

## Summary of Risk disclosure and warnings notice

All Clients and prospective Clients should read carefully the following risk disclosure and warnings contained in this document, before applying with the Company for a trading account and before they begin to trade with the Company.

However, this Risk Disclosure and warning notice it is noted that cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing with CFD trading. The notice is designed to explain in general terms the nature of the risks involved when dealing with CFDs on a fair and non-misleading basis.

This Risk Fact Sheet is provided to you to highlight the common risks of trading Contracts for Differences (CFDs), and complements the trading agreement and associated risk disclosures furnished by Key Way Markets Limited (the 'Company').

It is important to read the Client Agreement and all associated legal documents before deciding whether to trade CFDs. All versions of the Client Agreement and all associated documents are published on the [Company's website](#).

CFDs are leveraged products and incur a high level of risk and can result in the loss of all of your invested capital. As a result, CFDs may not be suitable for all individuals. Therefore, the Company would like to note that all Retail Clients are responsible for considering whether the products the Company offers are suitable for them and whether they can afford to risk their capital outlay.

All Retail Clients are also responsible for consulting with their own legal and other professional advisors before committing to any transaction, signing any document and/or entering into any legally binding arrangement in relation to the Company's products.

You may accumulate losses rapidly and may lose more than the capital/margin used to open one position, such losses may extend to the loss of your entire deposited amount held by the Company including any profits that have not been redeemed.

The Company encourage you to also refer to the [Risk disclosure and Warning Notice Document](#) for more details.

### Q.1 What is my potential loss when I trade on margin in CFDs?

Trading on leveraged capital means that you can trade amounts significantly higher than the funds you invest, which only serve as the margin. High leverage can significantly increase the potential return, but it can also significantly increase potential losses.

We offer all our clients Negative Balance Protection. This means that our clients will never lose more than the amounts invested with us.

#### **Margin Requirements**

Customers must maintain the Minimum Margin Requirement on their Open Positions at all times.

The Company has the right to liquidate any or all Open Positions whenever the Minimum Margin Requirement is not maintained.

Margin requirements are subject to change at any time. In order to prevent any confusion, the Company, at its best effort, will inform customers about any projected changes on Margin Requirements by email and via the messaging system of the trading platform at least a week before changes are implemented.

#### **Margin Requirement Levels**

Margin requirements are calculated by dividing the true dollar value of a position by the maximum leverage allowed for that trading instrument.

#### **Example A:**

35,000 EUR/USD position at 1.4000  $35,000 \times 1.4000$  (dollar value of 1 Euro)/200(maximum leverage) = \$245

#### **Example B:**

What is the margin requirement of 1,400,000 USD/JPY position?

Answer: 1,400,000 has a 0.5% margin requirement (200:1 leverage) which equals: \$7,000

## Q.2 What will happen if I do not have enough margin to cover my losses?

### Margin calls

If the value of your Equity falls below 70% of the Used Margin, we will send you an email, SMS and/or any other notification.

Please note that this is an additional service from us to you and does not create any obligation or responsibility on us, for either the performance of your trading account, or for notifying you of the current margin level and the action that you may wish to take. Please monitor the performance of your positions on an ongoing basis.

Once an account reaches a Margin Call warning level, it is possible that the margin level could increase above 100%. Should this happen the Margin Call process will reset.

If the Margin Call Warning levels are reached again, the Margin Call process will start again. Closure of positions will be done on the basis of best available prices on our platform at that time.

We reserve the right, acting reasonably, to change at our discretion and with or without prior notice to you, the minimum Margin / Close Out level, in anticipation of evolving market conditions. We do not have any obligation and we will not be notifying you of the execution of the Close Out when the Close Out level is at 50.

Customers are responsible for placing their own Stop Loss Orders to minimize losses. In addition, we may, from time to time and at our best effort, contact the Customer and request that the Customer deposits additional Collateral to secure the Customer's obligations to Key Way Markets Ltd. Any call for additional margin shall not be deemed precedent for future calls nor future waiver of liquidation rights by Key Way Markets.

## Q.3 How is the price of the CFD quoted?

For any given CFD, the Company will quote two prices: the higher price (ASK) at which the Client can buy (go long) that CFD, and the lower price (BID) at which the Client can sell (go short) that CFD. Collectively, the ASK and BID prices are referred to as the Company's price.

The difference between the lower and the higher price of a given CFD is the spread.

The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third-party external reference sources (i.e. price feeders plus a fixed mark-up with added costs). The Company's prices can be found on

the Company's website and/or trading platforms. The Company updates its prices as frequently as the limitations of technology and communications links allow.

