



# RISK DISCLOSURE STATEMENT

MITRADE GLOBAL PTY LTD  
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RISK WARNING: CFDS ARE A LEVERAGED PRODUCT AND CAN RESULT IN THE LOSS OF YOUR ENTIRE CAPITAL. TRADING CFDS MAY NOT BE SUITABLE FOR EVERYONE. PLEASE CONSIDER OUR PDS, FSG, RISK DISCLOSURE STATEMENT AND CLIENT AGREEMENT BEFORE USING OUR SERVICES AND ENSURE THAT YOU UNDERSTAND THE RISKS INVOLVED. YOU DO NOT OWN OR HAVE ANY INTEREST IN THE UNDERLYING ASSETS.

ABN 90 149 011 361 | AFSL NO. 398528

# 1. IMPORTANT INFORMATION

Leveraged trading in forex, derivatives, precious metals, CFDs or other off-exchange products (also known as “over-the-counter” or “OTC derivative products”) on margin carry a high level of risk to your capital. You do not own, or have any rights to the underlying assets. Trading is not suitable for everyone and may result in losses of all your deposits. You should only trade with money you can afford to lose.

This statement provides you with a non-exhaustive overview of the key risks that you should take into account when deciding whether to open an account and trade with Mitrade Global Pty Limited (‘Mitrade’). This statement does not explain all of the risks involved in trading or how the risks relate to your personal circumstances. It is important that you read the relevant legal documentation to fully understand the risks involved in light of your personal circumstances before deciding to open an account and trade with us. We recommend that you seek independent advice if you’re unsure.

## 2. NO PERSONAL ADVICE PROVIDED

Our products and services are provided on an execution-only basis – you are solely responsible for any decisions that you make in relation to our products and services. Mitrade is not a financial advisor nor do we provide any regulatory, tax or legal advice. Sometimes we will provide you with general factual information about the market and how our various products and services work. Any information and analysis provided by us is general in nature and does not take into account your or your client’s personal objectives, financial situation or needs. You should not regard any of the information that we provide to you as an investment recommendation or an offer to make a transaction. Tax benefits are subject to change and depend on your individual circumstances. We recommend that you seek specialist advice if you are uncertain about any of these matters.

## 3. KEY RISKS ASSOCIATED WITH TRADING MARGIN FX CONTRACTS AND CFDS

### (1) Market Risk

- (a) This is the risk that the markets move against you. External market forces are difficult to predict and can cause markets and prices to change quickly. Such forces include changing supply and demand relationships, governmental, national and international political and economic events and the prevailing psychological characteristics of the marketplace. It is important that you closely monitor your Positions and markets at all times. As the price of your Position is based on an Underlying Instrument, these factors may affect your Position and our ability to execute, settle or close out transactions on your behalf.
- (b) No CFD or margin FX transactions available via our Trading Platform can be considered “risk free” or “safe”. You may reduce some of your downside risk by our risk management tools. Further details can be found in section 11.9 of our PDS.
- (c) Holding both long (i.e. bought) and short (i.e. sold) Positions is not necessarily less risky than holding a simple long (i.e. bought) or short (i.e. sold) Position. You may incur further losses holding Positions of both directions than holding Positions of one direction.

(d) During extreme times of volatility, the Overnight Funding fee may increase significantly and may quickly erode your initial deposits even before accounting for market price movements. The latest applicable overnight funding rate is available on the Trading Platform and upon request. You should closely monitor your positions and the applicable rates before making decisions to hold your Positions overnight.

**(2) Trading Over the Counter and Not on a formal exchange**

Mitrade's products are all Over-The-Counter ("OTC") products. Unlike securities exchanges, there is no clearing house for Margin FX Contracts and CFDs. This means that Mitrade's products are not covered by the protections for exchange-traded products arising from exchange rules, and are not guaranteed by any exchange or clearing house. However, because Mitrade endeavours to reflect the changes in the underlying markets and pass on the changes to your Positions, the rules of the relevant underlying market (if any) or Exchange may indirectly affect your dealing in the products offered by Mitrade. You should consider all of the rules of each relevant Exchange may be relevant to Mitrade contracts. The details of those rules are outside the control of Mitrade and they may change at any time and without notice to you.

