



Risk Disclosure
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AFX Markets Ltd (“STO”)
(Authorised an Regulated by the Financial Conduct Authority)

RISK DISCLOSURE

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THIS RISK DISCLOSURE NOTICE DOES NOT DISCLOSE OR EXPLAIN ALL OF THE RISKS AND OTHER SIGNIFICANT ASPECTS INVOLVED IN TRADING IN CONTRACT FOR DIFFERENCES (CFDs) AND OTHER FINANCIAL DERIVATIVE PRODUCTS.

TRADING IN LEVERAGED DERIVATIVE PRODUCTS SUCH AS CFDs IS HIGH RISK AND PLACES YOUR CAPITAL AT RISK. YOU CAN LOSE ALL OF YOUR INVESTED CAPITAL.

THE VALUE OF YOUR INVESTMENTS MAY FALL AND RISE AND YOU MAY NOT GET BACK THE AMOUNT YOU INITIALLY INVESTED. YOU MAY ALSO NEED TO DEPOSIT FURTHER FUNDS WITH LITTLE OR NO NOTICE.

WE DO NOT PROVIDE INVESTMENT ADVICE. IF YOU ARE UNSURE THIS FORM OF INVESTING IS APPROPRIATE FOR YOU, YOU SHOULD SEEK ADVICE FROM AN INDEPENDENT & AUTHORISED FINANCIAL ADVISOR.

AFX Markets Ltd. (“AFX”) trading as STO (“STO”, “we”, “us”, “our”) is authorised and regulated by the Financial Conduct Authority (FCA) FRN 560872. Our details can be found on the FCA [website](#). The registered office for AFX Markets Ltd. is 33 Sun Street 2nd Floor, London, United Kingdom, EC2M 2PY. AFX Markets Ltd is the counterparty in relation to your relationship and account with us.

AFX Markets Ltd. is the intermediary agent for AFX Capital Markets Ltd (also trading as “STO”) and is the principle firm of AFX Markets Ltd. AFX Capital Markets is also the main liquidity provider for your transactions and the counterparty to your transactions. AFX Capital Markets Ltd is a company authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) license no. 119/10 and registration no. 253014 with registered office at Arch. Kyprianou 2 & Ayiou Andreou, G. Pavlides Building 3rd floor, 3601 Limassol Cyprus

PLEASE READ THE BELOW BEFORE UNDERTAKING ANY TRADES WITH US

1. INTRODUCTION

The purpose of this document is to help you understand the associated risks of trading Contracts for Difference (CFDs), which you may invest in through the services provided to you by STO. trading by reviewing this Disclosure document, you are under no obligation to commit an investment with STO, however, the content

should be read by clients proposing to execute their trades on the STO trading platform Each Client should ensure that their decision to trade CFDs or Forex is made on an informed basis and that they are aware of and understand the risks involved in trading CFDs.

Before deciding to participate in the leveraged derivative market, you should carefully consider your level of knowledge and experience. You should ensure to have sufficient knowledge and experience of trading in leveraged derivative products such as CFDs and Forex.

You should also consider your investment objectives and risk appetite are in line with the speculative and high-risk nature of the CFD product.

Trading CFDs carries a high level of risk to your capital and you can lose all of your invested capital. The degree of risk of trading CFDs compared to other financial products is significantly higher. Do not invest money you cannot afford to lose.

The effect of leverage is that a small price movement can cause both gains and losses to be magnified. The high degree of leverage can work against you as well as for you and the speeds which profits and losses can occur, means that clients should monitor positions closely – it is the clients’ sole responsibility to monitor open trades. You may need to deposit further funds with little or no notice to keep your positions open. Trading CFDs and Forex may not be suitable for all investors. Please seek independent professional financial advice if you do not understand the risks involved in trading CFDs.

Should you have any complaint (i.e. any expression of dissatisfaction) about the service you have been provided, you must immediately contact AFX Markets Ltd on complianceuk@stofs.com or customerserviceuk@stofs.co.uk. Such complaint will be dealt with in accordance with the AFX UK Disputes resolution and complaints procedure details of which can be found on the website <https://www.stofs.co.uk>.

