



**THE RISK DISCLOSURE STATEMENT, THE INVESTMENT POLICIES AND PROCEDURES OF ZARA MULTITRADERS WAS APPROVED BY THE BOARD OF ZARA MULTITRADERS ON DEC 2017**

*The Code was issued on Jan 2018 and comes into force on 1 March 2018.*

**RISK DISCLOSURE STATEMENT**

*In regard to Markets brokers (“Zara Multitraders”) agreeing to enter into Over-the-Counter (“OTC”) Foreign Exchange Contracts (“FX Contracts”) and Contracts for Differences (“CFDs”), with the undersigned (hereinafter referred to as the “Client”, “you”, “your”), the Client understands, acknowledges, and agrees that:*

**Trading is Highly Speculative and Risky**

*Trading CFD’s and FX Contracts is highly speculative. It entails a significant risk of loss and is not suitable for all investors but only for those Clients who:*

- ✓ *Comprehend and are willing to assume the economic, legal and other risks involved*
- ✓ *Are experienced and knowledgeable about investing in derivatives and in underlying instrument types; and*
- ✓ *Are able to assume financial losses significantly in excess of margin or deposits, since investors may lose the total value of the contract not just the margin or the deposit.*

*Neither CFDs nor FX Contracts are to be deemed appropriate investments for retirement funds. CFD and FX transactions are among the riskiest kinds of investments and can result in sizable losses. The Client represents, warrants and agrees that they are fully cognizant of these risks, are willing and able, financially and otherwise, to assume the risks of investment in CFDs and FX Contracts and that the loss of the Client’s total account balance will not change the Client’s lifestyle.*

**Risks Related to Long CFD Positions, i.e. the Purchase of CFD’s**

*Opening a long CFD’s trading position means that in purchasing the CFD you are speculating that the market value of the underlying asset will rise, in the time between the purchase and the sale. As owner of a long position, you will generally make a profit if the market value of the underlying asset goes up while your CFD long position remains open. Conversely, you will generally suffer a loss, if the market value of the underlying asset drops while your CFD long position remains open. Your potential loss may therefore be greater than the original margin deposited. In addition, you may suffer a loss as a result of the closing of your position, if you do not have sufficient liquidity for the margin on your account to keep your position open.*

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### ***Risks Related to Short CFD Positions, i.e. the Sale of CFD's***

*Opening a short CFD's trading position means that in selling the CFD you are speculating that the market value of the underlying will drop in the time between the purchase and the sale. As owner of a short position, you will generally make a profit if the market value of the underlying asset drops while your CFD short position remains open. Conversely, you will generally suffer a loss, if the market value of the underlying asset rises while your CFD short position remains open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closing of your position, if you do not have sufficient liquidity for the margin on your account to keep your position open.*

### ***Low Margin and High Leverage Can Lead to Rapid Losses***

*The high amount of "gearing" or "leverage" is a particular feature specific to both CFD and FX Contracts. The influence of leverage makes trading CFD's riskier than trading the underlying instrument. This results from the margining system applicable to CFD's, which generally requires a small deposit from the investor relative to the size of the actual position they are opening. Consequently a relatively small price change in the underlying instrument can have a disproportionately dramatic effect on your trade. This can be equally advantageous and disadvantageous. A small price change in your favour can deliver a high return on the deposit. However, a small price change against you might result in sizable losses. Your losses will never exceed your account balance, which is balanced to zero, if the losses are higher than the sum deposited. Such losses can occur rapidly; the higher the leverage, the greater the risk. The amount of leverage therefore impacts the outcome of the trade.*

### ***Margin Requirements***

*At all times, the Client must maintain the minimum margin requirement on each of their open positions. It is the Client's responsibility to keep track of his or her account balance. The Client may receive a margin call, requesting that they deposit additional funds if the margin in the trading account has dropped too low. Zara Multitraders has the right to liquidate any or all open trading positions whenever the minimum margin requirement has not been maintained. This might result in the Client's positions being closed at a loss, for which the Client will be considered liable.*

### ***Spread***

*The value difference between our bid and ask prices is "Our Spread". Our Spreads are set at our absolute discretion, as we are acting as market maker, and any changes we make to our spreads are effective immediately. Information regarding Our Spread, rollover fees, leverage ratios and trading hours for each market is presented in the CFD's Trading and Forex Trading pages of our website.*

