



MAXAIN
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Risk Disclosure **Statement**

Maxain Provide professional investors with CFD trading brokerage services for global financial products.

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1. INTRODUCTION

This statement covers the website www.maxainasia.com and any other related websites that are registered and operated by the Company.

Maxain Markets Limited is a company registered in the Saint Vincent and the Grenadines under registration number 25526 BC 2019.

Maxain Markets Limited (hereinafter referred to as 'MAXAIN' or the 'Company') is a brokerage firm that operates globally.

2. Risk WARNING

- 3.1. Prospective clients should study the following risk warnings very carefully. Please note that we do not explore or explain all the risks involved when dealing in Financial Instruments. We outline the general nature of the risks of dealing in Financial Instruments on a fair and non-misleading basis. This statement forms an integral part of the Operative Agreements between the Client and the Company.
- 3.2. In particular, Contracts for Difference ('CFDs') are complex financial products and not suitable for all investors. CFDs, are leveraged products that mature when you choose to close an existing open position. By investing in CFDs, you assume a high level of risk and can result in the loss of all of your invested capital.
- 3.3. Unless a client knows and fully understands the risks involved in each Financial Instrument, they should not engage in any trading activity. You should not risk more than you are prepared to lose. MAXAIN will not provide clients with any investment advice in relation to investments, possible transactions in investments, or Financial Instruments, neither will we make any investment recommendations. Clients should consider which Financial Instrument is suitable for them according to their financial status

Risk Warning: Please note that trading in forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before undertaking any such transaction you should ensure that you fully understand the risks involved and seek independent financial advice if necessary.

and goals before opening an account with MAXAIN. If a client is unclear about the risks involved in trading in Financial Instruments, then they should consult an independent financial advisor. If the Client still doesn't understand the risks related, they should then refrain from any trading activity. Financial Instruments comes with a significant risk of losses and damages and each client must understand that the investment value can both increase and decrease, clients are liable for all these losses and damages, which could result in more than the initial invested capital once they made the decision to trade.

3. ACKNOWLEDGEMENT

Technical Risk

- 3.1. The Client shall be responsible for the risks of financial losses caused by the failure of information, communication, electronic and other systems. The result of any system failure may be that his order is either not executed according to his instructions or it is not executed at all. MAXAIN does not accept any liability in the case of such a failure.
- 3.2. While trading through the Client Terminal, the Client shall be responsible for the risks of financial losses caused by the following:
 - (a) Client's or the Company's hardware or software failure, malfunction or misuse;
 - (b) poor Internet connection either on the side of the Client or the Company or both, or interruptions or transmission blackouts or public electricity network failures or hacker attacks, overload of connection;
 - (c) wrong settings in the Client Terminal;

(d) delayed Client Terminal updates;

(e) the Client disregarding the applicable rules described in the Client Terminal user guide and/or in the company's Website;

- 3.3. Client acknowledges that at times of excessive deal flow, the Client may have difficulties to be connected over the phone with the Company, especially when there are rapid fluctuations in the market (e.g., when key macroeconomic indicators are released).

Abnormal Market Conditions

- 3.4. The Client acknowledge that under abnormal market conditions, the execution of Instructions and Requests may be delayed.

Trading Platform

- 3.5. Client acknowledges that only one Request or Instruction is allowed to be pending for execution one at one time. Once the Client had sent a Request or Instruction, any further Request or Instruction sent by the same Client would be ignored and an "Order is being locked" message would appear until the execution of the initial Request or Instruction is completed.
- 3.6. The Client acknowledges that the only reliable source of Quotes Flow information is that of the real/live Server's Quotes Base. Quotes Base in the Client Terminal is not a reliable source of Quotes Flow information because the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes simply may not reach the Client Terminal.
- 3.7. The Client acknowledges that when the Client closes the order placing/modifying/deleting window or the position opening/closing

window, the Instruction or Request, which has been sent to the Server, cannot be canceled.

- 3.8. In case the Client has not received the result of the execution of the previously sent Instruction but decides to repeat the Instruction, the Client shall accept the risk of making two Transactions instead of one, however the Client may receive an " Order is being locked " message as described in point 2.5 above.
- 3.9. The Client acknowledges that if the Pending Order has already been executed but the Client sends the Instruction to modify its level and the levels of If-Done Orders at the same time, 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.

Communications

- 3.10. 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 MAXAIN.
- 3.11. The Client acknowledges that the unencrypted information transmitted by email is not protected from any unauthorized access.
- 3.12. The Client is fully responsible for the risks in respect of undelivered trading platform internal mail messages sent to the Client by MAXAIN as they are automatically deleted within 3 (three) calendar days.
- 3.13. The Client is wholly responsible for the privacy of the information received from MAXAIN and accepts the risk of any financial losses caused by the unauthorized access of a third party to the Client's Trading Account.

3.14. The Company has no responsibility if authorized/unauthorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between MAXAIN or any other party, using the internet or other network communication facilities, telephone, or any other electronic means.

Force Majeure Event

3.15. In case of a Force Majeure Event the Client shall accept the risk of financial losses.

4. RISK WARNING NOTICE FOR FOREIGN EXCHANGE AND DERIVATIVE PRODUCTS

4.1. This notice cannot disclose all the risks and other significant aspects of foreign exchange and derivative products such as futures, options, and Contracts for Differences. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in light of your circumstances and financial position. Certain strategies, such as a "spread" position or a "straddle", may be as risky as a simple Long or Short position.