2. CFDs IN GENERAL

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 financial instrument. Types of CFDs include but are not limited to, Foreign Exchange (Forex) CFDs, Futures CFDs, Option CFDs, Share CFDs, Stock Index CFDs, Commodity CFDs and Cryptocurrency CFDs. CFDs can only be settled in Cash.

A CFD (Contract for Difference) is an agreement to exchange the difference between the opening and closing

value of a contract at its close. Trading CFDs is a way of trading on the upward or downward price movements of traditional financial markets without buying or selling the underlying asset directly.

Leveraged Derivative products such as CFDs are known as 'complex financial instruments'. A 'complex financial instrument' is a high-risk investment and requires a greater level of experience and knowledge of the underlying risks involved. Complex financial instruments include instruments such as derivatives, which are not considered to be 'readily realisable' (potentially difficult to sell when you want to). Examples of complex financial instruments able to be traded on the STO trading platform are:

- Rolling Spot Foreign Exchange (known as 'Forex')
- Contract for Differences (CFDs)

CFDs are complex financial products function such that they generally only close when a client chooses to close an existing open position, and therefore they have no set maturity date.

CFDs can be likened to futures which can be entered into in relation to certain indexes, precious metals, oil, commodities or financial instruments. However, unlike other futures, these contracts can only be settled in cash. Investing in a CFD carries risks similar to investing in a future and you should be aware of these. Transactions in CFDs may also have a contingent liability and you should be aware of the implications of this as set out in paragraph 9 below. All CFD trades are contracts for difference which means that clients do not have any ownership, reference share or voting rights on the underlying instrument or the rights which are attached unless specifically stated in the CFD.

Investing in CFDs, where the underlying is rolling spot forex, indices, precious metals, oil and commodities, carries similar risks as investing in futures and you should be aware of these risks. Margined transactions in rolling forex, indices, precious metals, oil and commodities may also have a contingent liability and you should be aware of the implications of this as set out in paragraph 9.

In addition to risk disclosures contained in this document, you should be aware that trading in CFDs where the underlying instruments are rolling forex, indices, precious metals, oil and commodities, is one of the riskiest forms of investments available in the financial markets. Given the possibility of losing an entire investment, speculation in the precious metals, indices, oil, commodities or foreign exchange markets should only be conducted with extreme caution and with the certainty that should you lose all of your invested capital, your health, wellbeing financial commitments will not be affected.

3. MARGIN

Margin is the amount of money you need to open a position, defined by the margin rate. Margin trading is a high-risk trading strategy that allows you to trade more than the capital or 'margin' that a firm holds for you. This is also known as 'leverage' or 'leverage trading', which means that you can place trades that are greater than the relatively small amount of money that you have deposited as margin. With margin trading you can make significant gains if the price moves in your favour however, even a small movement in price against you, this can also lead to significant losses.

If this happens, you may be required to deposit additional margin with us immediately to keep these trades open, this is referred to as a 'Margin Call'. You are liable for ensuring that you always deposit enough margin and for any losses that you may incur when your positions are closed. There is no limit on the potential losses or profits when you carry out margin trading and you should always consider this when making trading decisions.

We may also change our rates of initial margin and/or notional trading requirements at any time, which may also result in a change to the margin you are required to maintain. If you do not maintain sufficient margin on your account at all times and/or provide such additional funds within the time required, your open positions may be closed at a loss and you can lose your entire investments.

As there is no limit to the losses that you may incur, you should ensure that you have sufficient resources available to you to cover any adverse movement in the price of the margined product, any margin requirement or loss.

4. FOREIGN MARKETS RISKS

Foreign markets involve different risks from the client's native markets. In some cases, risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign currency will be affected by fluctuations in foreign exchange rates. Such enhanced risks include the risks of political or economic policy changes in a foreign market, which may substantially and permanently alter the conditions, term marketability or price of a foreign currency.

