

**iCFD Limited**

**Risk Disclosure and Warnings Notice**

iCFD Limited operating under the brand name 'Vestle' (formerly known as "iFOREX"), is an investment firm regulated by the Cyprus Securities and Exchange Commission (license number 143/11). This notice is provided to you in accordance with the provisions of the Cypriot Law for the Provision of Investment Services and Activities 87(I)/2017, in accordance with the Markets in Financial Instrument Directive II (MiFID II) of the European Parliament and Council and other applicable legislation and/or regulatory requirements.

**1. Risk Warning**

**All prospective Clients should read carefully the following risk disclosure and warnings contained in this document. However it is noted that this document cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in Financial Instruments (including CFDs). The notice was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.**

**The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows and understands the risks involved for each one of the Financial Instruments. Vestle will not provide the Client with any investment advice relating to investments or possible transactions in investments or in Financial Instruments or make investment recommendations of any kind. So, prior to applying for a trading account with Vestle, or making an order the Client should consider carefully whether investing in a specific Financial Instrument is suitable for him in the light of his circumstances and financial resources. If the Client does not understand the risks involved he should seek advice and consultation from an independent financial advisor. If the Client still does not understand the risks involved in trading in any Financial Instruments, he should not trade at all.**

**The Client should acknowledge that he runs a great risk of incurring losses and damages as a result of the purchase and/or sale of any Financial Instrument and accept that he is willing to undertake this risk.**

**2. General Risks**

The Client is warned of the following risks:

- (a) Vestle does not and cannot guarantee the initial capital of the Client's portfolio or its value or any money invested in any Financial Instrument.
- (b) The Client should acknowledge that, regardless of any information which may be offered by Vestle, the value of any investment in Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value.
- (c) Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.
- (d) The Client is hereby advised that the transactions undertaken through the dealing services of Vestle may be of a speculative nature. Large losses may occur in a short period of time.

- (e) Some Financial Instruments may not become immediately liquid as a result for example of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks.
- (f) When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance.
- (g) A Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in the Client's country of residence. In some cases, these risks may be greater. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.
- (h) A Derivative Financial Instrument (i.e. option, future, forward, swap, CFD, NDF) may be a non delivery spot transaction giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. The value of the Derivative Financial Instrument may be directly affected by the price of the relevant underlying instrument.
- (i) The Client must not purchase a Derivative Financial Instrument 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.
- (j) The insolvency of Vestle or of a Bank or Broker used by Vestle to effect its transactions may lead to the Client's positions being closed out against his wishes.
- (k) Under certain market conditions it may be difficult or impossible to execute an order.
- (l) A Bank or Broker through whom Vestle may deal with could have interests contrary to the Client's interests.
- (m) The Client's attention is expressly drawn to currencies traded so irregularly or infrequently that it cannot be certain that a price will be quoted at all times or that it may be difficult to effect transactions at a price which may be quoted owing to the absence of a counter party.
- (n) Trading on-line, no matter how convenient or efficient, does not necessarily reduce risks associated with currency trading.
- (o) There may be situations, movements and/or conditions occurring at weekend, in the beginning of week or intra-day after release of significant macroeconomic figures, economic or political news that make currency markets to open with price levels that may substantially differ from previous prices. In this case, there exists a significant risk that orders issued to protect open positions and open new positions may be executed at prices significantly different from those designated.
- (p) There is a risk that the Client's trades in Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. Vestle does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.
- (q) Before the Client begins to trade, he should obtain details of all commissions and other charges for which the Client will be liable. If any charges are not expressed in money terms (but for example as a dealing spread),

the Client should ask for a written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.

- (r) Vestle may be required to hold the Client's money in an account that is segregated from other clients and Vestle's money in accordance with current regulations, but this may not afford complete protection.

