



**RETAIL OTC DERIVATIVES RISK  
DISCLOSURE**



## RETAIL OTC DERIVATIVES RISK DISCLOSURE

This disclosure is a necessary addition to your Client Agreement/Terms and Conditions of Business with Trading Point MENA Limited (hereinafter "Trading Point MENA", or the "Firm") and should be acknowledged and signed by you. This disclosure is not intended to include all risks associated with the products and services provided to you by Trading Point MENA. The products and services provided to you by the Firm are detailed in your Client Agreement/Terms and Conditions of Business with the Firm. In addition to your Client Agreement/Terms and Conditions of Business, the Firm should also provide you with this disclosure to outline the associated risks related to investing in OTC Derivatives (i.e., Contract for Difference ("CFDs") offered by the Firm, hereinafter referred to as "OTC Derivatives" or "CFDs").

Please note that investing in OTC Derivatives carries a high degree of risk due to leverage. This can work in your favor as well as against you, as a relatively small movement in the price of the underlying financial instrument being traded can have a disproportionate effect on your trade. This may result in you achieving a good profit if the price of the underlying financial instrument moves in your favor, but, equally, may result in you incurring significant losses. Consequently, a small adverse market movement may quickly result in accumulating losses rapidly and/or in the loss of your entire invested capital.

**This Risk Disclosure aims to assist you in understanding the risks involved when trading CFDs. However, you should note that this document cannot and does not disclose or explain all of the risks and other significant aspects associated with trading CFDs nor does it explain how these relate to your personal circumstances.**

**It is your responsibility to consider personally, or through consulting with your own professional and other legal advisers, prior to committing to any transaction and entering into any legally binding arrangement, whether the products offered by the Firm are suitable for you or not, as well as whether you can afford to risk all of your invested funds.**

### 1. Risk Disclosures

#### 1.1. Significant Loss Potential and No Guarantees:

You should be aware that the risk of loss can be substantial when transacting in OTC Derivatives. You should carefully consider whether such transactions are suitable for you and only risk an amount of money you can afford to lose. You should also note that the funds or property you post as your initial deposit and the OTC Derivatives' positions you hold with Trading Point MENA are not guaranteed. Trading Point MENA may use these deposits against losses generated by your transactions. You are personally responsible for all losses resulting from these positions.

You should also be aware of the following:

##### 1.1.1. Margin Trading & Leverage

The context of OTC Derivatives involves posting funds in the form of a margin deposit to your trading account. This margin deposit allows you to trade more than the deposit you have posted. This is known as leverage. Any leverage you utilize will amplify your losses and you may rapidly lose all of your invested capital (i.e., all funds deposited as margin). Please note that most Retail Clients that perform margin trading lose money. Trading Point MENA may seek to recover amounts owed to it (i.e. by reason of such losses) in an appropriate forum, such as a court of law.

The margin requirement will depend on the underlying instrument of the derivative financial instrument, the level of your leverage and the value of position to be established, and it is usually a small proportion of the overall contract value. When the margin level required to maintain the open position(s) in your trading account falls below the minimum margin requirement we may, but shall have no obligation whatsoever, issue a 'Margin Call'. Please note that the Margin Call level is 100% of the margin required to maintain your open positions. The Margin Call is a red-colored warning notice in your platform, warning you that the equity in your trading account is not enough to support your open positions. At this point, you will not be able to open any new positions and you will have to either increase the 'equity' in your trading account by depositing additional funds and/or close some or all your open positions.



If you do not perform any of the aforementioned and the trading account reaches or falls below the 'Stop Out level', the automatic 'stop out mechanism' will be initiated and will start closing your open positions at the current market prices, in descending order on the basis of level of loss of each trade (i.e., starting from the least profitable position and until the Margin Level requirement is met). The Stop-out level is 50% of the margin required to maintain your open positions and you are solely responsible for any loss incurred from Stop-Out.

It is your responsibility to monitor your trading account at all times. More importantly, when you have open positions in your trading account, you must monitor your positions closely at all times due to the speed at which profit, or loss may be incurred and ensure that your trading account is sufficiently funded (i.e., equity should be at least equal to the margin requirement of your trading account). As such, please ensure that you are in a position to access and manage your trading account at all times, as there may be cases where you will be required to deposit additional funds immediately to meet your margin requirement and avoid potential Stop-Outs.

Under the Terms and Conditions of Business/Client Agreement governing our business relationship, the Firm may at any time, at its reasonable discretion, increase the Margin requirements in which case you may be required to deposit additional funds into your trading account to cover the increased margin requirements. Should you not do this, the Firm is entitled to close one or more or all your open positions. Without prejudice to the aforesaid, you should also be aware that the Firm, at its sole discretion, may temporarily increase the Margin requirements for placing new positions on specific or all financial instruments in the following, non-exhaustive, cases:

- Prior to and/or during Friday market closure;
- Prior to and/or during any other market closure for any specific or all financial instruments;
- Prior to and/or during any major news announcements, such as, but not limited to, the Non-Farm Payroll announcement;
- Prior to and/or during any anticipated abnormal market conditions and/or market disruptions.