5. EXCHANGE RISK

CFDs are exposed to 'exchange risk'. Exchange risk also known as "currency risk", which is the risk of loss (or gain) from unforeseen changes in exchange rates (the prices at which currencies trade for each other). There is a risk that you will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rates. It can also be described as the uncertainty of returns where you purchase securities in a currency different to your domestic currency.

6. LIQUIDITY RISK

CFDs are exposed to 'liquidity risk'. Liquidity risk arises from situations in which an investor interested in trading a security cannot do so because no one in the market wants to trade that security. It is the inability to find buyers on the terms desired. It is also the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.

Non-highly traded securities bear higher liquidity risk since there is a risk of having difficulty in liquidating an investment position without taking a significant discount from current market value. The liquidity risk is usually reflected in a wide bid-ask spread and large price movements and can take the following three forms:

- Bid-ask spread: how much a trader can lose by selling an asset and buying it back right away.
- Market depth: how many unit's traders can sell or buy at the current bid or ask price without moving the price.
- Market resiliency: how long it takes for prices that are temporarily incorrect to return to normal.

7. MARKET VOLATILITY

Financial markets may fluctuate rapidly and the prices of our products will reflect this. Spreads fluctuate just like exchange rates. You face increased periods of price volatility during market events such as economic and political news announcements, elections and so forth. During this period there may be times where spreads are considerably wider than usual. This can impact your account in the following ways; in general, wide spreads will mean the cost of closing your position will be greater. This will reflect as a loss to your equity, and raises the chance of you breaching your margin requirement.

Under extreme volatility you will see your profit and loss fluctuate far more than normal. This means you may enter margin close out quicker and also significantly raises the possibility of your account entering negative equity. If the market were to spike, crash or gap, it could result in significant losses especially for a highly-leveraged trading account.

Gapping is a risk that arises as a result of market volatility. Gapping occurs when the prices of our products suddenly shift from one price to another, as a consequence of market volatility. 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. One of the effects of this may be that stop-loss orders are executed at unfavorable prices, either higher or lower than you may have anticipated, depending on the direction of your trades.

8. RISK MANAGEMENT STRATEGIES

The placing of certain orders (e.g. "stop loss" or "stop limits" orders) that are intended to limit losses to certain amounts are not guaranteed and may not always work because market conditions or technological limitations may make it impossible to execute such orders. Should clients trade using risk management strategies, they do so accepting this risk involved and understand that there is no guarantee of the reduction in risk when using any risk management strategies.

9. CONTINGENT LIABILITY TRANSACTIONS

CFDs and Forex are margined transactions requiring you to make a series of payments against the contract value, instead of paying the entire contract value immediately. You may sustain a total loss of the margin you deposit with AFX Markets Ltd to establish and/or maintain a position. AFX Capital Markets Ltd. as the key counterparty to your transactions, provides revaluations of your open positions to AFX Markets Ltd, continuously during each business day, and any profit or loss is immediately reflected in your trading account. Any losses may result in AFX Markets Ltd notifying you, at short notice, to pay substantial additional margin to maintain your open positions, this is called a 'Margin Call'. If you do not maintain sufficient margin on your account at all times and/or provide such additional funds within the time required, your open positions may be closed at a substantial loss and you will be liable for any resulting deficit.

As you request AFX Markets Ltd to transmit all trades to AFX Capital Markets Ltd. you are trading under both entities Terms of Business, Order Execution Policy, Privacy Policy, Conflicts of Interest Policy and Risk Disclosure.

9. LEVERAGE & GEARING

Whilst derivatives instruments can be utilized for the management of the risk, some investments are unsuitable for many investors. CFD trading carry a high degree of risk. The gearing and leverage that is obtainable with CFDs trading means that you only need to place a small deposit with AFX Markets Ltd., to submit orders for transmission and hence commence trading with AFX Markets Ltd., although you should bear in mind that this small deposit may result in large losses or large gains.

