



FXopen
when money makes money

Risk Warning Notice
v1.1 – 23d April 2012

FXOpen is authorised and regulated in the UK by the Financial Conduct Authority
under Firm Reference Number: 579202

1 RISK WARNING NOTICE

Please note that the value of your investments may rise or fall depending on market conditions and that you may not always recoup your initial investment and indeed, you may lose more than your initial investment. In addition past market or investment product performance should not be seen as an indication of future market or investment product performance. If you are in any doubt as to the suitability of any investment you should seek independent expert advice.

This notice is provided to you as a Retail Customer, in compliance with the FCA rules and accordingly, Retail Customers are afforded greater protections under these rules than other customers. It is not possible for this notice to disclose all the risks and other significant aspects of derivative or leveraged products such as Contracts for Difference (“CFDs”) or financial Foreign Exchange transactions (“FX”). You should not deal in these products unless you understand their nature and the extent of your exposure to risk. Additionally, your account will be operated by the firm on an ‘execution-only’ basis. The firm will not offer investment advice on any of your transactions.

You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. Although derivative or leveraged instruments can be utilised for the management of investment risk, some of these products are unsuitable for many investors. It will remain your liability to maintain any margin or leverage required to satisfy the operation of your account, including individual transactions, at all times and in accordance with 1.7 below. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points:

1.1 Securitised Derivatives

These instruments provide a time-limited right to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment. They may give you rights under a CFD which allow for speculation on fluctuations in the value of the investment or an index, such as the FTSE 100 index. In both cases the investment may be referred to as the “underlying instrument”.

These instruments often involve a high degree of gearing or leverage so that a relatively small movement in the price of the underlying investment results in a much larger movement either favourable or unfavourable, in the price of the instrument, therefore the price of these instruments can be volatile.

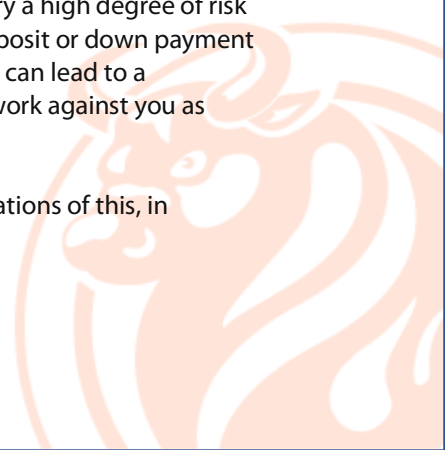
These instruments have a limited life and may, unless there is some form of guaranteed return to the amount you are investing in the product, expire worthless if the underlying instrument does not perform as expected. You should enter into transactions in this product only if you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

You should consider carefully whether or not this product is suitable for you in light of your circumstances and financial position and if in any doubt please seek professional advice.

1.2 Futures

Transactions in Futures involve the obligation to make or to take, delivery of the underlying investment of the contract at a future date or in some cases to settle the position with cash. They carry a high degree of risk and the gearing or leverage often obtainable in Futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment and this can work against you as well as for you.

Futures transactions have a contingent liability and you should be aware of the implications of this, in particular the margining requirements which are set out at paragraph 1.5.



1.3 Contracts for Difference (“CFDs”)

Futures and Options contracts can also be referred to as Contracts for difference (“CFDs”). These can be Options and Futures on the FTSE 100 index or any other index as well as currency and interest rate swaps however, unlike other Futures and Options, these contracts can only be settled in cash.

Investing in a CFD carries the same risks as investing in a Future or an Option and you should be aware of these as set out in paragraphs 1.2 and 1.3 respectively. Transactions in CFDs may also have a Contingent Liability and you should be aware of the implications of this as set out in paragraph 1.5.

Please note that you will not be entitled to any voting rights on the underlying equity.

1.4 Off-Exchange Transactions in Derivatives

Derivatives may be arranged either “On Exchange” or in an “Off-Exchange” Derivative transaction and in some cases, it may not be immediately apparent to the investor. It is the firm’s responsibility to inform you if you are entering into an “Off-Exchange” Derivative transaction.

Whilst some “Off-Exchange” markets are highly liquid, transactions in “Off-Exchange” or “non-transferable” derivatives may involve greater risk than investing in “On-Exchange” Derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an “Off-Exchange” transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

1.5 Contingent Liability Investment Transactions

Contingent Liability Investment Transactions which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in Futures, CFDs or sell Options, you may sustain a total loss of the margin you deposit with the firm to establish or maintain a position.

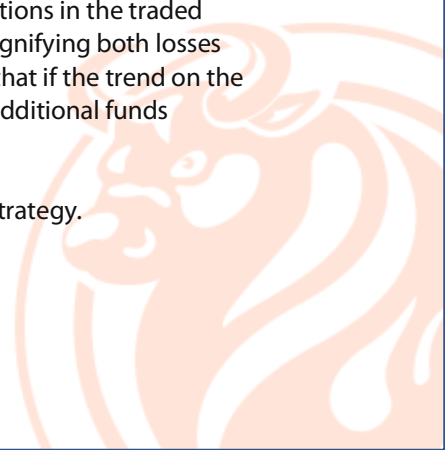
If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

Save as specifically provided by the FCA the firm may only carry out margined or Contingent Liability transactions with or for you if they are traded on or under the rules of a Recognised or Designated Investment Exchange. Contingent Liability Investment transactions which are not so traded could expose you to substantially greater risks.