## Risk Disclosure and Warnings Notice relating to Transactions in CFDs

### 1. Risks Particularly Associated with Transactions in CFDs

All Clients wishing to invest in Contracts for Differences (CFDs) should carefully read this document. However, it is noted that the information in this document cannot and do not disclose or explain all of the risks and other significant aspects involved in dealing in CFDs. The Client should be aware of all the risks associated with trading on margin, and seek advice and consultation from an independent financial advisor if he/she has any doubts. Vestle does not provide such advice. If the Client does not understand the risks involved in trading in CFDs, he/she should not trade at all.

It is emphasized that for many members of the public dealings in CFDs will not be appropriate. The Client should not engage in any dealings directly or indirectly in CFDs unless he/she knows and understands the features risks involved in them and that he/she may lose entirely all of his/she's money.

The Client is warned of the following risks:

- (a) CFDs are derivative financial instruments, where their price is derived from the price of the underlying instrument to which the CFDs refer (for example currency, commodities, stocks, metals, indices etc). Derivative financial instruments and related markets can be highly volatile. The prices of CFDs and the underlying instrument 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 Vestle. 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 CFDs 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.
- (b) Some of the CFDs underlying instruments may not become immediately liquid as a result of reduced demand for the underlying instrument and Client may not be able to obtain the information on the value of these or the extent of the associated risks.
- (c) Trading in CFDs is speculative and involves a high degree of risk. In particular because it will be conducted using a margin (which covers only a small percentage of the value of the underlying asset being traded), as such, even small price changes in the underlying assets/products of CFDs can result in significant losses. You should be aware that by trading with CFDs and forex you may lose the margin held at Vestle that serves for the purposes of collateral for opening and maintaining your trading positions.
- (d) Therefore, trading in forex and CFDs is appropriate only for persons who: (I) understand and are willing to assume the economic, legal and other risks involved in such transactions; and (II) are financially able to withstand losses of their initial margin funds and any additional funds transferred to Vestle to maintain their positions.
- (e) When you engage in CFDs trading you are placing a trade in relation to movements of prices set by Vestle. Prices quoted to you by Vestle will include a spread, mark-up, or mark-down when compared to prices that Vestle may receive or expect to receive if it were to cover transactions with you by a trade in the interbank market or with another counterparty. Be advised that the total impact of spreads may be significant in relation to the size of the margin you post and may make it more difficult for you to realize a profit from your trading.

Vestle is the trading name of iCFD Limited, authorized and regulated by CySEC under license # 143/11.

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You should carefully consider the effect of spreads, mark-ups, or mark-downs on your ability to profit from trading.

- (f) The “gearing” or “leverage” available in CFDs and spot forex trading (i.e. the funds Vestle requires you to provide when a position is opened compared to the notional size of trade you can enter into) means that a small margin deposit can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the size of any loss or profit which can work against you as well as for you.
- (g) You may lose all amounts you deposit with Vestle as margin. The placing of certain orders (e.g. “stop-loss” or “limit” orders) that are intended to limit losses to certain amounts may not always be effective because market conditions or technological limitations may make it impossible to execute such orders. Please also note that for all orders (including guaranteed stop loss orders) you may sustain the loss (which your order is intended to limit) in a short period of time. In other cases the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.
- (h) You unreservedly acknowledge and accept that, regardless of any information which may be offered by Vestle, the value of any investment in financial instruments may fluctuate downwards or upwards and it is even probable that you may lose all the money that you deposited.
- (i) You have to pay to Vestle all losses you sustain as well as all other amounts payable under the terms and conditions for CFDs trading. If you decide to engage in CFDs and/or forex trading, you must accept this degree of risk.
- (j) CFDs Transactions have a contingent liability, and the Client should be aware of the implications of this in particular the margining requirements of Vestle. Clients are required to deposit funds in their trading account in order to open a position. The Margin requirement will depend on the underlying instrument of the CFDs. Margin requirements can be fixed or calculated from current price of the underlying instrument, it can be found on the website of Vestle.
- (k) Should the margin capital be insufficient to hold current positions open, the Client may be asked to deposit additional funds at short notice or reduce exposure. Failure to do so in the time required may result in the liquidation of positions at a loss and the Client will be liable for any resulting deficit. With regards to transactions in CFDs, Vestle has the discretionary right to automatically close all positions at market prices if margin level drops below 0%.
- (l) Transactions in CFDs are not undertaken on a recognized or designated investment exchange but they are undertaken through Vestle’s trading systems whereby execution is effected via Vestle and, accordingly, they may expose the Client to greater risks than 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 the counterparty in these instruments and consequently it may be difficult to establish what is a fair price.

