



# Risk disclosure and warnings notice

Version 5, November 2024

## 1 Introduction

- 1.1 All clients and prospective clients should read carefully the following risk disclosure and warnings contained in this document, before applying to the Company for a trading account and before they begin to trade with the Company. However, it is noted that this document cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in financial instruments. The notice was designed to explain in general terms the nature of the risks involved when dealing in financial instruments on a fair and non-misleading basis.
- 1.2 The Company executes the client's orders in relation to the following financial instruments:
  - Financial contracts for differences. ("CFDs") in stocks, commodities, indices and currency pairs (FX), etc.

*CFDs may also be referred as "financial instruments" in this Notice.*

## 2 Charges and taxes

- 2.1 It is the client's responsibility to obtain details of all fees, commissions, charges before the client begins to trade (such information can be obtained from the [Legal Documents](#) section of our website).
- 2.2 If any charges are not expressed in monetary terms (but, for example, as a percentage of contract value), the client should ensure that he understands what such charges are likely to amount to.
- 2.3 The Company may change its charges at any time and it is client's responsibility to check for any changes in the charges.



- 2.4 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 the client to seek advice from a competent tax professional if the client has any questions.
- 2.5 The client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.
- 2.6 It is noted that taxes are subject to change without notice.
- 2.7 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.
- 2.8 It is possible that other costs, including taxes, relating to transactions carried out on the trading platform to 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.



- 2.9 It is noted that the Company's prices, as received from the Company's market maker more commonly known as Liquidity Provider (i.e. the company issuing the CFDs) may be different from the 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. 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.

### 3 Third Party Risks

- 3.1 It is understood 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 such as a credit institution or a bank in a third country (such as South Africa). Although 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 the client's money will be held.
- 3.2 The Company places orders for execution to a third-party execution venue i.e. the Company is not the execution venue for the execution of the client's orders. The Company transmits client orders or arranges for their execution with a third party/(ies) known as Straight Through Process. In the event of a lack of liquidity of the Liquidity Provider after a successful order for the client, the Company will not be in a position to settle the transaction for the client (i.e. pay the client the difference of his successful trade).

### 4 Insolvency

- 4.1 The Company's and market maker insolvency or default may lead to positions being liquidated or closed out without the client's consent.



## 5 Technical risks

- 5.1 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.
- 5.2 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 his instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure, not owed to the Company's gross negligence or wilful default. The Company strives on a best effort basis to provide the client with a secure and smooth online experience. However, the client acknowledges the risk that should third parties (hackers) launch a coordinated attack against the Company systems that there may be a disruption of services that may result in client losses. The Company does not accept any liability resulting from such attacks to the extent that the Company has taken all reasonable measures on a best effort basis to fend off such malicious actions.

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

- 5.3 The client acknowledges that the internet may be subject to events which may affect his access to the Company's website 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 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, not owed to the Company's gross negligence or wilful default.



- 5.4 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 for 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 Company 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 requirements settings of the client terminal;
  - e. untimely update of the client terminal;
  - f. 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;
  - g. malfunction or inoperability of the Platform, which also includes the client terminal;
- 5.5 The client may suffer financial losses caused by the materialization of the above risks, the Company accepting 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, to the extent that these are not owed to the Company's gross negligence or wilful default.

## 6 Trading Platform

- 6.1 The client is warned that when trading in an electronic platform he assumes the risk of financial loss which may be a consequence of amongst other things:
- a. failure of client's devices, software and poor quality of connection;
  - b. the Company's or client's hardware or software failure, malfunction or misuse;
  - c. improper work of the client's equipment;
  - d. wrong setting of client's terminal;
  - e. delayed updates of client's terminal;



