FIBOGROUP
Cyprus

COMPLEX INSTRUMENTS RISK DISCLOSURE

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Reference to CFDs herein in this document also means Non-Deliverable Forwards (NDFs) and Rolling Spot.

1. INTRODUCTION

This notice is provided to you in compliance to Law 144(I)/2007, because you are considering dealing with FIBO in the financial instrument of Contract for Differences (CFDs).

This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in CFDs. The notice was designed to explain in general terms the nature of the risks involved when dealing in CFDs and to help you take investment decisions on an informed basis. This notice should be read together with the "General Risk Disclosure".

The Client should consider carefully whether trading in the financial instruments of CFDs is suitable for him/her in the light of his/her circumstances and financial resources. In considering whether to engage in this form of trading, the Client should be aware of the risks below.

2. RISKS ASSOCIATED WITH TRANSACTIONS IN CFDS

It is emphasized that for many members of the public dealings in CFDs will not be suitable. The Client should not engage in any dealings directly or indirectly in CFDs unless he knows and understands the features risks involved in them.

The Client should unreservedly acknowledge and accept that, regardless of any information which may be offered by FIBO, the value of CFDs may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

This is owed to the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit, but may also expose the Client to a large additional loss. The CFDs available for trading with FIBO are non deliverable spot transactions giving an opportunity to make profit on changes in Currency rates (Spot FOREX), Equity Indices, Metals, Futures, Options and Commodities called the underlying instrument. If the underlying instrument movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit but also any additional commissions and other expenses incurred. So, the Client must not enter into CFDs 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.

CFDs are derivative securities, where their price is derived from the price of the underlying instrument in which the CFDs refer to. Derivative securities / markets can be highly volatile. The prices of CFDs and the underlying instrument and Indices 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 FIBO.

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Under certain market conditions it can be impossible to execute any type of Clients order at declared price.

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. Therefore Stop Loss order can not guarantee the limit of loss in case of occurring gap.

CFDs Transactions have a contingent liability, and the Client should be aware of the implications of this in particular the Margin requirements as set out under “Contract Specifications”.

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 under Contract Specifications on the website of FIBO at www.fibogroup.eu. FIBO will not notify the Client for any Margin Call to sustain a loss making position.

Some of the CFD 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.

Information of the previous performance of the CFD does not guarantee its current and/or future performance as well as a performance of the underlying instrument. Use of the historical data does not constitute safe forecast as to the corresponding future performance of the CFD and underlying instrument to which that information refers.

The Client may be called upon to deposit substantial additional margin, at short notice, to maintain his investment. If the Client does not provide such additional funds within the time required, his investment position may be closed at a loss and he will be liable for any resulting deficit.

With regards to transactions in CFDs, if at any time equity (current balance including open positions) is equal to or less than the level of the margin (collateral) occupied by open positions, as specified on FIBO’s website, FIBO is entitled at its discretion to close one or all open positions in order to meet the margin requirements starting from the one with biggest loss. FIBO will automatically close positions at market price.

It is noted that the margin requirements may increase on weekends and public holidays. More detailed information on the margin requirements on weekends and public holidays may be found on FIBO’s website. By the closing of trades you are obliged to bring your open position in line with increased margin requirements.

Transactions in CFDs are not undertaken on a recognized exchange, rather they are undertaken through FIBO’s Trading Platform whereby execution is effected via FIBO or other financial institutions. The terms and conditions and trading rules are established solely by the counterparty which may be FIBO or some financial institution to be disclosed to the Client.

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3. ADDITIONAL CONSIDERATIONS

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 under the "Contract specifications" on FIBO' website at www.fibogroup.eu. Some charges may not be expressed in money terms but for example as a dealing spread.

The Client should take the risk that his trades in CFDs may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. FIBO 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.

4. CLIENT CONSENT

This document forms part of our Terms of Business. Therefore, by entering into a Adhesion Contract with FIBO, you are also agreeing that you are willing to undertake the risks herein.

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