- (m) You can only engage in CFDs and/or forex trading with Vestle in currencies, commodities and indexes that are offered by Vestle. Vestle does not undertake to continue to offer all such currencies, indexes and/or commodities. The markets Vestle offers (and its prices) are derived from underlying prices quoted in the interbank market or other recognized markets for such currencies and/or commodities. Vestle has no control over movements in the underlying prices which may be volatile and unpredictable. Those movements will affect Vestle's prices, whether or not you can open or close a position and the price at which you can do so.
- (n) Vestle may have access to information that is not available to you, may have acquired trading positions at prices that are not available to you, and may have interests different from your interests. Vestle does not undertake any obligation to provide you with market or other information we possess, nor to alter or refrain from our own trading.
- (o) Vestle does not and cannot guarantee the initial capital of your portfolio or its value at any time or any money invested in any financial instrument.
- (p) Information of the previous performance of a CFD or of any underlying asset of a CFD does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the CFD to which the information refers.
- (q) Some CFDs may not become immediately liquid and as a result you may not be in a position to sell them or easily obtain information on the value of these CFDs or the extent of the associated risks.

### **Risks Particularly Associated with Transactions in CFDs underlined by Cryptocurrencies**

**All Clients wishing to invest in Cryptocurrency CFDs should carefully read this document. Trading in cryptocurrency CFDs involves significant risks, in addition to the general risks associated with transactions in CFDs:**

- (a) The client shall always be aware that there are no specific EU regulatory provisions that would protect clients who trade on cryptocurrency CFDs. Cryptocurrencies in general, are not considered to be Financial Instruments covered by MiFID and/or any other EU Regulation and therefore fall outside the scope of Vestle's regulated activities.
- (b) Cryptocurrency CFDs trading is not considered to be a covered service under the [Investor Compensation Fund](#) as available on Vestle's website, therefore a client will not be entitled to such protection for any services related to Cryptocurrency CFD trading offered by Vestle.
- (c) Paragraph 5 of [Client Complaint Procedure](#) as available in Vestle's website, does not apply in regards to any complaint a client might have related to trading in Cryptocurrency CFDs, meaning that such complaint cannot be escalated to the Financial Ombudsman.
- (d) The prices of Cryptocurrencies as well as CFDs based on such prices, are highly volatile, may fluctuate rapidly, widely, irrespective of the overall market conditions and may result in loss of all the invested capital over a short period of time.
- (e) Cryptocurrency CFDs are not suitable and/or appropriate for all clients. Such products are highly complex and as such clients must always make sure that are fully aware and understand their specific characteristics and risks. Clients should not trade in such products if they don't have the necessary knowledge and expertise.
- (f) It is noted that the information in this document cannot and do not disclose or explain all of the risks and other significant aspects involved in dealing in Cryptocurrency CFDs. The Client should be aware of all the risks associated with trading on such products, and seek advice and consultation from an independent financial advisor if he/she has any doubts. Vestle does not provide such advice. If the Client does not understand the risks involved in trading in cryptocurrency CFDs, he/she should not trade at all.

## Additional Risk Disclosure

### 1. Third Party Risks

- (a) Vestle may pass money received from the Client to a third party (e.g. a bank) 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. Vestle has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.
- (b) The third party to whom Vestle 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, Vestle 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 Vestle from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. Vestle does not accept any liability or responsibility for any resulting losses.
- (c) Client money might be held outside of the European Economic Area and may be subject to the law of a jurisdiction of that territory, and clients' rights may differ accordingly.
- (d) Vestle may deposit client money with a depository who may have a security interest, lien or right of set-off in relation to that money.
- (e) A Bank or Broker through whom the Company may deal with could have interests contrary to the Client's Interests.

