XTB Limited Risk Disclosure Notice

This notice (“Risk Disclosure Notice”) is provided to you by XTB Limited (“XTB Limited” “we” “us” or “our”) in compliance with the rules of the Financial Conduct Authority (“FCA”).

XTB Limited is authorised and regulated by the UK Financial Conduct Authority (FCA) (FRN522157) with its registered and trading office at Level 34, One Canada Square, Canary Wharf, London, E14 5AA, United Kingdom (company number 07227848).

In this notice, we provide you with information to help you understand the nature and risks of our products and services. However this Risk Disclosure Notice does not disclose all the risks and other significant aspects of CFD, Rolling Spot Forex and Option trading. You should not engage in our products unless you understand the nature of Over The Counter (OTC) Derivative trading, how it works, how you make a profit or a loss and the extent of your exposure to risk and loss. If you are in any doubt you should seek professional advice. Please be advised that financial instruments offered by XTB Limited may be not suitable or appropriate for many clients.

We are obliged under the Conduct of Business rules (COBS) to assess whether CFD, Rolling Spot Forex and Option trading is appropriate for You. To do this we will rely on You to provide accurate information when requested. If we consider from the information provided that Options, CFD trading and/or Rolling Spot Forex trading is not appropriate for You, we will provide You with an appropriate warning.

When trading OTC derivatives, your losses can involve the whole balance on your Account. If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks, that you have adequate financial resources to cover such risks and that you monitor positions carefully.

General
Our CFDs, Rolling Spot Forex and Option trades are not made on any exchange. Your transactions with us are undertaken over-the-counter (“OTC”) rather than on a regulated exchange or multilateral trading facility (“MTF”). As such, You may be exposed to greater risks than transactions on regulated exchanges or MTFs.

When engaging in OTC derivative trading you are placing trades in relation to movements of prices set by XTB Limited. Although our prices relate to prices of the underlying, they are not taken directly from any one source. This means that our price may be different to any exchange or market price, for the relevant underlying asset or index. We can change our prices at any time, in particular having regard to changes in the underlying to which our prices relate. Whether you make a profit or a loss depends on how our price has moved between, when you opened and closed your trade. Our terms and conditions clarify how you make a profit or a loss and our Order Execution Policy gives further details in relation to our prices.

Leverage
Your trades with us will be subject to XTB Limited Terms and Conditions. It is in your own best interests to read and understand them before you engage in CFD, Rolling Spot Forex or Option trading with us. The “leverage” available (funds required to open a position compared to the size of trade you can place) means that a small deposit (Initial Margin) can lead to a large loss as well as gains. It also means that a relatively small movement can lead to a proportionately much larger loss or profit.

CFD, Rolling Spot Forex and Option trades are subject to payment of Variation Margin. If the market with which your trade is placed moves against you, you may be required to pay additional Variation Margin at short notice to maintain your position. If you fail to do this, your Open positions may be closed and you will be responsible for the losses.

Losses can involve the whole balance on your Account, leading to all deposits, such as Initial Margin or Variation Margin being lost. You are required to pay all losses you sustain as well as all other amounts payable under our Terms and Conditions such as interest and costs.

No right to the Underlying
CFD, Options and Rolling Spot Forex trades can only be settled in cash. Although, our prices relate to the underlying, you do not acquire the underlying instrument or any rights or delivery obligations in relation to it. Consequently, engaging in Contracts for Difference, Rolling Spot Forex and Option trading may expose you to greater risks than investments which are traded on a designated investment exchange. CFDs, Rolling Spot Forex and Option trading is legally enforceable, which means that we can take legal action to recover money you owe to us.

**Marketing**

Material provided by XTB does not contain (and should not be construed as containing) investment advice or any investment recommendation, or, an offer of or solicitation for, a transaction in any financial instrument. All information in this publication has been compiled from publically available sources that are believed to be reliable, however, we cannot guarantee the accuracy of all information. This report should be considered to be a marketing communication.

**Monitoring positions**

Due to leverage and the speed at which profits or losses can be incurred, it is imperative that you monitor your positions closely. It is your sole responsibility to monitor your trades and while you have open trades you should always be in a position to do so. Further factors which may affect the profitability of your trade include:

**Currency**

If you trade in a market other than your base currency market, currency exchange fluctuations will impact your profits and losses.

**Volatility**

Movements in the underlying markets can be volatile and unpredictable. This will have a direct impact on your profits and losses. Awareness of the underlying markets volatility will help guide you as to where any Stops should be placed.

**Gapping**

This is a sudden shift in the price of an underlying from one level to another. This can be due to instances such as economic events or market announcements. Gapping can occur when markets are opened or closed. If the market is closed when these factors occur, the opening price of the underlying market can be substantially different from the closing price, giving you no opportunity to close your trade in-between. ‘Gapping’ can result in a significant loss.

**Market liquidity**

Market conditions can change significantly in a very short period of time, so that if you wish to close a contract we may not be able to do so under the same terms as when you opened it.

**Charges - Costs and charges are provided to you on our website. It is important that you are aware of all costs and charges that apply as they will affect your profitability. A financing charge applies also to position based Rolling Spot Forex Trades and some CFD trades. Commission applies to some CFD trades. Adjustments also apply in the case of any Corporate Action.**

**Orders**

You can use orders to help reduce your losses. For all other orders, the price at which they may be executed is not guaranteed and so the extent to which they may limit your loss is not guaranteed. Some movements in the underlying make it impossible to execute orders at certain prices.

**Advice**

We do not provide investment advice relating to investments or possible transactions in investments. We are permitted to provide factual market information and information about transaction procedures, potential risks involved and how those risks may be minimised, but any decisions made must be yours.