**(3) Conflict of Interests**

Trading with Mitrade carries an automatic risk of an actual conflict of interest because Mitrade is acting as principal in its Positions with you and Mitrade sets the price of the contracts as a market maker. Mitrade may also be transacting with other persons or other market participants. Mitrade does not guarantee that the price given to you is the best price. You can reduce the risks to you of unfavourable pricing or opaque pricing by monitoring Mitrade's contract pricing and by monitoring the underlying market. Mitrade also mitigates this risk by retaining external legal advisors, ongoing Board supervision and implementing compliance procedures. Further details can be found in section 16 of our PDS.

**(4) Loss by Spread**

Since Mitrade charges a spread on some transactions, the price will have to move in your favour before you can break even. That is, even if the price does not move, you will be making a loss when entering the transaction because of the spread.

**(5) Slippage**

In extremely fast moving or illiquid markets, gaps (also known as Slippage) may occur. Slippage occurs when market prices do not follow a "smooth" or continuous trend and are typically caused by external factors such as world, political, economic and corporate related events. Should slippage occur in the Underlying Instrument on which your product is based, you may not be able to close out your Position or open a new Position at the price at which you have placed your order. Further, in instances of slippage, any conditional orders opened on your Account will be filled at the next best available price which may be substantially different from the price selected when entering your conditional order.

**(6) Margin Call**

Should the price of the Margin FX Contract or CFD move against you, you may receive a Margin Call from us preventing your Account from opening any further exposures and enlivening our discretion to close out your open Positions without further notice. Should we make a Margin Call, you must increase your Equity to above 100% of Total Initial Margin required to remove the trading restrictions on your Account and prevent your Positions from being closed out. In the event that your Equity falls below Maintenance Margin levels, we may also reduce or close all your open Positions without further notice and you will be liable for any shortfall. Positions are marked-to-market with payments being settled daily to Account for market movements. You must be in a position to fund such requirements at all times. Margin Calls must be addressed as soon as possible and are only considered paid once we receive cleared funds in our account. While Mitrade will already have an absolute discretion to close out open Positions once a Margin Call is issued, Mitrade may (in its absolute discretion), delay exercising that right to give you an opportunity to address the Margin Call. In some circumstances, the markets could move against your Position giving Mitrade no time to make a Margin Call before your Account has breached the Maintenance Margin, allowing Mitrade to liquidate your Positions in order for Mitrade to protect itself and other clients.

**(7) Leverage**

As these products are highly leveraged, a small price movement in the price of the Underlying Instrument on which they are based can result in substantial profits or losses exceeding your Initial Margin. In addition, you could be required to pay further funds representing losses and other fees on your open and closed Positions. The prices of our products may be volatile and fluctuate rapidly over wide ranges. Price fluctuations may be as a result of uncontrollable events or changes in a variety of conditions as described above under Market Risk.

## (8) Liquidity

There may be periods where certain currency pairs or CFDs become illiquid. The lack of liquidity may prevent you from taking Positions in FX or CFDs or from liquidating from unfavourable Positions resulting in you incurring a loss.

## (9) Guaranteed Stop Orders unavailable

Certain products can be traded in conjunction with our limit and stop loss orders which are designed to either optimise your exposure to the market or limit your loss by instructing that trades be executed at pre-determined price levels. Stop losses are instructions placed by you with Mitrade to close out an open Position if a market trades through a specific level. Stop loss orders are often used to attempt to limit the amount which can be lost on a Position. You should be aware that stop losses are not guaranteed and the execution of such orders will depend on market volatility and liquidity. So, whilst stop losses generally allow you to control potential losses should the market move against you, please be aware that stop loss orders are not guaranteed and may not always limit your losses the way you anticipate.