#### 1.1.2. Stop Loss Limits

Stop loss limits are set to limit your losses. However, during times of significant market volatility, limited liquidity, failure of electronic or telecommunications systems, or force majeure, it may not be possible to give effect to Stop Loss Limits at the requested price. The prices of derivative financial instruments and the underlying instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in market conditions, none of which can be controlled by you or the Firm. Under certain market conditions, it can be impossible to execute any type of order at the declared price. Therefore, margin trading limits and other controls designed to mitigate or limit loss exposures, including stop loss positions, may not be effective or may fail, hence, cannot always guarantee the limit of loss at the pre-determined prices and you will remain liable for all losses.

#### 1.1.3. Conflict of Interests and Inherent Conflicts

Trading Point MENA is the counterparty to all of your OTC Derivatives transactions. When you sell, Trading Point MENA will be the buyer. When you buy, Trading Point MENA will be the seller. When you lose money on a transaction, Trading Point MENA may make money on the same transaction in addition to fees and commissions it may charge you. Trading Point MENA will take all reasonable steps to ensure that it offers you the best possible price for your OTC Derivatives transactions. However, you should be aware that the spreads quoted on our Online Trading Facility reflect conditions in the underlying market. The prices of derivative financial instruments and the underlying instruments may fluctuate rapidly and over wide ranges and, in such cases, they will reflect such unforeseeable events or changes in market conditions. The prices of derivative financial instruments are influenced by, amongst others, transaction size, term of the product, any prevailing swap or rollover charges, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and/or the behavioral characteristics in a capital market. Also, please note that the prices offered to you may differ from prices offered to other clients of Trading Point MENA.

For further information regarding any and/or potential conflicts of interest, please refer to our Conflicts of Interest Policy which is available free of charge on our website.



#### 1.1.4. Electronic Trading Platforms

No matter how convenient or efficient Electronic Trading Platforms are, they do not remove the risks associated with OTC Derivatives transactions.

An electronic trading platform for OTC Derivatives transactions is not an exchange. It does not connect to or route orders to an exchange. It is simply an electronic connection for communicating with Trading Point MENA. Trading Point MENA is regulated by the DFSA and registered in the DIFC. Although Trading Point MENA's services are regulated by the DFSA, please note that the means through which you access these services (i.e., trading platform), is not explicitly regulated by a financial services regulator. How you and Trading Point MENA use the platform is governed only by your contract with Trading Point MENA.

Trading Point MENA endeavors to generate prices continuously and provide you with access to its trading platforms and/or mobile application(s) throughout the trading sessions as indicated on its website. However, there are instances where this is not possible; for example, instances of poor telecommunication/internet connectivity, system errors, etc. The latter may cause prices to change between the time an order is placed and the time the order has been received by the Firm. In addition, although rare, technical risks may impact the execution of your orders.

#### 1.1.5. OTC Contracts

The OTC Derivatives which the Firm offers, are not listed on any exchange. The prices and other conditions have been set by Trading Point MENA, to ensure the Firm provides best execution (as per best execution policy), which is to act reasonably and in accordance with the applicable Client Agreement. Each OTC Derivative you open, results in a contract with Trading Point MENA and is only closed with Trading Point MENA. The contracts traded on OTC Derivatives do not provide any right to the underlying instruments or voting rights.

#### 1.1.6. Advisory

The Firm does not monitor your positions or provide investment advice relating to investments or possible transactions in investments as we are not permitted to do so. We only provide factual market information and information about transaction procedures, potential risks and how these risks may be minimised, but the ultimate decisions are made by you.

OTC Derivatives services that you receive may be provided by another company, in another country, connected to Trading Point MENA. Activities conducted in those countries are not regulated by the DFSA. You should seek information from Trading Point MENA about which financial services regulator is responsible for regulating each of the products and services Trading Point MENA provides to you before you commit any funds.

This brief risk disclosure does not disclose all risks associated with OTC Derivatives transactions. You should carefully consider the amount of money you can afford to lose, before you commit funds for trading purposes. If you are not sure that you understand a particular product, instrument or transaction, you should first seek appropriate professional advice before entering into the product, instrument or transaction.

The following table is provided to you by Trading Point MENA. The table shows, for the four most recently completed calendar quarters, the percentage of Retail Client accounts that were profitable.

	FX CFDs	Other CFDs
Most Recent Quarter		
Q-4 of 2024	44.44%	46.88%
Q-3 of 2024	25.76%	47.22%
Q-2 of 2024	32.76%	14.29%
Q-1 of 2024	39.68%	51.43%

Past performance is not a reliable indicator of future results.