



## RISK DISCLOSURE

This Risk Disclosure is issued by **SOCAL TRADE LTD** company (“Company”), which provides the Trader’s Room service and trading platform, to inform the Client about the inherent risks involved in financial market trading. While this Disclosure aims to outline the general nature of these risks, it cannot and does not cover or explain every possible risk and other significant factors involved in trading activities. Its purpose is to provide a broad understanding of the risks involved and assist the Client in making informed investment decisions. However, the Client should be aware that engaging in financial market trading involves substantial risk, and it is highly recommended to conduct independent research or seek professional advice before proceeding with any trading activities.

Date of the latest update: 22.08.2024.

### 1. TRADING RISKS

1.1. The Company shall not be held liable for any losses incurred by the Client due to the selection of an inappropriate trading strategy or the Client’s failure to adhere to proper capital management principles. The responsibility for strategic decisions and risk management rests solely with the Client.

1.2. The Client acknowledges that during abnormal market conditions, the execution time of their trading orders may be significantly delayed. As a result, the execution price of an order might differ from the initially requested price, potentially resulting in less favorable conditions for the Client.

1.3. All trading accounts utilize leverage, which can amplify both gains and losses. Under margin trading conditions, even minor market fluctuations can have a disproportionately large impact on the Client’s trading account. The Client recognizes that unfavorable market movements may lead to significant financial losses, possibly exceeding the initial investment. Therefore, the Client must fully understand and accept the potential for total loss of all invested funds.

1.4. Certain financial instruments may lose their liquidity unexpectedly, for example, due to reduced demand. In such cases, the Client may be unable to sell the instruments or may find it difficult to obtain reliable pricing information or assess the associated risks.

1.5. The Client acknowledges that if trading is conducted in a currency other than the currency of the Client’s country of residence, fluctuations in exchange rates could negatively affect the value of the trading instruments and overall performance, further complicating the Client’s financial outcomes.

1.6. The Client is responsible for obtaining detailed information regarding all fees and charges for which they may be liable, ensuring that they fully understand the financial obligations associated with their trading activities.



## **2. TECHNICAL RISKS**

2.1. The Client acknowledges and accepts the risks associated with potential failures of software, telecommunications systems, or other technical issues that may arise during trading activities. These disruptions can affect the Client's ability to execute trades or access trading platforms, and the Company cannot be held liable for any losses resulting from such technical problems.

2.2. The Company is not responsible for any losses sustained by the Client as a result of failure to follow the instructions outlined in the user guide for the client terminal. It is the Client's responsibility to ensure that they are fully familiar with the functionality and proper use of the trading platform.

2.3. The Client accepts the risk of unintended or duplicate transactions that may occur if they attempt to repeat an order before the confirmation or results of the previous order have been received. This can lead to unplanned trading actions, and the Client assumes full responsibility for such outcomes.

2.4. The Client is solely responsible for maintaining the confidentiality of their passwords and must ensure that no third parties gain unauthorized access to the trading system. Any transactions executed using the Client's password, even if accessed or used by a third party without the Client's consent, will be considered valid and binding for both the Client and the Company.

2.5. The Client understands that unencrypted information, such as data transmitted via email or instant messaging services, is vulnerable to unauthorized access. As such, the Client assumes the risks associated with the potential exposure of sensitive information during its transmission through unsecured communication channels.

2.6. In the event of a poor or unstable connection between the client terminal and the server, there is a possibility that some quotes may not be transmitted to the client terminal. The Client acknowledges that the server is the only reliable and authoritative source of quotes for those holding live accounts. Any discrepancies or delays in receiving quotes via the client terminal are not the responsibility of the Company, and the Client should rely solely on the data provided by the server to ensure accurate and up-to-date information during trading.

## **3. FORCE MAJEURE**

3.1. The Company shall not be held responsible for any losses sustained by the Client due to force majeure events, including but not limited to: acts of war, terrorist attacks, natural disasters, trading halts on financial markets, currency interventions, government-imposed regulations or decisions, extreme market instability resulting in rapid drops in liquidity, and other significant disruptions affecting the operational processes of counterparties. The Client acknowledges that such extraordinary circumstances are beyond the Company's control, and the Company bears no liability for any financial impact caused by these unforeseeable events.



## **4. INTRODUCING CHANGES TO THE RISK DISCLOSURE**

4.1. The Company reserves the right to review, update, and/or amend this Risk Disclosure at its sole discretion. The Client is encouraged to regularly review the Disclosure to stay informed of any changes. By continuing to use the Company's services or visiting its website after such changes have been implemented, the Client automatically agrees to and accepts the revised terms of the Disclosure, regardless of whether they have reviewed the updates in detail.