Highly leveraged transactions are subject to significant changes in price as a result of relatively small changes in the price of an underlying financial instrument or related market factor. Therefore, a relatively small movement in the underlying market can have a disproportionately dramatic effect on your trade. Even a small movement in the underlying market may result in the loss of your entire margin amount and leave you liable for any other losses sustained on the position. Therefore, it is imperative that you only speculate with money that you can afford to lose.

10. OVER THE COUNTER (OTC) TRANSACTIONS

When trading CFDs you speculate on the anticipated price change. This trading does not occur on a regulated market. You will enter into a contract with AFX Capital Markets Ltd. in respect of the financial instrument or other underlying you wish to trade under a CFD. When trading CFDs you speculate on the anticipated price change. This trading does not occur on a regulated market. You will enter into a contract with AFX Capital Markets Ltd. in respect of the financial instrument or other underlying you wish to trade under a CFD. All open positions with AFX Capital Markets Ltd. must be closed with AFX Capital Markets Ltd. and cannot be closed with any other party with all requests for closure transmitted through STO

Trading in OTC financial transactions may expose you to greater risks than trading on a regulated market because there is no market on which to close out your open positions and prices and other conditions are set by us subject to any legal/regulatory requirements. OTC transactions may increase the liquidity risk and introduce other significant risk factors: it may be impossible, for example, to assess the value of a position resulting from an off-market transaction or to determine the risk exposure. Also, bid prices and offer prices need not be quoted by AFX Capital Markets Ltd. and, even where they are, AFX Capital Markets Ltd. may find it difficult to establish a fair price particularly when the relevant exchange or market for the underlying is closed or suspended. You are also exposed to the risk of AFX Capital Markets Ltd.'s default or insolvency; however, in the unlikely event this occurs and the firm cannot meet any claims made against it by customers, the Financial Services Compensation Scheme (FSCS) in the UK can provide compensation of client deposits up to a maximum of £50,000 per eligible customer. You can contact the FSCS for more information on <https://www.fscs.org.uk/>.

11. CLIENT MONEY

Unless otherwise agreed with you in writing, we will hold all Client funds in segregated bank accounts. As such, all Client funds deposited with us are subject to the Client Money Rules of the FCA. In addition to these safeguards, you may also be protected under the Financial Services Compensation Scheme up to a maximum value of £50,000, should we be unable to meet our liabilities to you in the unlikely event of the company's default or insolvency.

12. PRICES

The prices posted on the STO platform (the "**Platform**") as provided by AFX Capital Markets Ltd. may not necessarily reflect the broader market. AFX Capital Markets Ltd. will select closing prices to be used in determining margin requirements and in periodically marking to market the positions in your account and closing out such positions. Although AFX Capital Markets Ltd. expects that these prices will be reasonably

related to those available on what is known as the interbank market or any appropriate exchange or other financial market (the "**Reference Market**"), prices AFX Capital Markets Ltd. uses may vary from those available to banks and other participants in the Reference Market. Consequently, AFX Capital Markets Ltd. may exercise considerable discretion in setting margin requirements and collecting margin funds. As the products are in part related to the underlying you should ensure you are aware of the risks involved in the underlying including currency fluctuation, volatility, gapping, liquidity, slippage and non-guaranteed stops.

A. VOLATILITY/GAPPING

Prices may fluctuate rapidly which can have a direct impact on your open positions. Sometimes "gapping" will occur when prices move suddenly from one level to another. There may be a number of events, which cause gapping such as economic data releases, natural disasters or major global political events. Gapping can happen when markets are closed, meaning that the opening price of an instrument may be considerably different to the closing price. This can have a direct impact on your profit or loss.

B. LIQUIDITY

Market conditions in any underlying instrument may vary and this will affect the size, price and spread of the instruments we offer to you. Therefore, the terms at which you can close a contract may be different from the terms available when you opened the contract. Markets are known as illiquid when instruments are impossible to sell or can only be sold with difficulty.

