



# **RISK DISCLOSURES FOR FINANCIAL INSTRUMENTS**

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## TERMS AND CONDITIONS

Before you choose **YUNIKON FX** as your preferred broker of choice kindly ensure that you have read and understood the terms and conditions.

In accordance with the British Anti-Money Laundering and Counter Terrorism Financial Act 2006 **YUNIKON FX** is required to verify your identify before opening your trading account. We therefore require you to provide us with certain documents to be able to correctly identify you.

If at any stage you wish to lodge a dispute with **YUNIKON FX**, please contact us to know more about the dispute resolution process. If an issue has not been resolved to your satisfaction, you can lodge a complaint with the British Financial Complaints Authority.

**YUNIKON FX** is committed to its privacy obligations under the British Privacy Principles contained in the Privacy Act 1988. This Privacy Policy describes how we collect, use, disclose and protect personal information we collect about individuals who apply for or receive our services.

## UNDERSTAND RISK

When you trade Forex and CFDs, you need to understand their complexity and high risk. These products are not suitable for all investors. It depends on whether you are suitable for trading foreign exchange on margin and CFDs, and you should not invest without knowing the risks of these transactions.

If you have any questions, it is important for you to look for an objective and professional advice. The followings are some of risks of trading CFDs. The product and services guide contain more information about risks, so make sure you read it before you open an account.



## **1. YUNIKON FX DOES NOT PROVIDE ANY PERSONAL ADVICE**

We only provide general product advice. Before you open an account, you must take into consideration your investment objectives, financial situation, and needs. Trading margin foreign exchange and CFD contain high-risk. We recommend that you consult your independent financial adviser, tax adviser, and other professional advisers. We cannot guarantee the results of your trading.

## **2. YOU DO NOT OWN THE UNDERLYING ASSET**

When you trade Margin Forex and CFDs, your profits or losses depend on a rise or fall in the price of the underlying product. You need to know that you do not have any interest in the underlying forex, indices, and commodities. You are trading CFDs based on price fluctuation. There is no physical exchange or delivery of commodity. CFDs are financial derivative product.

## **3. OVER-THE-COUNTER (OTC) FINANCIAL DERIVATIVES**

When you open a trade on our platform, you are in the OTC derivative contract, and orders cannot be transferred. This means that you are dealing directly with us, and these trades (positions) can only be closed with us. In other words, margin foreign exchange and CFD contracts are issued by **YUNIKON FX**, not through any exchanges, such as the US Stock Exchange.

## **4. LEVERAGE**

When trading margin FX, you only need a small margin to open a position. For example, if you trade AUD/USD with a value of \$10,000 and a margin ratio of 0.5%, then you only need \$50 to open a position. However, your risk in the market is \$10,000. If your position gained 10%, you will earn \$1,000. If you lose 10% of your position, you lose \$1,000. The profit or loss of your trading depends on the size of the positions you open. YUNIKON FX's leverage is provided according to our accounts terms and conditions. We reserve the right to adjust your account leverage at our own discretion even when you have open positions.

## **5. MARKET VOLATILITY**

Execution prices are based on the prices provided by our liquidity banks. The price of your trading products may fluctuate rapidly due to financial market news. Any changes in prices and spreads will have a direct impact on your account funds and positions. Price fluctuations can lead to a common situation called gapping, which occurs when the opening price hugely differs from its closing prices, gapping caused by an unexpected economic event or a market announcement, especially when such information occurs outside the trading hours. Therefore, you may not have the opportunity to open or close positions between the two prices.



The platform will execute your order at the next closest market price. You must bear the risk of a price gap, and your loss may exceed your account's net worth, which may cause your account go into negative balance. You have the responsibility to avoid negative account balance. **YUNIKON FX** reserves the right to take legal action to recover the negative amount.

## 6. AUTO TRADE

When using the Auto Trade Account to trade by any of the **Expert Adviser's (EA)** provided by **AiPROFX**, we would like to emphasize that we have initiated this joint venture with the EA provider basing on their past performance records and test accounts. **YUNIKONFX** or any of its Board of Directors or employees or authorized agents cannot be held liable in the unfortunate event of loss in the market (which may happen).

## 7. SLIPPAGE

Slippage is also a risk that traders will face during trading. It is the result of rapid price fluctuations; the actual executed price of your trade differs from your pre-set execution price. All orders are executed at the price provided by our clearing banks. In a rare situation, our quoting price or execution price may not be in line with underlying market price. In OTC derivatives trading, slippage and price discrepancy can occur. In addition, your pending orders (including pending order for new trades or pending order to close existing trades) price is your wanting price. However, in a fast-moving market, the actual result of a pending order may differ from your pre-set execution price.

## 8. MANDATORY LIQUIDATION RISK

At any time, the existing funds in your account must remain above the mandatory liquidation level (the margin level must be above 50%), otherwise your open positions will be closed. However, please do not rely entirely on the system's liquidation order. It is your responsibility to manage your positions, account balances and account equity on your trading platform. To prevent a mandatory liquidation, you should have sufficient funds in your account. Note that even if the money you deposited earlier was sufficient at that time, it could quickly become insufficient due to the fast movement in the market. In addition, in the case of rapid market fluctuations, the hedging trades (locked positions) may also trigger mandatory liquidation due to widen spreads. Traders should only open appropriate positions based on their available funds.

## 9. COUNTERPARTY RISK

When you open an account with us and open a margin position, you enter into a CFD contract, we are your trading counterparty. That means we may not be able to fulfil our contractual obligations under unexpected circumstances, where we or our own trading partners (such as our hedging providers) default.



Under the impact of uncontrollable factors, we neither can guarantee the execution of your trading contract, nor the result of your traded contract. In addition, if your trading methods and trading strategies that are against our risk management policies, we have the right to cancel your completed trades including your trading profits and agent commissions. The inappropriate trading strategies include high frequency arbitrage trading on pricing inefficiencies from latency, price manipulation, insider trading, and any other strategies that are prohibited from regulations. We also prohibit using multiple accounts with hedging trades to speculate the gapping on market opening. We reserve the rights to close your trading account and agent account.

## **10. CLIENT CAPITAL RISK**

All customer funds are segregated. Your deposits are kept in our Client Trust Account, and it is separated from our own operating funds. However, in the unexpected event of insolvency, your funds will still be at risk.

## **11. TECHNICAL RISK AND OTHER CIRCUMSTANCES THAT AFFECT YOUR TRADES**

Some circumstances may prevent you from executing orders or from logging into our trading platform or instantly deposit funds into your account. This includes system errors or termination of supply, platform maintenance, network connectivity issues, or some third-party failures (such as liquidity providers, network vendors, power companies and payment gateway providers) that you or we cannot control. The system errors may even impact the calculation of your trading cost, swap charges, positions profit and loss. We have an emergency solution on these issues, but sometimes you may still not be able to enter the trading platform or executing your trades or having accurate fees and charges, or deposit funds through our payment portal. These technical risks and contingencies pose a risk when you want to open or close positions or calculate your real profit or loss or meet your margin call requirement.

## **12. DISPUTE JURISDICTION**

When dispute occurs between you and **YUNIKON FX**, please contact our Customer Service directly and work towards a solution. However, if an agreement can not be met, you can seek external support. British Financial Complaints Authority (BFCA) is the British external independent scheme to help resolve dispute between Financial Services providers and investors.