General Risk Disclosure

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1.) Introduction

1.1) At OTX Forex, we want to make sure that any company's client or any prospective client is fully aware of all the risks before opening and commencing any trading activity with the company.

1.2) The Clients and any prospective client must carefully read this general Risk Disclosure before entering into an agreement with the company for opening a trading account.

2.) Risk Warning

2.1) Prospective Clients should study the following risk warnings very carefully. Please note that we do not disclose or explain all the risks and other significant aspects involved when dealing in Financial Instruments (including Contracts for Difference “the CFDs” and Equities). We outline the general nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis. The Company executes orders in relation to one or more financial instruments mainly in CFDs on foreign exchange, CFDs on Commodities, CFDs on Metals, Stock CFDs, CFDs on Indices as well as on Equities. The Company acts as a principal or risk-less principal whereby it will be the sole Execution Venue for the execution of the Clients’ orders for CFDs. The Company acts as principal when executing orders on Equities.

2.2) CFDs are complex financial products and not suitable for all investors. CFDs, are leveraged products that mature when an existing open position is closed. By investing in CFDs, one assumes a high level of risk and it can result in the loss of all invested capital.

2.3) Unless a Client knows and fully understands the risks involved in Financial Instruments, they should not engage in any trading activity. Clients should not risk more than they are prepared to lose. Prior to applying for a trading account with the Company or making an order, Clients should carefully consider which Financial Instrument is suitable for them, taking into account their circumstances and financial resources as well as theirs risk appetite. If a Client is unclear or does not understand the risks involved in trading in Financial Instruments, they should consult an independent financial advisor. If after seeing the advisor, they still don't understand these risks, then they should refrain from trading.

2.4) Purchasing and selling 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 will be held liable for losses and damages, which could result in the loss of all of the Clients' invested capital, once they make the decision to trade.

3.) Trading Platforms Risks

3.1) Transactions taken on electronic trading systems are exposed to risks associated with the system including the failure of hardware and software (Internet/Servers). The result of any system failure may be that an order is either not executed according to the instructions provided for it, or is not executed at all. The Company does not accept any liability in the case of such a failure.

3.2) The Client acknowledges that only one Request or Instruction is allowed to be in the queue at one time. Once the Client has sent a Request or an Instruction, any further Requests or Instructions sent by the Client are ignored and the "Order is locked" message will be displayed until the first Request or Instruction is executed.

3.3) 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 may simply not reach the Client Terminal.

3.4) 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, shall not be cancelled.

3.5) In case that 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 locked" message as described in point 5 above.

3.6) 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 the Stop Loss and/or Take Profit levels on the position opened when the Pending Order is triggered.

4.) Communication Risks

4.1 The Client shall accept the risk of any financial losses - due to the fact that they have experienced delays in notices and/or receives no notices at all from the Company.

4.2) The Client acknowledges that the unencrypted information transmitted by email is not protected from any unauthorised access.

4.3) The Client is fully responsible for the risks in respect of undelivered trading platform internal mail messages sent to the Client by the Company, as they are automatically deleted within 3 (three) calendar days.

4.4) The Client is wholly responsible for the privacy of the information received from the Company and accepts the risk of any financial losses caused by the unauthorised access of a third party to the Client's Trading Account.

4.5) The Company has no responsibility if authorised/unauthorised third persons have access to information, including electronic addresses, electronic communication, personal data and access data, when the above are transmitted between the Company or any other party, using the internet or other network communication facilities, telephones, or any other electronic means.

5.) Technical Risks

5.1 The Company places significant importance on the execution of the Clients' orders and at all times, strives to offer the highest speed of execution possible, within the limitations of technology and communications links. The Client shall be responsible for the risks of financial losses caused by the failure of information, communication, electronic or any other systems. The Client is responsible for the security of his Access Data. If the Client undertakes transactions on an electronic system (Trading Platform), he will be exposed to risks associated with the system, including the failure of hardware and software (Internet / Servers). For example, there may be a delay on the Company's platform when receiving an order, and this may affect the price of execution. Consequently, the result of any system failure may be that the order is either- not executed according to the Client's instructions - or it is not executed at all. The Company does not accept any liability in the case of such a failure.

5.2) While trading through the Client Terminal the Client shall be responsible for the risks of financial losses caused by:

a.) Client's or Company's hardware or software failure, malfunction or misuse;

b.) Poor Internet connection either on the side of the Client, the Company or both. This includes interruptions, transmission blackouts, public electricity network failures, overload of connection or hacker attacks;

c.) The 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 in the Company's Website.

5.3) The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.

5.4) The Client acknowledges that at times of excessive deal flow, the Client may have some difficulties to be connected over the phone or the Company's trading platform(s)/system(s), especially in a Fast Market (for example, when key macroeconomic indicators are released).

6.) Third Party Risks

6.1) The Company may pass money received from the Client to a third party (e.g. a bank, a market, intermediate broker, OTC counterparty 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.

6.2) The third party to whom the Company 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, the Company 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 the Company from the third party, is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. The Company does not accept any liability or responsibility for any resulting losses.

6.3) The Company may deposit Client money with a depository who may have a security interest, lien or right of set-off in relation to that money.

6.4) A Bank or Broker through whom the Company deals with could have interests contrary to the Client's Interests.

6.5) The insolvency of the Company or of a Bank or Broker used by the Company to effect its transactions may lead to the Client’s positions being closed out against his wishes.

7.) Market Risk

7.1) Market Risk is the risk of losses when the value of investments may decline over a given time period, as a result of economic changes or events that impact a large portion of the market. Market Risk can be divided into the following categories:

a.) Position Risk: It refers to the probability of loss associated with a particular trading (long or short) position due to price changes.

b.) Interest Rate Risk: The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

c.) Commodities Risk: It refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. These commodities may be oil, metals, gas, electricity etc.

d.) Foreign Exchange Risk: It is a financial risk that exists when a financial transaction is denominated in a currency other than the base currency of the Company. The foreign exchange risk in the Company is effectively managed by the establishment and control of foreign exchange limits, such as through the establishment of maximum value of exposure to a particular currency pair as well as through the utilization of sensitivity analysis.

e.) Currency Risk: If Clients trade in a market denominated in a currency other than their base currency, currency exchange fluctuations will impact their profits and losses.

f.) Liquidity Risk: Under certain market 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.

7.2) Margin Account and Other Requirements

a.) Client needs to make sure that sufficient margin of your trading account, at all times, in order to maintain an open position. In addition, you are directed to analyze any open positions in order to avoid positions being closed due to the funds' unavailability; it is to be noted that the Firm isn't responsible for notifying you of any such instances at any time.

b.) At margin levels of 45% for OTX FOREX MetaTrader5, the Firm has the discretion to begin or close positions starting from unprofitable ones. Additionally, at margin levels of 40% (forty) for OTX FOREX MetaTrader5, the Firm shall automatically begin closing positions on market price, starting with the most unprofitable one.

c.) Trading with additional software like Expert Advisor etc will be taken care on the sole discretion of OTX FOREX. If any abnormal trading patterns such as Arbitrage or any unethical trades are being noticed in a Trading Account then OTX FOREX reserves the right to disable the Account /or Disallow/Cancel those trades where a minimum difference between opening and closing of trade is less than three minutes duration.

8. Force Majeure Event

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