## (10) Our Right to Close Out and Place Restrictions

- (a) Should you fail to pay any amounts due and payable, including Margin Calls, or keep your Equity equal to or above Maintenance Margin levels, Mitrade has an absolute right to close out Positions.
- (b) You acknowledge that the trading of Margin FX Contracts or CFDs over certain Underlying Instruments on the Mitrade Platform may become volatile in a very short time period and without any prior warnings. Due to the high degree of risk involved, you acknowledge and agree that we reserve the right to close all or any open Transactions with respect to any Underlying Instrument that we determine is volatile in our sole discretion (having regard to our legitimate interests), at the price quoted on the Mitrade Platform at such time without notice.
- (c) We reserve the right to require you to close out Transactions in a timely manner in the event that the product is removed from the Mitrade's Trading Platform. We will endeavour to provide you with a prior notice and request you to close out relevant Positions before a deadline. Where Positions remain open after the deadline, we reserve the right to close such Positions on your behalf at the last available price.
- (d) If we receive a reverse request (also known as chargeback) from your credit card issuer or with respect to any other payment method for any reason, you acknowledge that we reserve the right to:
  - (i) immediately close any or all of your open Transactions whether at a loss or a profit and liquidate your Account with or without any notice;
  - (ii) cancel, re-price, adjust or void past transactions;
  - (iii) immediately place restrictions on your Account with or without any notice, including: (i) the restriction on making deposits using any payment method to your Account; (ii) the restriction on requesting withdrawals from your Account; and (iii) the restriction on opening new Positions on the Mitrade's Trading Platform; the duration of the restrictions will be set at Mitrade's discretion; and/or
  - (iv) terminate the Client Agreement.
- (e) Mitrade reserves the absolute discretion to terminate the Client Agreement with immediate effect or void or re-price or close out a Position at any time, for any value if in the sole opinion of Mitrade, you are suspected of Unauthorised Activities, market manipulation, false trading, market rigging, fictitious transactions, wash trading, insider trading, short selling, breaching the financial services laws or breaching the AML/CTF laws.
- (f) Mitrade may impose volume limits on the size of positions and access to products on your Account to mitigate our risk.
- (g) Under the Client Agreement you also indemnify Mitrade and its employees, agents and representatives against certain losses and liabilities. You should read the Client Agreement carefully to ensure you understand these powers and responsibilities.

## (11) Electronic Trading Platform and System Risk

- (a) We rely on technology to provide our Trading Platform to you. You shall be responsible for providing and maintaining the means by which to access our Trading Platform, which may include without limitation a personal computer, smartphone, modem and telephone or other access line. While the internet and the World Wide Web are generally reliable, technical problems or other conditions may delay or prevent access thereto. If you are unable to access the internet and thus, our electronic Trading Platform, it will mean you may be unable to trade in a product offered by Mitrade when desired and you may suffer a loss as a result.

- (b) We also rely on a number of technology solutions to provide you with efficient services. Prior to engaging these providers, Mitrade has performed due diligence and entered into service agreements with each provider. Disruption to Mitrade's operational processes such as communications, computers, networks or external events may lead to delays in the execution of or settlement of a transaction. An example of disruption includes the "crash" of our computer-based trading system. Mitrade mitigates this risk by conducting regular backups and using appropriate IT systems and protections. This means that you may be unable to trade in a particular market that we offer and you could suffer a financial loss or an opportunity loss as a result.
- (c) We reserve the right to suspend a part of or the entire operation of our Trading Platform and website. In such event, we may, at our sole discretion (with or without notice), close out your open Positions at prices we consider fair and reasonable.

## (12) Regulatory Risk

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in Margin FX Contracts or CFDs, as may any regulatory action taken against Mitrade. We will use our best endeavours to notify you of a change in legislation which may impact the way that you deal with us.

