declared by appropriate regulatory authorities or any other acts or regulations of any regulatory, governmental, or supranational body or authority;
- F. Breakdown, failure or malfunction of any electronic, network and communication lines (not due to the bad faith or wilful default of the company) and DDoS-attacks;
- G. Any event, act or circumstances not reasonably within the Company's control and the effect of that event(s) is such that the Company is not in a position to take any reasonable action to cure the default;
- H. The suspension, liquidation or closure of any market or the abandonment or failure of any event to which the Company relates its Quotes, or the imposition of limits or special or unusual terms on the trading in any such market or on any such event.
- I. The occurrence of an excessive movement in the level of any transaction and/or Underlying Asset or Underlying Market or the Company's anticipation (acting reasonably) of the occurrence of such a movement;
- J. The failure of any relevant supplier, financial institution intermediate broker, liquidity provider, agent or principal of the Company, custodian, sub-custodian, dealer, exchange, clearing house or regulatory or self-regulatory organization, for any reason, to perform its obligations

The Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under the Client Agreement where such failure, interruption or delay is due to a Force Majeure Event.

2. Risk Associated with Regulatory/Legal/Structural bodies

All investments could be exposed to regulatory, legal or structural bodies' risk. A change in laws and regulations may materially impact on a Financial Instrument and investments in a sector or market.

A change in laws or regulations made by a government or a regulatory body or a decision reached by a judicial body can increase business operational costs, lessen investment attractiveness, change the competitive landscape and as such alter the profit possibilities of an investment.

Legal change could even have the effect that previously acceptable investment become non-acceptable.

Changes to related issue such as taxation may also occur and could have large impact on profitability but not limited to since this change are deeply connected to numerous political, economical and/or other related factor are involved.

This risk is not only unpredictable but also may vary from market to market and/or country to country.

Investors may also encounter difficulties of pursuing legal remedies or in obtaining and/or enforcing judgement in overseas courts.

A. Taxation

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.

The Company does not offer tax advice and recommends that the Client seek advice from a competent tax professional if the Client has any questions. Further more, the Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.

Accordance with [Section 1-G](#), please seek and/or follow necessary notification/amendment and announcements made by local authority for your residing country.

B. Regulatory Body

The Company is registered in the republic of Seychelles under the applicable regime, with registration number 8428188-1, and authorised by the Financial Services Authority of Seychelles with Securities Dealer's License Number SD091. Its registered office is at House of Francis, Room 301(A), Ile du port, Mahe Seychelles.

The FSA is an independent statutory body that investigates and adjudicates on disputes. The FSA will, however, not become involved in disputes until such time as our own complaints process has been exhausted and no resolution can be agreed upon. FSA contact details:

Financial Services Authority of Seychelles
Address: Bois De Rose Avenue Victoria Mahe Seychelles



FXON LTD (FSA License Number SD091)

F2-2A, Second Floor, Oceanic House, Providence Estate, Mahe, Seychelles

Tel: + 248 4380800

<https://www.fsaseychelles.sc/>

3. Additional Risk Disclosure

A. Operational Risk

The Client should acknowledge that there might be breakdown or malfunctioning of essential systems and controls, including human resources, IT systems and/or company operation related subject, can impact on all financial instruments and/or market not limited to but business itself.

Business risk, especially the risk that business is run incompetently or poorly, could also impact on shareholders of investors in such business.

Nevertheless, personal and organizational changes can severely affect such risks and, in general, operational risk may not be apparent from outside its organization.

B. Conflict of Interest

The client should acknowledge that in the ordinary course of their respective business, the company and any of its associates will be subject to various actual and/or potential conflicts of interest which may operate against others or your interests.

C. Third Party involvement

It is understood and/or noticed that the Company will promptly place any Client money it receives into one or more segregated account(s) (denoted as 'Clients' accounts') with reliable financial institutions (Third Party).

The Company shall exercise due skill, care and diligence in the selection of the financial institution according to Applicable Regulations, it is understood that there are circumstances beyond the control of the Company and hence the Company does not accept any liability or responsibility for any resulting losses to the Client as a result of the insolvency or any other analogous proceedings or failure of the financial institution where Client money will be held.

The Company may pass money received from you to a third party (e.g. a market, intermediate broker, OTC counterparty or clearing house) to hold or control in order to make a transaction through or with that person or to satisfy your obligation to provide a deposit (such as an initial requirement that you provide margin) in respect of a transaction. Although we will remain responsible for money received from you even if we pass it to a third party, you may be exposed to the additional risk that, in the event of an insolvency or similar in relation to that third party, the amount of money received by us from the third party may not be sufficient to satisfy your claims.

E. Inter- personation/Fraudulent

There might be cases of fraudulent impersonation of the Company's officers and representatives.

Clients should not share their personal data, including information about their trading accounts, with persons who appear to represent the Company unless they have ensured that such persons communicate from the official contact details and domains of the Company.

At any case as above mentioned fraudulent or suspicious behaviours or incidents you encounter; you may immediately contact our customer support at support@fxon.com.

E. No Guarantees of Profit

The Company provides no guarantees of profit nor of avoiding losses when trading in Financial Instruments.

The Company cannot guarantee the future performance of the Client's Trading Account, promise any specific level of performance or promise that Client's investment decisions, strategies, will be successful/profitable.

The client has received no such guarantees from the Company or from any of its representatives. The client is aware of the risks inherent in trading in Financial Instruments and is financially able to bear such risks and withstand any losses incurred. The Client acknowledges and accepts that there may be other additional risks apart from those mentioned above.

4. Miscellaneous

The Client should acknowledge that this document does not and cannot disclose or explain full scope of risks associated with CFD trading, financial markets and nature of instruments and/or services.

The Company can arbitrarily revise and/or amend this document at its sole discretion, whenever it deems fit or appropriated. If this document is revised, it shall be effective when posted on our Website and the websites designated by our Company.

This document is not part of our Client Agreement or terms and condition of business and not intended to be contractually binding, impose or seek to impose any obligation on us.

The Company may, from time to time and at its discretion, provide the Client (or in newsletters which it may post on its Website or provide to subscribers via its Website or the Trading Platform or otherwise) with information, news, market commentary or other information but not as a service. Where it does so:

- (a) the Company will not be responsible for such information;
- (b) the Company gives no representation, warranty or guarantee as to the accuracy, correctness or completeness of such information or as to the tax or legal consequences of any related Transaction;
- (c) this information is provided solely to enable the Client to make his own investment decisions and does not amount to investment advice or unsolicited financial promotions to the Client;
- (d) if the document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, the Client agrees that he will not pass it on to any such person or category of persons;
- (e) the Client accepts that prior to dispatch, the Company may have acted upon it itself to make use of the information on which it is based. The Company does not make representations as to the time of receipt by the Client and cannot guarantee that he will receive such information at the same time as other clients.

How to contact us

If you wish to contact us with any queries, concerns or complaints, you can email us at support@fxon.com or write to: FXON Ltd, F2-2A, Second Floor, Oceanic House, Providence Estate, Mahe, Seychelles.

Before deciding to trade, you should carefully consider your financial situation, objectives and needs, and seek independent financial, legal, tax, and/or other professional advice.

In case of question about any of the risks arising out of trading, you should consult with your own legal, tax, and other financial advisers prior to entering into any particular transaction with the Company.