### 2. Charges and Taxes

- (a) There is a risk that the Client's trades in Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. Vestle 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.
- (b) Before the Client begins to trade, he should obtain details of all commissions and other charges for which the Client may be liable. If any charges are not expressed in money terms (but for example as a dealing spread), the Client should ask for a written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.
- (c) Before the Client begins to trade, he/she should obtain details of all commissions and other charges for which the Client will be liable, which may be found on Vestle's website. Some charges may not be expressed in money terms but for example as a dealing spread.

### 3. Technical Risks

- (a) If the Client undertakes transactions on an electronic system, he will be 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 his order is either not executed according to his instructions or it is not executed at all. Vestle does not accept any liability in the case of such a failure.

- (b) The Client shall be responsible for the risks of financial losses caused by failure of information, communication, electronic or other systems.
- (c) Vestle has no responsibility if authorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between Vestle or any other party, using the internet or other network communication facilities, telephone, or any other electronic means.
- (d) The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.
- (e) At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Trading Platform, especially in fast Market (for example, when key macroeconomic indicators are released).
- (f) The Client acknowledges that the internet may be subject to events which may affect his access to Vestle Website and/or Trading System, including but not limited to interruptions or transmission blackouts, software and hardware failure and internet disconnection. Vestle is not responsible for any damages or losses resulting from such events which are beyond its control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access Vestle Website and/or Trading System or delay or failure in sending Orders or Transactions.
- (g) Vestle is not an Internet Service Provider and cannot be responsible for not fulfilling any obligations with its Clients because of internet connection failures or public electricity network failures or hacker attacks.
- (h) The Client is warned that when trading in an electronic platform he assumes risk of financial loss which may be a consequence of amongst other things:
  - Failure of Client's devices, software and poor quality of connection;
  - Vestle's or Client's hardware or software failure, malfunction or misuse;
  - Improper work of Client's equipment;
  - Wrong setting of Client's terminal;
  - Delayed updates of Client's terminal.
- (i) In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks amongst other risks in which cases Vestle has no liability of any resulting loss:
  - Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client.
  - Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider, and the trading or information server of the Client.

- Outage (unacceptably low quality) of communication via the channels used by the Client, or the channels used by the provider, or communication operator (including voice communication) that are used by the Client.
- Wrong or inconsistent with requirements settings of the Client terminal.
- Untimely update of the Client Terminal.
- When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialing, when trying to reach an employee of the broker service department of Vestle due to communication quality issues and communication channel loads.
- The use of communication channels, hardware and software, generate the risk of nonreception of a message (including text messages) by the Client from Vestle.
- Trading over the phone might be impeded by overload of connection.
- Malfunction or non-operability of the trading system (platform), which also includes the Client Terminal.
- Outage (unacceptably low quality) of communication via the channels used by Vestle, in particular physical damage (destruction) of the communication channels by third parties.

#### **4. Trading Platform**

The Client acknowledges that the only reliable source of Quotes is that of the live Server feed. Quotes in the Client terminal are not a reliable source of information, since 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.

The Client acknowledges that when the Client closes the order placing/modifying/deleting window or the position opening/closing window, the instruction, which has been sent to the Server, shall not be cancelled.

#### **5. Force Majeure Events**

In case of Force Majeure Events the Client shall accept the risk of financial loss.

#### **6. Insolvency**

Vestle's insolvency or default, may lead to positions being liquidated or closed out without the Client's consent. In certain circumstances, the Client may not get back the actual assets which he lodged as collateral and he may have to accept any available payments in cash.

## 7. Foreign Currency

When a financial instrument traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance and may lead to losses for the Client.

If there is anything you do not understand, please contact our Customer Services Team on [cs@vestle.com](mailto:cs@vestle.com).

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