Although forex and derivative instruments can be used for the management of investment risk, some of these products are unsuitable for many investors. You should not engage in any dealings directly or indirectly in derivative products unless you know and understand the risks involved in them and that you may lose entirely all of your money. 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:

Effect of Leverage

- 4.2. Under Margin Trading conditions even small market movements may have great impact on the Client's Trading Account. It is important to note that all accounts trade under the effect of Leverage. The Client must consider that if the market moves against the Client, the Client may sustain a total loss greater than the funds deposited. The Client is responsible for all the risks, financial resources the Client uses and for the chosen trading strategy.

It is highly recommended that the Client maintains a Margin Level (percentage Equity to Necessary Margin ratio which is calculated as $\text{Equity} / \text{Necessary Margin} * 100\%$) of not lower than 1,000%. It is also recommended to place Stop Loss to limit potential losses, and Take Profit to collect profits, when it is not possible for the Client to manage the Client's Open Positions.

The Client shall be responsible for all financial losses caused by the opening of the position using temporary excess Free Margin on the Trading Account gained as a result of a profitable position (canceled by MAXAIN afterwards) opened at an Error Quote (Spike) or at a Quote received as a result of a Manifest Error.

High Volatile Instruments

- 4.3. Some Instruments trade within wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of losses as well as profits. The price of Derivative financial instruments is derived from the price of the underlying asset in which the instruments refer to (for example currency, stock, metals, indices, etc). Derivative financial instruments and related markets can be highly volatile. The prices of instruments and the underlying asset may fluctuate rapidly and

over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it may be impossible for a Client's order to be executed at declared price leading to losses. The prices of instruments and the underlying asset will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market place. Therefore, Stop Loss order cannot guarantee the limit of loss.

The Client acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value. This is owed to the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in the Client's favour, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit, but may also expose the Client to a large additional loss.

Liquidity

- 4.4. Some of the underlying assets may not become immediately liquid as a result of reduced demand for the underlying asset and Client may not be able to obtain the information on the value of these or the extent of the associated risks.

Contracts for Differences (“CFDs”)

- 4.5. The CFDs available for trading with the Company are non-deliverable spot transactions giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. If the underlying instrument movement is in the Client's favour, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Client's entire deposit but also any additional commissions and other expenses incurred. So, the Client must not enter into CFDs unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.

Transactions in Contracts for Differences may also have a contingent liability and you should be aware of the implications of this as set out below.

Off-exchange Transactions in Derivatives

- 4.6. CFDs, forex and precious metals are off-exchange transactions. While 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 Ask 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.

In regards to transactions in CFDs, forex and precious metals with MAXAIN, MAXAIN is using a trading platform for transactions in CFDs which does not fall into the definition of a recognized

exchange as this is not a Multilateral Trading Facility and so do not have the same protection.

Foreign exchange market

- 4.7. Foreign exchange markets involve various risks. On request, MAXAIN must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign exchange markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. The potential for profit or loss from transactions on foreign exchange markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

Contingent Liability Investment Transactions

- 4.8. 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. The Margin requirement will depend on the underlying asset of the instrument. Margin requirements can be fixed or calculated from current price of the underlying instrument, it can be found on the website of the Company. If you trade in Contracts for Differences you may sustain a total loss of the funds you have deposited to open and maintain a position.

If the market moves against you, you may be called upon to pay substantial additional funds 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. It is noted that the Company will not have a duty to notify the Client for any Margin Call to sustain a loss-making position.

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.

Contingent liability investment transactions which are not traded on or under the rules of a recognized or designated investment exchange may expose you to substantially greater risks.

Commissions and Taxes

- 4.9. Before you begin to trade, you should make yourself aware of all commissions and other charges for which you will be liable. If any charges are not expressed in monetary terms (but, for example, as a percentage of contract value), you should ensure that you understand the true monetary value of the charges.
- 4.10. There is a risk that the Client's trades in any Financial Instruments including derivative instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. MAXAIN does not warrant that no tax and/or any other stamp duty will be payable. The Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.

Suspension of Trading

- 4.11. 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 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. In addition, under certain market conditions the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.

Clearing House Protections

- 4.12. On many exchanges, the performance of a transaction by the firm representing you (or third party with whom it is dealing on your behalf) is guaranteed by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the Client, and may not protect you if the firm representing you or another party defaults on its obligations to you. On request, MAXAIN must explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognized or designated investment exchange.

Insolvency

- 4.13. MAXAIN's insolvency or default, 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 or by any other method deemed to be appropriate.
- 4.14. Segregated Funds will be subject to the protections conferred by the Applicable Regulatory Authorities.

- 4.15. Non-segregated Funds will not be subject to the protections conferred by Applicable Regulatory Authorities. Non-segregated Funds will not be segregated from MAXAIN money and will be used in the course of MAXAIN 's business, and in the event of MAXAIN's insolvency you will rank as a general creditor.

5. THIRD PARTY RISK

- 5.1. The Company may pass money received from the Client to a third party (e.g. a bank, a market, intermediate broker, OTC counter party or clearing house) to hold or control in order to effect a Transaction through or with that person or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. The Company has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.
- 5.2. The third party to whom MAXAIN will pass money may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of the insolvency or any other analogous proceedings in relation to that third party, MAXAIN may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by MAXAIN from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. MAXAIN does not accept any liability or responsibility for any resulting losses.
- 5.3. The Company may deposit client funds outside the SVG Area on behalf of the client. The legal and regulatory mechanisms applicable to such credit agencies may differ from SVG , and in the event of the bankruptcy or other similar lawsuits, Client's funds will be handled differently than if funds were deposited with a bank in

SVG. The Company shall not be liable for the bankruptcy, acts or omissions of third parties mentioned in this clause.

- 5.4. MAXAIN may deposit Client money with a depository who may have a security interest, lien or right of set- off in relation to that money.
- 5.5. Bank or Broker through whom MAXAIN deals with could have interest contrary to the Client's Interests.