- 6.2 The client acknowledges that only one instruction is allowed to be in the queue at one time. Once the client has sent an instruction, any further instructions sent by the client are ignored and the “orders is locked” message appears until the first Instruction is executed.
- 6.3 It is understood that the connection between the client terminal and the Company’s server may be disrupted at some point and some of the quotes may not reach the client terminal.
- 6.4 The client acknowledges that when the client closes the order placing/ deleting window or the position opening/closing window, the Instruction, which has been sent to the Server, shall not be cancelled.
- 6.5 Orders may be executed one at a time while being in the queue. Multiple orders from the same client account at the same time may not be executed.
- 6.6 The client acknowledges that when the client closes the order, it shall not be cancelled.
- 6.7 In case the client has not received the result of 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.
- 6.8 The client acknowledges that if the pending order 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.

## **7 Communication between the Client and the Company**

- 7.1 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;



- 7.2 The client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access;
- 7.3 The Company has no responsibility if unauthorized 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.

## **8 Force Majeure Events**

- 8.1 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 agreement with the client found at Terms and Conditions.
- 8.2 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 Agreement where such failure, interruption or delay is due to a Force Majeure event.

## **9 Abnormal Market Conditions**

- 9.1 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 as received by NAGA Capital Ltd.
- 9.2 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.



## 10 Protection Rights

10.1 When a financial instrument is traded in a currency other than the currency of the client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance and may lead to losses for the client.

## 11 Conflicts of interest

11.1 For information about the conflicts of interest and the procedures and controls that the Company follows to manage the identified conflicts of interest, please refer to the Company's Summary Conflicts of Interest Policy found on the Company's website at [Legal Documents](#)

## 12 Information on risks associated with complex financial instruments over the counter (OTC)

12.1 The investment decisions made by the clients are subject to various markets, currencies, economic, political or business risks etc., and will not necessarily be profitable.

12.2 The client acknowledges and without any reservation accepts that, notwithstanding any general information which may have been given by the Company, the value of any investment in financial instruments may fluctuate either upwards or downwards. The client acknowledges and without any reservation accepts the existence of a substantial risk of incurring losses and damages as a result of buying or selling any financial instrument and acknowledges his willingness to take such risk.

Set out below is an outline of the major risks and other significant aspects of CFDs trading;

- a. Trading in CFD is VERY SPECULATIVE AND HIGHLY RISKY and is not suitable for all members of the general public but only for those investors who:
  - i. understand and are willing to assume the economic, legal and other risks involved;



- ii. taking into account their personal financial circumstances, financial resources, lifestyle and obligations are financially able to assume the loss of their entire investment;
  - iii. have the knowledge to understand CFDs trading and the underlying assets and markets;
- b. CFDs are derivative financial instruments deriving their value from the prices of the underlying assets/markets in which they refer to (for example currency, equity indices, stocks, metals, indices futures, forwards etc.). It is important therefore that the client understands the risks associated with trading in the relevant underlying asset/ market because fluctuations in the price of the underlying asset/ market will affect the profitability of his trade.

### 12.3 Risk associated with Copy Trading

The Company is proud to provide its clientele with the ability to interact, follow and copy other traders by using information and/or social trading features provided and/or made available on its trading platform. However, the Company notes that Social Trading is associated with various risks that all clients and prospective clients shall read and consider prior to their engagement in Social Trading. The Company's Risk Disclosure and Warning Notice provides a general description of the risks associated with Social Trading. **This document does not explain all the risks involved in Social Trading or how such risks relate to each client's personal circumstances.**

Social Trading is an automated trading execution, whereby trades are opened and closed on the Client's account without their manual intervention. It is the Client's decision to copy a specific trader or traders and/or follow a particular strategy. Prior to making such decisions, Clients must consider their entire financial situation including financial commitments and understand that using Social Trading is highly speculative and thus could sustain significant losses exceeding the amount used to copy a trader or traders.