**Q.4 Can my order be executed at a price that is less favourable than the price quoted on the trading system, or the price that I have submitted?**

If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop, these orders are instantly executed. However, under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit or Sell Stop) at the Client's requested price. In this case, the Company has the right to execute the order at the first available price. This may occur, for example, at times of rapid price fluctuations, 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, or this may occur at the opening of trading sessions. The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD, is specified under your Trading Agreement.

**Q.5 Will my order be manually executed? If so, under what circumstances does the firm rely on manual execution?**

All clients' orders are executed via the trading platform (i.e. there are no manually executed orders).

The Client may place Orders on the Platform or give Orders by phone (after all the Essential Details are provided for verification). All orders placed over the telephone will be placed by the Company on the Platform and transmitted for execution to the Company's liquidity provider accordingly. The order shall appear in the Client's Account.

All orders are executed according to the document titled "Summary of Best Interest and Order Execution Policy[J1]" which is binding on the Client and constitutes a part of the Client's Agreement.

**Q.6 Where are my margins kept and maintained? Can the firm use my margins for its own purposes?**

The Company promptly places any Client Money it receives into one or more segregated account(s) (denoted as 'client accounts') with reliable financial institutions. The Company exercises due skill, care and diligence in the selection and appointment and periodic review of the said financial institutions and the arrangements for holding of Client money. The Company takes into account the expertise and market reputation of such institutions with the view of ensuring the protection of Client's rights, as well as any legal or regulatory requirements or market practices related to holding of Client money that could adversely affect Client's rights.

**Q.7 What will happen to my margin if Key Way Markets becomes insolvent? Will I be able to get back my moneys or other assets?**

As stated in Q6 the Company places the Clients funds in segregated account(s) and the financial institutions will not combine the accounts with any other account in respect of any debt owed to it by the Company.

**Q.8 Under what circumstances can Key Way Markets close my positions or void my orders?**

The Company may close or void a position in any of the following instances:

if the Company suspects that the Client is engaged in money-laundering activities or terrorist financing or card fraud or other criminal activities

the Company reasonably considers that there is a material violation by the Client of the requirements established by legislation of Abu Dhabi or other countries having jurisdiction over the Client or his trading activities, such being materiality determined in good faith by the Company;

the Company reasonably suspects that the Client performed a prohibited action;

the Company reasonably suspects that the Client performed Abusive Trading

the Company reasonably suspects that the Client opened the Client Account fraudulently;

the Company reasonably suspects that the Client performed forgery or used a stolen card to fund his Client Account;

where the legality or genuineness of the Order is under doubt;

if the Company determines in its reasonable opinion that a Force Majeure Event exists (as per the Client Agreement);

in an Event of Default of the Client (As per the Client Agreement);

the Company has sent a notice of Termination of the Agreement to the Client;

when the Account has reached Stop Out Level.

#### Q.9 What are the commissions, fees and other charges that I have or may have to pay?

The commissions, fees and relevant charges are displayed on our [website](#).

In addition on the Company's website you can find the [Summary of Costs and Fees](#) document.

#### Q.10 What happens when trading in the underlying share or asset is suspended or halted? How can I exit my position and will I suffer losses?

Suspension of trading on a market or the liquidation or closure of any market, or the fixing of minimum or maximum prices for trading on a market to which the Company relates its Quotes is considered as a Force Majeure. Thus, the Company will close out any or all Open Positions at such prices as the Company considers in good faith to be appropriate. It should be noted that the Company will not be liable or have any responsibility for any type of loss or damage arising out of such a Force Majeure event.

Trading CFDs may not be suitable for all investors.

The investment decisions made by the Clients are subject to various markets, currencies, economic, political or business risks etc., and will not necessarily be profitable. The Client acknowledges and without any reservation accepts that, notwithstanding any general information which may have been given by the Company, the value of any investment in Financial Instruments may fluctuate either upwards or downwards. The Client acknowledges and without any reservation accepts the existence of a substantial risk of incurring losses and damages as a result of buying or selling any Financial Instrument and acknowledges his willingness to take such risk.

Trading CFDs is VERY SPECULATIVE AND HIGHLY RISKY and is not suitable for all members of the general public but only for those investors who:

- understand and are willing to assume the economic, legal and other risks involved;
- taking into account their personal financial circumstances, financial resources, lifestyle and obligations are financially able to assume the loss of their entire investment;
- have the knowledge to understand CFD trading and the Underlying assets and Markets.

ACKNOWLEDGEMENT OF RECEIPT OF THIS RISK  
DISCLOSURE AND WARNING NOTICE

This acknowledges that I have received a copy of the short-form risk disclosure fact sheet and understand its contents.

Signature of customer:

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Name of customer:

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Date:

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