### ***Cash Settlement***

*The Client understands that CFD and FX Contracts transactions may only be settled in cash and the difference between the ask and bid price partly determines the result of the trade.*

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### ***Conflicts of Interest***

*Zara Multitraders is the counterparty to every transaction entered into under the Client Agreement and, as such, Zara Multitraders' interests could be in conflict with yours.*

### ***Over the Counter (OTC) Transactions***

*When trading CFD's or FX Contracts with Zara Multitraders, these Over the Counter (OTC) transactions, will not be executed on a recognized, designated investment exchange. All positions opened with us must also be closed with us, and cannot be closed with any other entity. OTC transactions may involve a higher level of risk than transactions executed for on-exchange contracts, since there is no exchange market on which to close out an open position. It may not be possible to liquidate an existing position, to evaluate the value of a position arising from an OTC transaction, or to evaluate the degree of risk exposure. We may not quote bid and ask prices, based on the best execution policies applicable in the exchange market. There is no central clearing and no assurance by any other party of Marketsbroker's payment obligations to the Client, therefore the Client is exposed to credit risk with Zara Multitraders. The Client must look only to Zara Multitraders for the execution of any contracts in the Client's trading account and for the return of any margin or collateral.*

### ***Margin, Valuations and Prices are Determined by Zara Multitraders and May Differ from Prices Reported Elsewhere***

*Zara Multitraders will provide prices for use in trading, in the valuation of Client positions and in the establishment of Margin requirements in keeping with its Trading Policies and Procedures and Market Information Sheets. The execution of your CFD or FX Contract will be determined based on the prices set by Zara Multitraders, and on market shifts in the underlying instruments to which your contract refers. Thus, each underlying instrument carries risks that impact the result of the specific CFD contract.*

*Company's prices for any given market are determined by reference to the relevant underlying instrument, which we receive from external third party reference sources or exchanges. For our CFD and FX Contracts, we receive price data from wholesale market participants. While Zara Multitraders expects that these prices will show a reasonable correlation to prices available in the market, Zara Multitraders' prices may vary from those available to banks and other market participants. Zara Multitraders has wide discretion in determining and collecting margin. Zara Multitraders is authorized to convert your account funds for margin into and from such foreign currency, at a rate of exchange set by Zara Multitraders Company at its sole discretion, based on the then-prevailing money market rates.*

### ***Rights to Underlying Instruments***

*The Client has no rights or obligations with respect to the underlying instruments or assets relating to the Client's CFDs or FX Contracts. The Client understands that CFDs can have different underlying instruments, such as indices, currencies and commodities, as outlined in the CFD's Trading and Forex Trading pages of our website.*

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### **Currency Risk**

*Investing in FX Contracts and CFD's with an underlying instrument listed in a currency other than your base currency involves a currency risk, due to the fact that when the CFD or FX Contract is executed in a currency other than your base currency, the value of your return may be impacted by its conversion into the base currency.*

### **One Click Trading and Immediate Execution**

*Company's Online Trading System immediately transmits the Client's order once the Client has entered the notional sum and clicked "Buy/Sell." This means that there is no opportunity to revise the order after clicking "Buy/Sell" and Market Orders cannot be cancelled or modified. This feature may differ from those offered by other trading systems you have used. You should utilize the Demo Trading System to become familiar with the Online Trading System prior to actually trading online with Zara Multitraders. The Client acknowledges and agrees that by utilizing the Zara Multitraders' Online Trading System, the Client agrees to the one-click system and accepts the risk inherent in using this immediate transmission/execution feature.*

### **Telephone Orders and Immediate Execution**

*Market Orders placed over the telephone through the Zara Multitraders Trading Desk are completed when the Zara Multitraders telephone operator says "deal" or "done" after the Client has placed an order. Upon such verification from the telephone operator, the Client has bought or sold and cannot cancel the Market Order. By placing Market Orders through the Zara Multitraders Trading Desk, the Client acknowledges and agrees to such immediate execution and accepts the risk inherent in using this immediate execution feature.*