1.6 Leverage

High leverage and low margin can result in significant losses due to small price fluctuations in the traded products. High leverage allows you, the customer, to assume more risk, potentially magnifying both losses and profits, which may result in a total loss of deposit and margin. You must consider that if the trend on the market is against you, you may sustain a total loss of the initial margin funds and any additional funds deposited to maintain open positions.

You are responsible for all your risks, your financial resources and the chosen trading strategy.



1.7 Limited Liability Transactions

Before entering into a Limited Liability Transaction you should obtain from the firm a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction. The amount you can lose in Limited Liability Transactions will be less than in other margined transactions which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited but the risk of sustaining a total loss to the amount agreed is substantial.

1.8 Commissions and Other Charges

Before you begin to trade you should obtain details of all Commissions and Other Charges for which you will be liable. If any Charges are not expressed in money terms e.g., but as a percentage of contract value, you should obtain a clear and written explanation including appropriate examples, to establish what such Charges are likely to mean in specific monetary 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.

1.9 Suspensions of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur for example, at times of rapid price movement if 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. Placing a stop-loss order will not necessarily limit your losses to the intended amounts because market conditions may make it impossible to execute such an order at the stipulated price.

1.10 Clearing House Protections

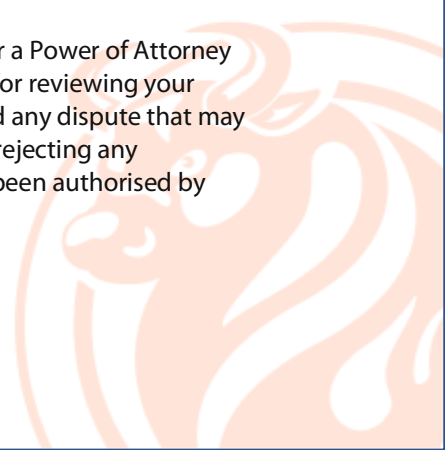
On many Exchanges the performance of a transaction by the firm or a third party with whom they are dealing on your behalf is guaranteed by the Exchange or Clearing House however, this guarantee is unlikely in most circumstances to cover you, the customer, and may not protect you if the firm or another party defaults on its obligations to you. On request, the firm must explain any protection provided to you under the Clearing guarantee applicable to any "On-Exchange" Derivatives in which you are dealing. There is not a Clearing House for Traditional Options, or normally for "Off-Exchange" instruments which are not traded under the rules of a Recognised or Designated Investment Exchange.

1.11 Insolvency

Our insolvency or default or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as Collateral and you may have to accept any available payments in cash. On request, the firm must provide an explanation of the extent to which it will accept liability for any insolvency of or default by, other firms involved with your transactions.

1.12 Trading Agents

In the event that you grant trading authority to a third party, the 'Trading Agent, under a Power of Attorney and whether on a discretionary or non-discretionary basis, we will not be responsible for reviewing your choice of agent. The firm will not be liable for any losses incurred by such an agent and any dispute that may arise will be resolved between you and your agent. The firm will not be held liable for rejecting any instruction received from an agent where our records indicate that the agent has not been authorised by you.



1.13 Trading online

The liability and associated risks of trading online e.g., 'gapping' or 'slippage' remain the customers at all times.

You will be able to trade and communicate with the firm via electronic means e.g., via our online trading platform and email. Although electronic communication is generally a reliable means of communication, it is not infallible or always available. If you trade via electronic communication, you should be aware that it can fail, be subject to delay, may not be secure and / or may not reach its recipient. It must also be noted by the customer that once a trade request is submitted, it may not be withdrawn or amended, irrespective of the order's execution status.

Also, whilst the firm will undertake every reasonable action to maintain the efficient functionality of its systems, it cannot be held responsible for those issues over which it has no direct control e.g., a 'force majeure' event.

It should be noted that a customer will retain the ability to execute a transaction directly by telephone with one of the firm's traders should they choose to do so in any period of 'outage'.

1.14 Human error

You understand and accept that with the exception of proven willful negligence on the part of an employee of the firm, any position or open transaction that results from reasonable human error will be corrected or 'made good' by the firm to the point where the net result will be 'zero' to you and the firm i.e., as if the position or transaction did not exist.

1.15 Force majeure

You accept that in circumstances beyond the firm's control i.e., any force majeure event, all risks will be accepted by you.

1.16 The Financial Ombudsman Service ("FOS") and The Financial Services Compensation Scheme ("FSCS")

Should a customer have reason to be dissatisfied with the firm's products or services, they must in the first instance contact the firm's Compliance Officer directly, who will seek to resolve their issue. Should a customer then remain dissatisfied, they have recourse to the FOS and the FSCS whose details can be found at:

- a) <http://www.financial-ombudsman.org.uk/>; and
- b) <http://www.fscs.org.uk/>.

1.17 The Risk Warning Notice

Please ensure that you retain a copy of this Risk Warning Notice for your records,

FXOpen Limited
4th Floor
80, Coleman Street
London
EC2R 5BJ

579202. Authorised and regulated by the Financial Conduct Authority in the United Kingdom under Firm Reference Number





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1 / We have read and understood the Risk Warning set out above. (Delete as applicable.)

PRIMARY ACCOUNT HOLDER		JOINT (SECONDARY) ACCOUNT HOLDER	
Name:		Name:	
Signature:		Signature:	
Date:	/ / 20	Date:	/ / 20

