

# Risk Disclosure Statement

## **CAPITAL COM MENA SECURITIES TRADING L.L.C**

Incorporation number: 1193262  
SCA Licence number 20200000176

## Risk Disclosure Statement

### 1. About us

Capital Com Mena Securities Trading LLC (hereinafter referred to as “**the Company**” or “**Capital.com**”) is a limited liability company with company number 1994695 and registered in Dubai, United Arab Emirates, and authorised by the Securities and Commodities Authority (hereafter referred to as “**SCA**”) with license number 20200000176 . The Company’s registered office is at Jumeirah Emirates Towers, Emirates Towers Offices, Level L14, Unit 14C, Dubai, UAE.

### 2. General risk disclosure

The Risk Warning Disclosure Statement outlines the risks involved in trading Over-The-Counter (OTC) Derivatives such as Contracts for Difference (CFDs) and Spot Forex. This Risk Warning Notice cannot disclose all of the risks of the products in which you may choose to invest by trading with us.

The information set out in this Risk Warning Notice is provided for your information only, and is not intended to be relied upon as legal, tax, investment or other advice. This Risk Warning Notice is also not intended to be any kind of recommendation, inducement or invitation to engage in any kind of investment activity.

Capitalised terms used in this Risk Warning Notice that are not defined will have the meaning given to such terms in our Client Agreement.

OTC derivatives such as Contracts for Difference (CFDs) and Spot Forex are complex financial instruments and come with a high risk of losing money rapidly due to leverage. Trading OTC Derivatives and CFDs is not appropriate for everyone. You should carefully consider the different risks associated with CFD trading (as set out in this Risk Disclosure Statement) before applying for an account with the Company, in light of your knowledge/experience, financial resources, investment objectives and risk appetite. Your profit and loss will vary according to the extent of the fluctuations in the price of the underlying markets on which the trade is based. CFDs are a type of transaction the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of an underlying instrument. It is important that you fully understand that it is your

responsibility to remain aware of the risks involved; that you have adequate financial resources to deal with them and that you monitor your positions closely.

This notice cannot and does not disclose or explain all the risks and other significant aspects involved in dealing in such products.

It is important that you fully understand the risks involved before making a decision to enter into a CFD (each a 'Contract') with us. If you are in any doubt about the risks involved with your Account, you should seek independent professional advice.

### **3. No advice**

We are authorised to provide general and factual market information, or information in relation to a transaction about which you have inquired, or a transaction procedures and potential risk exposure and how risks may be controlled. We are not authorised to provide personal financial advice and therefore, we will not consider your personal or financial situation, objectives or needs nor will we make any investment recommendations. Any questions we might ask during the application process that are personal in nature are asked purely in accordance with our regulatory obligations to assess whether you have sufficient experience and knowledge of our products before acquiring them. Our products and services are provided on an execution-only basis, and you remain responsible for your own decisions. 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 CFD Account, you should seek independent advice.

### **4. Monitoring your account**

Due to the risks associated with trading, it is important that you regularly monitor all your positions closely. It is your responsibility to monitor your positions and during the period that you have any open positions you should always have uninterrupted access to your account.

## 5. Risks associated with trading CFDs

The key risks associated with CFD trading includes but is not necessarily limited to:

a)	<b>Losing your entire deposit(s)</b>	Our products are highly leveraged and a small movement in the price of the underlying instrument can result in significant losses which may exceed your initial margin. We do however offer negative balance protection, (subject to the Company's review and in accordance with the Client Agreement), which means that trading losses cannot exceed the funds held on your account.
b)	<b>OTC derivatives trading</b>	Our products are traded 'over-the-counter'. This means that you are not dealing with a centralised exchange exposing you to higher counterparty risk. Each CFD you open with us results in a Contract with us and can be closed only with us, subject to our Client Agreement. No Contract provides any right to the underlying instruments or voting rights. All Contracts you enter into with us are legally enforceable by both parties.
c)	<b>Leverage</b>	Investing in CFDs provides access to leverage (sometimes referred to as 'gearing'), which can magnify both profits and losses. Leverage allows you to trade in positions larger than your own money. The effect of leverage makes investing in CFDs riskier than investing directly in the underlying asset. This is a result of the margin system applicable to CFDs, which generally involves a small deposit relative to the size of the transaction, so that a relatively small price movement in the underlying asset can have a disproportionate impact on your trade. A small price movement in your favour can provide a high return, however, a small price movement against you may quickly result in significant losses. CFDs settle based on the