### **Zara Multitraders is Not an Adviser or a Fiduciary to Our Clients**

*Where Zara Multitraders offers generic market recommendations, such general recommendations do not constitute individual recommendations or investment advice. Such generic recommendations have not taken into consideration your individual circumstances or your personal investment objectives. Such generic recommendations do not constitute a buy or sell offer, nor do they constitute the solicitation of an offer to buy or sell, any FX Contracts or Cross-Currency Contracts. Every CFD or FX Contract the Client decides to enter into with Zara Multitraders and each decision as to whether a transaction is appropriate or suitable for the Client, is a personal, independent decision made by the Client. Zara Multitraders is not acting as an advisor or serving as a fiduciary to the Client. The Client agrees that Zara Multitraders has no fiduciary duty to the Client, and bears no liability with regard to these generic recommendations. Zara Multitraders is not responsible for any claims, costs, damages, liabilities, or expenses, including attorneys' fees, incurred by the Client as a result of following Zara Multitraders' generic trading recommendations, or as a result of the Client taking or not taking any action based on any information or generic recommendation provided by Zara Multitraders.*

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### ***Market Recommendations Are Not Guaranteed***

*The generic market recommendations provided by Zara Multitraders are based solely on evaluations made by Zara Multitraders employees and are to be considered as such. The Client acknowledges that the Client enters into any Transactions based on the Client's own evaluation. Any market recommendations provided are entirely generic and may or may not be consistent with the market positions or intentions of Zara Multitraders and/or its affiliates. Zara Multitraders generic market recommendations are based upon data believed to be reliable. However, Zara Multitraders cannot and does not guarantee the accuracy or comprehensiveness thereof, or represent that by following such generic recommendations the Client will reduce or eradicate the risk inherent in trading CFDs and/or FX Contracts.*

### ***No Guarantees of Profit***

*There are no guarantees of profit, nor assurances of avoiding losses when trading CFD's and Foreign Exchange Contracts. The Client has received no such guarantees from Zara Multitraders or from any of its representatives. The Client is aware of the risks involved in trading CFD's and Foreign Exchange Contracts and is financially able to abide such risks and withstand any losses that may be incurred.*

### ***The Client May Not Be Able to Close Open Positions***

*As a consequence of market conditions which result in unusual, rapid market price fluctuations, or other circumstances, Zara Multitraders may not be able to close the Client's position at the price specified by the Client. The risk control measures imposed by Zara Multitraders might not work and the Client agrees that Zara Multitraders will carry no liability for any failure to do so.*

### ***Internet Trading***

*When the Client invests online (via the internet), Zara Multitraders shall not be liable for any claims, costs, damages, losses or expenses, incurred, directly or indirectly, as a result of the malfunction, disruption or failure of any transmission, computer facility, communication system, or trading software, belonging to the Client, Zara Multitraders, any exchange, any settlement, or any clearing system.*

### ***Telephone Orders***

*Zara Multitraders is not liable for any disruption, failure or malfunctioning of telephone facilities. Zara Multitraders does not guarantee its telephone availability. In the prevention of any doubt, the Client is aware that Zara Multitraders might not be reachable at all times by telephone. In such instances the Client shall place orders through other methods offered by Zara Multitraders.*

### ***Quoting Errors***

*In the case of a quoting error (including quoting errors occurring in responses to Client requests), Zara Multitraders is not responsible for any resulting account balance errors and reserves the right to make necessary corrections or amendments to the relevant Account. Any disputes that arise from such quoting errors will be resolved based on the fair market value of the relevant market at the time the error occurred,*

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*as set by Zara Multitraders in its absolute discretion and acting in good faith. In the event that the prevailing market represents prices that differ from the prices Zara Multitraders has posted on our screen, Zara Multitraders will endeavor, on a best-efforts basis, to carry out Transactions on or close to the prevailing market prices. These prevailing market prices will be the values, which are ultimately reflected on the Client statements. This may or may not adversely impact the Client's realized and unrealized profits and losses.*

***I / WE HAVE READ, UNDERSTOOD, ACKNOWLEDGED AND AGREE TO THE TERMS OF THE RISK DISCLOSURE STATEMENT, AND THE INVESTMENT POLICIES AND PROCEDURES SET OUT ABOVE***

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