Social Trading is provided by the Company solely for informational purposes and in this respect and it does not provide any investment or financial advice. **If clients make investment decisions in reliance on information which is available on the Company's websites and platform or as a result of the use of the Social Trading features, the clients do so at their own risk and the Company will not be liable for any losses that you may sustain.**



Clients should not make any investment decision without first conducting their own research. Clients are solely and exclusively responsible for determining whether any investment, or strategy, or any other product or service is appropriate or suitable for them based on their investment objectives and personal and financial situation.

A copied trader's positions (with respect to any of financial instruments offered by the Company) shall be copied as followed:

- A fixed amount equal to the lower; or
- the proportional amounts of the copied trade.

Such positions maintain the same leverage, stop loss, and take profit, to the maximum extent possible. Trades below the minimum trade amount may not be opened. All such positions shall be modified and/or closed automatically when modified/closed by the master trader, for whatsoever reason, without providing any further notice and without any action on your part. Clients should be able and prepared to bear the loss of the entire investment they made in such a copied trade. Clients are fully responsible for any losses they may sustain because of the automatic execution of instructions generated as a result of utilizing the Social Trading feature.

If Clients have placed additional orders in their account or have modified or cancelled an order generated by Social Trading, they may achieve a materially different result than the user that they copied.

In addition, withdrawal from the copied trade may also generate a materially different result than the user that they copied as it may affect the Social Trading proportion and free margin.

Any past performance of platform traders, statistics, and any other information with respect to platform traders appearing on our websites and applications are not indicative of future results and should be considered as hypothetical as more fully described below. **It is important for Clients to understand that statistical information and historical performance are not a guarantee of future performance.** No representation or guarantee is being made by the Company that any platform traders will or is likely to achieve profits or losses in the future. When reviewing the content, portfolio, financial performance information of another platform traders, Clients should not assume that the platform traders is unbiased, independent or qualified to provide financial information. The Company



does not guarantee any order including the placing of stop orders such as Stop Loss. Accordingly, regardless of the entry or closing designation, the Company does not guarantee that the trade will be filled at the order price/stop loss percentage, and you may lose more than the original amount used to copy the trade.

Any past performance of platform traders, statistics, and any other information with respect to platform traders appearing on our websites and applications is not indicative of future results. The actual percentage of profits and losses experienced by platform traders will vary depending on many factors, including but not limited to starting account balances (deposits and withdrawals) and account settings.

Under no circumstances the information and/or the Social Trading feature provided and/or made available on our website and or platform is intended to provide, or should be construed as providing, any investment, tax or other financial related advice of any kind. Upon engaging in orders based on content on the website and/or elect to copy specific traders, then such decisions and transactions and any consequences flowing therefrom, are the client's sole responsibility.

The Company does not provide investment advice directly, indirectly, implicitly, or in any manner whatsoever by making such information and/or features available to each client. All Clients shall use any information gathered from the platform and/or utilize the copy - trading only as a starting point of their own independent research and investment decision making.

### **13 Advice and Recommendation**

When placing orders with the Company, the Company will not advise the client about the merits of a particular transaction or give him any form of investment advice and the client acknowledges that the services do not include the provision of investment advice in CFDs or the underlying markets. The client alone will enter into transactions and take relevant decisions based on his own judgment. In asking the Company to enter into any transaction, the client represents that he has been solely responsible for making his own independent appraisal and investigation into the risks of the transaction. He represents that he has sufficient knowledge, market sophistication, professional advice and experience to make his own evaluation of the merits and risks of any transaction. The Company gives no warranty as to the suitability of the products traded under the Agreement and assumes no fiduciary duty in its relations with the client.



- 13.1 The Company will not be under any duty to provide the client with any legal, tax or other advice relating to any transaction. The client should seek independent expert advice if he is in any doubt as to whether he may incur any tax liabilities. The client is hereby warned that tax laws are subject to change from time to time.
- 13.2 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. 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.
- 13.3 It is understood that market commentary, news, or other information provided or made available by the Company are subject to change and may be withdrawn at any time without notice.

## 14 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 the client's investment decisions or 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.