

## Full Risk Warning

In compliance with Financial Conduct Authority's (FCA) requirements, this notice is provided to you because you are proposing to undertake dealings in financial instruments in the form of spread bets, CFDs or foreign exchange instruments with a firm which is carrying out investment business.

### 1. Risks Disclosure

#### Retail Traders

Trading these financial products carries a high level of risk to your capital with the possibility of losing your initial investment and may not be suitable for everyone. Ensure you fully understand the risks involved and seek independent advice if necessary.

### 2. Professional Traders

Trading these financial products carries a high level of risk to your capital with the possibility of losing more than your initial investment and may not be suitable for everyone. Ensure you fully understand the risks involved and seek independent advice if necessary.

This notice provides you with information about the risks associated with our product offering. We endeavour to explain the risks, however this notice does not, and cannot, disclose or explain all of the risks and other significant aspects involved in dealing such products. We cannot reference such risks to relate directly to your personal circumstances as this is governed by your own individual trading methodology which dictates your specific exposure to risk.

### 3. Advice

ThinkMarkets is an execution-only trading service and as such we are prohibited from providing you with investment advice or recommendations of any kind. We aim to provide a premier execution service with functional customer support, and as such aim to provide you with factual market information and product specific and/or transaction specific information at your request. Any decision to use our products or services is made by you alone.

You are responsible for managing your tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. We do not provide

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any regulatory, tax or legal advice. If you are in any doubt as to the tax treatment or liabilities of investment products available through any of your Accounts, please seek independent advice.

#### **4. Appropriateness**

The nature of our products carry a higher risk of loss than trading many traditional instruments. As such, trading in our products is not suitable for all persons. You should not engage in trading in our products unless you are able to understand the mechanics and risks associated with such trading, and are also satisfied that such trading is suitable for you in light of your circumstances and financial resources.

The price movement of the underlying instrument combined with gearing means that losses can exceed your initial deposit and you may be required to provide further funds to support open positions at short notice.

Any decision to open an account and to use our products or services is yours. It is your responsibility to understand the risks involved with our products or services. It is up to you to assess whether your financial resources are adequate for your financial activity with us and your risk appetite in the products and services.

#### **5. General Risks**

In considering whether to engage in trading our products, you should be aware of the following general risks:

#### **6. Gearing and Leverage**

Your account must be fully funded before any transactions can be executed on your account. You will be required to place the margin requirement of each individual trade, and as our products are geared/leveraged, this deposit will usually be a modest proportion of the overall consideration of the transaction. The gearing/leveraged nature of the products mean that a small price movement in the underlying instrument magnifies either your profit or loss.

The potential expedient movement of prices means that you must ensure that your account is always adequately funded to maintain open positions. As such you may need to provide us with substantial additional deposits at short notice. Failure to do this could result in positions being automatically closed. At all times you will be responsible for your losses incurred as a result of this action. Adverse movements in the underlying market may lead to the loss of the whole of your deposit and possibly more, and as such your account may be in debit which will need to be cleared as per our Terms and Conditions.

#### **7. Position Monitoring**

The speed at which profits and losses can be incurred for these instruments, due to their geared nature means that it is essential to monitor your positions closely. ThinkMarkets is not

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responsible for the monitoring of your account in this regard. Our platform, will on a best endeavours, try and notify of you of potential close outs but should not be relied upon as a risk tool. The responsibility to monitor and fund your account is yours alone.

## **8. Automatic Closure of Positions**

Your account valuation must stay above our automatic close-out levels at all times to ensure they remain open. If it does not, then ALL of your open positions will be automatically closed. We do not guarantee the timing of such closure and as such you must not rely upon us as a last resort of risk management.

## **9. Execution**

The instruments you trade with us are synthetically created by us and mirror the movement and depth of the underlying asset. As such dealing in our products is considered exclusively off-exchange (over the counter or OTC). All client transactions are back to backed in the market simultaneously at point of execution, but as we host the products you trade with us we will be the venue of execution. You do not have any entitlement to the underlying instrument or its associated rights.

## **10. Service**

ThinkMarkets provides clients with factual market information and information regarding our transaction procedures, the potential risks involved in trading our products along with risk mitigation tools/techniques. We are not permitted to, nor shall we provide investment advice. All decisions to trade are exclusively yours.

## **11. Volatility & Liquidity**

Your Profit and Loss will be directly impacted by fluctuations in the volatility and liquidity of the underlying instruments you trade. Price movements of the underlying instruments can be volatile and by their nature unpredictable.

ThinkMarkets has no control over the price movements of the underlying instruments. 'Gapping' is a feature of volatile and fast moving markets, where pricing are not consecutive. Stop instructions (Buy or Sell) are not guaranteed unless specifically stated. Instances of high volatility or lack of liquidity (the depth of the underlying markets) may mean that your stop is executed well through your specified price. You should factor this into your trading strategies.

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