## (13) Counterparty Risk

- (a) You must deal directly with Mitrade to open and close Positions. Given you are dealing with Mitrade as counterparty to every transaction, you will have an exposure to us in relation to each transaction. This is described as counterparty risk and is common to all over-the-counter derivatives products. If Mitrade becomes insolvent, we may be unable to meet our obligations to you.
- (b) However, while you consider such risk it is important to note that Mitrade complies with the specific financial requirements imposed on our AFSL as set out in ASIC Regulatory Guide 166 and other regulatory financial obligations as an issuer of OTC derivatives. We monitor our exposure on a regular and frequent basis using real-time software tools and prepare detailed financial reports to ensure the applicable financial requirements are met. We are required to have our accounts audited at least annually. The latest results of our financial audit process on record are available by contacting a Mitrade's representative or via our support email [cs.au@mitrade.com](mailto:cs.au@mitrade.com).
- (c) Mitrade may choose to limit our exposure to our clients by entering into transactions with hedging counterparties as principal in the wholesale market. Mitrade is therefore exposed to the counterparty risk with the hedging counterparties. If these hedging counterparties which Mitrade deals with become insolvent, we may not have recourse to underlying assets and will become an unsecured creditor of the hedging counterparties and subsequently may affect our ability to meet our obligations to you.
- (d) To mitigate such risk, Mitrade has put in place policies, systems and controls in place. We maintain and implement a Hedging Counterparty Policy, which sets out in detail the factors we take into account when selecting hedging counterparties. Our Hedging Counterparty Policy is available on our website ([www.mitrade.com](http://www.mitrade.com)). It may be updated from time to time as counterparties change. Mitrade uses reputable counterparties such as established financial institutions with good credit standing along with adequate financial resources. In selecting the counterparties, Mitrade considers public information, credit agency reports and the most recent financial statements showing the paid-up capital, assets and liabilities of those counterparties. In addition, Mitrade undertakes searches of the relevant regulators' databases to confirm that the proposed counterparty holds all the necessary licenses and/or authorities. We also use credit limits to manage our exposure to each counterparty.

## (14) Foreign Exchange Risk

- (a) Your Account is maintained in the currency you have nominated, that is, the Base Currency. Where you deal in a product that is denominated in a currency other than the Base Currency, all Initial and Maintenance Margins, profits, losses, interest rate payments/receipts and financing credits and debits in relation to that product are calculated using the currency in which the product is denominated.
- (b) Accordingly, your profits or losses may be affected by fluctuations in the relevant foreign exchange rate between the time the order is placed and the time the Position is closed, liquidated, offset or exercised.

- (c) Upon closing a Position that is denominated in a currency other than the Base Currency of your Account, the foreign currency balance will be converted to the Base Currency of your Account. Any conversion will be at the exchange rate quoted by Mitrade. Until the foreign currency balance is converted to the Base Currency, fluctuations in the relevant foreign exchange rate may affect the unrealised profit or loss made on the Position.

**(15) Third Party Market Information**

- (a) Mitrade may make available to you through one or more of its services, a broad range of financial information that is generated internally or obtained from agents, vendors or third-party providers. This includes, but is not limited to, financial market data, quotes, news, analyst opinions and research reports, graphs or data (Market Information). Market Information provided by us by email or through our website is not intended as advice. Mitrade does not endorse or approve the Market Information and we make it available to you only as a service for your own convenience. Mitrade and its third party providers do not guarantee the accuracy, timeliness, completeness or correct sequencing of the Market Information or warrant any results from your use or reliance on the Market Information.
- (b) Market Information may quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances. Neither Mitrade nor the third-party providers are obligated to update any information or opinions contained in any Market Information and we may discontinue offering Market Information at any time without notice.

**(16) Risk Capital Only**

You could lose all of your deposits to establish or maintain a Position. All derivatives trading involves risk and there is no trading strategy that can eliminate it entirely. The placing of contingent orders (such as a stop-loss order) may not always limit your losses to the amounts that you may want. Market conditions may make it impossible to execute such orders. In cases where you are speculating we suggest that you do not risk more capital than you can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.



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