C. SLIPPAGE

We cannot guarantee that the price you request us to execute an order will be the same as the actual price at which your order is filled. Technical conditions (e.g., the transfer rate of data networks or the quality of your internet connection, as well as rapid market fluctuations) may lead to a change in the applicable price between the time the order is placed by you and the time the relevant order is received by us or the order is executed by our platform. Such changes to the applicable price are due to fluctuations in the financial markets rather than on arbitrary interventions made by us. If such changes occur, the order is generally executed at the price applicable when the order is executed by our platform. Slippage can occur on all types of orders.

13. NON-GUARANTEED STOP LOSSES

When a non-guaranteed stop is triggered it has the effect of issuing an order from you to us to close your Contract. Your Contract is not closed immediately when the stop is triggered. We aim to deal with such orders fairly and promptly but the time taken to fill the order and the level at which the order is filled depends upon the underlying market and the number of client orders triggered. In fast-moving markets, a price for the level of your order might not be available or the market might move quickly and significantly away from the stop level before we are able to fill it.

14. WEEKEND RISK

Various situations, developments or events may arise over a weekend when the markets generally close for trading, that may cause the markets to open at a significantly different price from where they closed on Friday afternoon. You will not be able to use the Platform to place or change orders over the weekend and at other times when the markets are generally closed. There is a substantial risk that non-guaranteed stop-loss orders left to protect open positions held over the weekend will be executed at levels significantly worse than their specified price. When doing this, a client accepts this risk and that they will be liable for any resulting deficit. You should therefore regulatory monitor your account closely to help prevent such potential occurrences.

15. EXECUTION ONLY

You carry out your trading activities on an execution only basis. This means that we will not provide you with 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 decision made to trade must be yours.

16. ELECTRONIC TRADING

Trading in OTC contracts through the Platform may differ from trading on other electronic trading systems as well as from trading in a conventional or open market. You will be exposed to risks associated with the electronic trading system including the failure of hardware and software and system down time, with respect to the Platform, your systems and the communications infrastructure (for example the internet) connecting the Platform with you.

17. TAX RISK

You take the risk that your trades and any related profits may be or become subject to tax. We do not represent or warrant that no tax or stamp duty (other than trading duty) will be payable. Unless specifically stated by us, you will be responsible for all taxes and stamp duty in respect of your trades. STO does not provide any tax advice to clients, and you are responsible for your own tax affairs.

18. TRADING SUSPENSIONS

Under certain conditions it may be difficult or impossible to liquidate a position. This can occur, for example, at times of rapid price movement where the price of an underlying financial instrument rises or falls during one trading session to such an extent that trading in the underlying is restricted or suspended. Where this occurs, the client accepts any associated risk and that they will be liable for any resulting deficit. The client should also be aware that under certain circumstances AFX Capital Markets Ltd. may be required to close positions due to regulatory or exchange instructions and as such neither

STO nor AFX Capital Markets Ltd. are responsible for any losses that may result.
Commissions

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable, as indicated in the Rates Schedule available on the website of STO. Clients should make themselves aware of potential costs or liabilities that could ensue from that position including but not exclusively: Swaps, Corporate Actions such as Rights Issues, Dividends, Stock Splits etc.

19. SPREADS, COMMISSIONS AND COSTS

Before you begin to trade with us, you should obtain details of all commissions and other charges for which you will be Liable, as indicated in the Rates Schedule available on the website of STO.

Clients should make themselves aware of potential costs or liabilities that could ensue from that position including but not exclusively: Swaps, Corporate Actions such as Rights Issues, Dividends, Stock Splits etc. If any charges are not expressed in money terms (for example, as a bid offer spread), you should obtain a clear explanation of what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment. Depending on the type of trade you make and how long it lasts we may require you to pay financing costs. Also, if you trade in currencies different than your base currency we may require you to convert those foreign currencies to your base currency. The aggregate of financing costs and foreign exchange costs may exceed any profits on your trade or increase the losses you may suffer on a trade.

20. COMMUNICATION

STO accepts no responsibility for any losses that arise as a result of delayed or unreceived communication sent to a client from us by any form. The client further accepts that any losses arising as a result of unauthorized access of a third party to the clients trading platform is not the responsibility of STO except in the case of gross negligence on behalf of the company or its staff. The client is responsible for keeping all login details safe and STO strongly recommends that user details are not written down or saved.