		<p>difference between the opening price and the closing price of the trade.</p> <p>At all times in which you have open positions, you must ensure that your account balance, taking account of running profits and losses, is equal to at least the total margin requirement that we require you to have deposited with us. Therefore, if our price moves against you, you may need to provide us with significant additional funds immediately to meet your margin requirement and maintain your open positions. If you do not do this, we will be entitled to close one or more or all your positions. You will be responsible for any losses incurred as a result. The need to monitor your positions is of greater importance when you have entered into Contracts with us because of the effect of leverage or gearing. Leverage or Gearing magnifies the rate at which profits or losses can be incurred and, as a result, it is important that you monitor your positions closely. It is solely your responsibility to ensure that sufficient funds are available on your account at all times. The Company shall not be not liable for losses incurred as a result of margin closures.</p>
d)	<b>Spreads</b>	<p>The spread is the difference between the ask price (on which you buy securities) and the bid price (on which you sell securities) of a particular CFD. When opening and closing a trade, you effectively pay a spread equivalent to this difference. You will automatically make a loss once you have opened your position because of the spread. To recover the spread, the price would need to move in your favour.</p>
e)	<b>Market risk</b>	<p>Refers to the chance of a change occurring in market prices. Unforeseen events, including but not limited to a change in supply and demand, national or international political or economic,</p>

		governmental, commercial trade policies and the prevailing psychological characteristics of the marketplace can cause prices to change quickly. It is therefore very important that you always monitor your open positions closely.
f)	<b>Market information</b>	As part of our service offering, we may share financial, and market related information obtained through third parties (such as news agencies or market analysts). If you receive this information, it is because you have agreed to receive marketing information, but you may unsubscribe from these emails at any time. This information is prepared in general terms, does not constitute investment advice, nor is it intended as such. You are solely responsible for any reliance you may place on that information. We do not guarantee that the information has been provided to you timeously, accurately or in complete form. Market information is subject to change and may become unreliable as market conditions change. We do not have to update the information, correct it, or inform you of any changes. We may also choose to stop providing market related information at our sole discretion and without notice to you.
g)	<b>Market Liquidity</b>	Markets are illiquid when instruments are impossible to sell or can only be sold with difficulty or it is not possible to initiate a transaction or liquidate a position at an advantageous price. Market conditions in any underlying instrument may vary and this will affect the size, price and spread of the instruments that we offer to you. In setting our prices, spreads and the size limits in which we deal, we take into account the relevant underlying assets' market. Market conditions can change significantly in a very short period of time. Fluctuations in the market may affect the price and profitability of your positions. In addition, under certain trading conditions it may be difficult or impossible to liquidate a position. Therefore, the terms at which you can close a contract may be different from the terms

		<p>available when you opened the contract. The price and liquidity of any investment depends upon the availability and value of the underlying asset, which can be affected by a number of extrinsic factors including, but not limited to, political, environmental and technical. Such factors can also affect the ability to settle or perform on time or at all. Losses can occur when liquidity is low.</p>
<b>h)</b>	<b>Slippage</b>	<p>Slippage occurs when an order is filled at a price that is different from the requested price. This generally happens when underlying markets become volatile and are moving quickly or become illiquid. You should be aware that this can occur and may affect your ability to close out or open new positions.</p>
<b>i)</b>	<b>Margin call</b>	<p>In the case that the Margin Level in your trading account is below %100, you will see a margin call on the trading platform and you will need to either delete pending orders to free up margin, or close some positions, or deposit more funds in the Account to maintain the relevant positions open. You will not be able to increase the overall exposure. If the Margin Level falls below %50, Your account will be monitored by an automated close out process which highlights positions entering a margin call. The trading system will automatically start closing out your open positions. This is to reduce (but not eliminate) the risk of spiralling losses. It is strongly advised that you should maintain sufficient margin in the Account to avoid being closed out as well as using limit/stop orders.</p> <p>We will endeavour to take action (as deemed appropriate by us and in accordance with Applicable Law) before the market moves further against open trades. Notwithstanding, the close out process does not guarantee that your account will not run into a loss. It is your responsibility to</p>

