COLD FOREX

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Risk Disclosure

coldforex.com

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ARTICLE 1

General warning

1.1 Trading digital options and leveraged products such as Forex, crypto, stocks, commodities and indices carries a high level of risk and may not be suitable for everyone. Leverage works against you as well as for you, and you can lose all of the money you invest. OTC quotes on this platform

come from our own price engine, not from a public exchange. Only trade with money you can afford to lose, and make sure you understand the risks before you start.

1.2 This Risk Disclosure forms part of the Service Agreement. It cannot describe every risk, and you should not trade on the Cold Forex Platform (the "Platform") unless you fully understand the products and the risks set out below. If you are in any doubt, seek independent financial advice before trading.

ARTICLE 2

Most retail traders lose money

2.1 Statistics published by European financial regulators show that between 74% and 89% of retail investor accounts lose money when trading contracts for difference and other leveraged products such as Forex. Digital (binary) options carry an even higher risk: because the payout on a winning trade is lower than the amount lost on a losing trade, the expected return on each trade is negative, and over time the large majority of traders who use them lose money. For these reasons digital options are prohibited or restricted for retail clients in several jurisdictions.

2.2 You should assume that you are more likely to lose money than to make it. Deposit and trade only with money you can afford to lose entirely without affecting your standard of living, and never with borrowed money or funds intended for essential expenses.

ARTICLE 3

Digital options

3.1 If a trade expires in the money you receive the payout shown at opening; if it expires out of the money you lose the full amount of the trade.

3.2 Short expiry times mean results are decided within seconds or minutes, and losses can build up very quickly.

3.3 The result depends only on the quote at the exact expiry time. A favourable price a moment before or after expiry does not change the result.

ARTICLE 4

Forex and other leveraged products

4.1 Leverage allows you to open a position much larger than your margin. A small market movement can cause a large gain or a large loss in relation to your balance. If your margin level falls below the required level, your positions may be closed automatically at the prevailing price, and you may lose your entire balance. Stop loss orders limit but do not remove this risk, and in fast or gapping markets they may be executed at a worse price than requested.

ARTICLE 5

Market and price risk

5.1 Prices of currencies, cryptocurrencies, stocks, commodities and indices can move sharply and unpredictably, including in response to news, economic data and events outside anyone's control.

5.2 Cryptocurrency prices are especially volatile.

5.3 Market Instruments can only be traded during their trading hours. When a market is closed, no new trades can be opened on it, and prices may gap when it reopens.

ARTICLE 6

OTC instruments

6.1 Quotes for OTC Instruments are generated by the Company's own pricing engine. They are not prices of a public exchange or interbank market and may differ from prices quoted elsewhere for an asset with a similar name. OTC quotes follow their own path and are available at times when the related public markets are closed.

6.2 The pricing engine sets every OTC price on its own from a fixed formula. It never reads trades, trade amounts, directions, accounts or balances, demo or live, and the platform has no setting or control that can change a price or the result of a trade, so OTC prices run the same way for every client whatever anyone trades and a trade's result depends only on the price at its expiry. The engine's source code is published at /api/broker/fairness/source.

ARTICLE 7

Counterparty and execution model

7.1 The Company is the sole counterparty to every trade on the Platform. Trades, including those on a Live Account, are executed and settled on the Company's internal systems, and no order is passed to any exchange, bank or liquidity provider. The Company's revenue is linked to client losses, which creates a conflict of interest described in the Service Agreement. Your ability to receive withdrawals depends on the Company's financial position.

ARTICLE 8

Regulatory status

8.1 The Company is in the process of corporate registration and is not currently licensed or supervised by any financial regulator. Your funds are not protected by any investor compensation or deposit guarantee scheme. You may have fewer legal remedies than when dealing with a regulated firm.

ARTICLE 9

Funded accounts, copy trading and automated tools

9.1 Funded Accounts trade simulated capital; most participants do not pass the evaluation, and the fee is at risk. Copying another trader or using a trading bot or strategy does not reduce risk: past performance is not a reliable indicator of future results, and copied or automated trades can lose money just as your own trades can.

ARTICLE 10

Technical risk

10.1 Internet outages, device failures, slow connections, browser or app problems and power loss may prevent you from opening a trade, closing a position or seeing current prices. Open trades continue and are settled at their expiry time whether or not you are connected. The Company is not liable for losses arising from such events.

ARTICLE 11

Responsible trading

11.1 Start on the Demo Account and practise until you understand how each product works.

11.2 Decide in advance how much you are prepared to lose and stop when you reach that amount. The daily loss limit in the terminal can help you do this.

11.3 Do not try to win back losses by increasing your trade amount.

11.4 Take a break if trading is affecting your finances, health or relationships, and seek help if you feel you cannot stop.

ARTICLE 12

Acknowledgement

12.1 By opening an Account you confirm that you have read and understood this Risk Disclosure and accept the risks of trading. Questions may be sent to support@coldforex.com.

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Questions: support@coldforex.com · coldforex.com