21. NON-ADVICE

STO does not provide investment advice. Whilst we may under our license make general assessments of the markets, such assessments are not individual investment advice and do not take into consideration your individual circumstances. Any decision to trade is made by the Client alone.

Under Markets in Financial Directive (MiFID) we are required to assess the appropriateness of this type of product for you in accordance with the level of your knowledge and experience of the product to understand the risks involved in trading the product. This does not mean that by allowing you to open an account we are providing individual investment advice, or that this product is appropriate for you in your individual circumstances. Rather we are indicating that it may be appropriate for someone who demonstrates to have knowledge and experience to understand the risks involved in trading such high-risk product. To do this we will ask you information regarding your experience with the products such as the number of years you have traded, frequency of trading, volume traded, types of leveraged derivatives traded, and in relation to your knowledge of the product. We also ask you questions about your financial situation, your source of funds and earnings. The information you provide will be confidential and secure in accordance with our Privacy Policy available on our website. In accordance with regulatory requirements, we must hold all your information for an additional 5 years from the end of your relationship with us. You are permitted to obtain from us any information we hold about you. You are responsible for ensuring we are updated with any relevant information that may affect the appropriateness of the product.

22. CORPORATE ACTIONS CFDs

Please note that the treatment you receive during a corporate action may be less favorable than if you owned the underlying instrument because changes AFX Capital Markets Ltd. make may need to be made reactionary and in place prior to that required by the corporate action. Therefore, the time you have to make decisions could be considerably less; the options available may be more restrictive / less advantageous and may be such that there is no option for you to close the position. Given that corporate events can often be announced at extremely short notice you may have no opportunity or choice to close positions out to avoid such consequences and such actions may require you to provide more funds to cover margin at very short notice.

23. GOING SHORT ON INDIVIDUAL SHARES

Going short on individual shares has additional risks that do not apply to the long position. This includes, but not exclusively, the obligation to take the other side of a purchase opportunity e.g. a rights issue resulting in you going further short at what could be unfavorable prices or paying a sum to buyback the rights, the choice of which may be decided by AFX Capital Markets Ltd. without your input, on terms decided by AFX Capital Markets Ltd. or input being required at shorter notice than would be on the underlying share; you may experience forced buy-back due to corporate actions, stock borrowing conditions or regulator. Requirements/changes, and AFX Capital Markets Ltd, reserves the right to apply variable borrowing

charges whilst the position is open if such information is made available prior to opening the position.

24. POSITION MONITORING

It is the clients' responsibility to monitor at all times the positions they have opened and you should always be in a position to do so. Whilst AFX Capital Markets Ltd. will attempt to close positions once your margin has been utilized, we cannot guarantee this will always be possible and therefore you will remain liable for any resulting shortfall.

This document should be read in conjunction with: The Order Execution Policy, the Terms & Conditions, the Conflicts of Interest Policy, Privacy Policy and any other document supplied or otherwise made available to the client.

25. CRYPTOCURRENCIES

Please read the below risk warnings before deciding to trade in Cryptocurrency CFDs (also known as "virtual currencies"):

A. High risk and complex:

Cryptocurrency CFDs are complex and high-risk products and as such come with a high risk of losing all the invested capital. As Cryptocurrencies are the underlying asset of CFD and offered with leverage, the price of cryptocurrencies can widely fluctuate and this can magnify your profit and losses. This means that by trading in Cryptocurrency CFDs, there is a significantly increased risk of loss of your invested capital which may result in significant losses very rapidly, over a short period of time.

B. Requires sufficient knowledge & experience

Cryptocurrency CFDs are not appropriate for all investors. You should not trade Cryptocurrency CFDs unless you have sufficient knowledge and experience to fully understand the risks of trading these products. You should fully consider whether investing in CFD cryptocurrency is appropriate for you. You should seek independent legal advice if you are in any doubt and before making any investment decisions.