		continuously monitor your open positions on the trading platform and ensure that you retain sufficient equity to support your open positions.
j)	<b>Gapping</b>	<p>Financial markets may fluctuate rapidly, and the prices of our products will reflect this. Gap risk is a risk that arises because of market volatility. Gapping occurs when the prices of our CFDs suddenly shift from one level to another, without passing through the level in between. This can occur for several reasons including for example, when economic data is released or market announcements come as a surprise to the markets or the gap between the price of the market closes on Friday and its re-opening on Monday. Gapping can occur either when the underlying market is open or when it is closed. When these factors occur when the underlying market is closed, the price of the underlying market when it reopens (and therefore our derived price) can be markedly different from the closing price, with no opportunity to sell your instruments before the market opens.</p> <p>There may not always be an opportunity for you to place an order or for the platform to execute an order between the two price levels.</p>
k)	<b>Stop-loss orders</b>	We offer you the opportunity to choose stop-loss orders to limit the potential losses you can incur from an open position. This option automatically closes your position when it reaches the price set by you. We do not guarantee that a stop loss order will be filled at the price specified. Stop-loss orders can only minimise the risk of loss, they cannot prevent losses.
l)	<b>Trading platform and third party trading tools</b>	<b>Trading platform</b>



		<p>The Company offers its own proprietary platform as well as MT4.</p> <p>Please take note trading platforms may differ in that they might have different features, layouts and functions resulting in them operating differently. It is your responsibility to ensure that you are familiar with the online trading platforms that we offer before trading on a live account. Demo accounts are available should you wish to familiarise yourself with the platform before placing live trades.</p> <p>When using the Company's platform, once you enter a market order (by clicking "Buy/Sell"), this is immediately executed at the best available market price (the price might change before execution, especially with less liquid financial instruments) and thereafter you will not be able to cancel or modify the order. If you choose to use 'one-click' trading please take note of the instant order execution and the associated risks with using such a feature. If you use "one-click" trading in MT4 please ensure you take note of how the feature works before you enable it.</p> <p><b>Third party trading tools</b></p> <p>You are responsible for any losses resulting from the use of any software and/or any other electronic material or device obtained via the online trading platform, including loss arising out of your use of third party add-ons or software including but not limited to expert advisors, copy traders, signal providers or robo advisors (where these are permitted).</p> <p>The Company does not offer this software/material and accordingly does not assume liability for losses resulting from the use of these tools. The Company does not provide technical support in relation to the use of such software/material or devices</p>
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		either. Use of third party automated trading tools do expose you to risk.
m)	<b>System failures</b>	Trades are carried out exclusively on-line (via the internet). While trading on our platform, system errors might occur. You should be aware of the risks that may result from any failure, malfunction or disruption of any transmission, communication system, computer facility or trading software, whether belonging to us or to any other external party, which could mean that your order may be delayed or fail. It is also your responsibility to ensure that you have stable internet connectivity whilst trading.
n)	<b>Regulatory</b>	A change in laws or regulations made by the government or a regulatory body may increase the costs of operating a business, reduce the attractiveness of an investment and/or change the competitive landscape and as such materially alter the overall profit potential of your investment. This risk is unpredictable and may vary depending on the market for the underlying asset.
o)	<b>Pricing errors</b>	Should a price quoting error occur (including responses to relevant client requests), we cannot be held liable for any resulting errors in account balances and reserve the right to make the necessary corrections or adjustments to the relevant account. Any dispute arising from such price quoting errors will be resolved based on the fair market value, as determined by us in our sole discretion and acting in good faith, of the relevant market at the time such an error occurred. In cases where the prevailing market represents prices different from the prices we have posted on our platform, we will attempt, on a reasonable best-efforts basis, to execute orders on or close to the prevailing market prices. This may or may not adversely affect your realised and unrealised gains and losses.
p)	<b>Profits are not guaranteed</b>	While CFD trading offers the potential for profits, there is no guarantee of achieving positive returns. Market conditions, price movements, and other factors beyond the

		<p>trader's control can result in losses, and past performance is not indicative of future results. Therefore, you should be prepared for the possibility of incurring losses and should not rely solely on the expectation of making profits when engaging in CFD trading. Profits are not and cannot be guaranteed.</p>
<p>r)</p>	<p><b>Appropriateness</b></p>	<p>Prior to granting access to trade on a CFD account, we have a regulatory obligation to assess whether the chosen product (s) and/or services are appropriate for you. (i.e. whether we reasonably believe that you have the adequate skills and expertise to understand the risks involved in a Contract and your ability to absorb potential losses resulting from such Contracts, and to warn you if, on the basis of the information you provide to us, any product or service is not appropriate.. Our systems will perform this assessment electronically where you have used our online application form. We will warn you if trading CFDs is not appropriate for you, during your application for an account with us. If you receive a warning, any decision to open an account and utilize our products or services rests entirely with you. Understanding the associated risks is solely your responsibility.</p> <p>It is your responsibility to understand the risks involved with our products or services.</p> <p>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 the information you have declared. It is up to you to assess whether your financial resources are adequate and what level of risk you take.</p>