C. Risk Appetite

Recognising that investing in cryptocurrencies is high risk and speculative, you must be prepared to potentially lose your entire invested capital or deposits.

D. Highly Volatility risk

As cryptocurrencies are traded on non-regulated decentralized digital exchanges, accordingly the price formation and price movements of the Cryptocurrencies solely depend on the Internal rules of the particular digital exchange, which may be subject to change at any point in time without notice. This often leads to very high intra-day volatility in the prices of the cryptocurrencies which may be substantially higher compared to financial instruments recognized and regulated under MiFID. Therefore, by

trading CFDs in Cryptocurrencies you accept a significantly higher risk of loss of your invested capital, which may occur within a very short time frame as a result of sudden adverse price movements of the cryptocurrencies.

Unregulated products risk: Currently cryptocurrencies are not recognised as a financial instrument under European Union's Markets in Financial Instruments Directive (MiFID) and are therefore considered as unregulated products.

E. Regulatory risk

Market and pricing data on the Cryptocurrencies are derived from the digital decentralized exchanges, which the Cryptocurrencies are traded on. Due to the non-regulated nature of such exchanges, the market data and price feed information provided by such exchanges may be subject to the internal rules and practices of such exchanges which may significantly differ from the rules and practices observed by the regulated exchanges. In particular, you should be aware that the pricing formation rules of the Cryptocurrency exchanges are not subject to any regulatory supervision and there may be changes at the relevant digital exchange's discretion at any time. Similarly, such digital exchanges may introduce trading suspensions or take other actions that may result in suspension or cessation of trading on such exchanges or the price and market data feed becoming unavailable to STO. The above factors could result in material adverse effect on your open positions, including the loss of all of your invested capital.

F. Cybercrime risk

The nature of Cryptocurrencies could lead to an increased risk of cybercrime such as fraud, cyber-attack, theft, hacking and unauthorised access which can be difficult to manage and mitigate. This may mean that technological difficulties experienced by the Company may prevent the access to or use of the CFDs on Cryptocurrency Services. Any transactions in Cryptocurrencies may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. If any form of cybercrime or technological difficulties occur you should be aware that you will not be protected by the Financial Services Ombudsman nor by the Financial Services Compensation Scheme.

G. Deposit protection

All retail client funds are held in segregated client accounts, separate from the firm's own money in accordance with the FCA's client money rules. Accordingly deposits of customers of AFX Markets Ltd are protected by the Financial Services Compensation Scheme (FSCS) in the UK. This means that the FSCS in the UK will pay you compensation of your deposits up to a certain limit per customer, if the financial services firm enters into default and is unable to pay any claims against it. However, you should be aware that these protections will not compensate you for any losses from trading in CFD Cryptocurrencies.

You should still be careful and consider whether these products are right for you.

H. Complaints

You should be aware that as Cryptocurrencies are not regulated under MiFID, it is possible that you would not be able to make a complaint to the Financial Services Ombudsman Service, where your complaint relates to trading in cryptocurrencies or financial losses incurred from trading in cryptocurrencies. Where your complaint does not relate to trading in cryptocurrencies or financial losses from trading Cryptocurrencies, you may make a complaint by contacting the compliance department of AFX Markets Ltd trading as STO, by sending an email to complianceuk@stofs.co.uk. If you believe your complaint was not resolved satisfactorily by STO, you are entitled to submit any complaints to the Financial Ombudsman of the in the UK.

It should be noted that the information contained in this document does not disclose or explain all of the risks and other aspects involved in dealing in Cryptocurrency CFDs and you should seek advice from an independent professional financial advisor if you have any doubts. If you do not understand the risks involved in trading in cryptocurrency CFDs, you should not trade at all. Please make sure that you have carefully read and understood the clauses related to cryptocurrencies in our [Terms and Conditions](#) on our STO Legal Documents webpage <https://www.stofs.co.uk/en/legal-documents> or <https://www.stofs.com.uk/cyen/legal> documents and make sure that you fully understand the risks associated to trading CFDs on cryptocurrencies.