

Risk Warning Notice

Effective date: 08 May 2019

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The purpose of this Notice is to provide information concerning the trading services offered by LMAX Digital Broker Limited (“we”, “us”, “our”, “ours” and “ourselves” as appropriate), together with guidance on and warnings of some of the risks associated with those services.

This Notice cannot and does not explain all of the risks associated with our services nor does it contain a detailed explanation as to how our services operate. For a detailed explanation on how our services operate, you should read the following documents, which together with this Notice, form our agreement with you.

- Terms of Business
- Order Execution Policy
- Summary Conflict of Interest policy
- Privacy Policy and Cookie policy
- You should not commence trading with us until you have read and understood the documents referred to above.

We offer trading services for Deliverable Digital Currency Contracts which may not be suitable for everybody. You should carefully review all documents that make up the Customer Agreement to ensure you have a comprehensive understanding of how our products may function in different market conditions.

We execute each Order you place with us by placing an order, identical in all respects apart from settlement (a **Back to Back Order**), on LMAX Digital Broker Limited or in another Liquidity Pool. We act as principal for each trade that you enter into with us. In exceptional circumstances, for example where no trusted price is available on the Exchange, we may in our sole discretion obtain prices from brokers that provide prices for Deliverable Digital Currency Contracts, or obtain prices from our other customers and use these prices for our trades with you. Again, we will be entering into trades with you on a principal-to principal basis.

Our trading service carries a high level of risk and is not suitable for everyone. You should not trade with us unless you understand the nature of the transaction you are entering into and the extent of your potential loss from a trade. You must satisfy yourself that it is suitable for you in the light of your circumstances, financial resources and investment objectives. If you are in any doubt you should seek independent advice. You trade entirely at your own risk.

Our trading service is execution-only. This means that we carry out your trading instructions. We do not provide you with any investment advice.

In deciding whether this type of trading is suitable for you, you should have regard to the following risks.

- It is your responsibility to monitor your account at all times. It is important that you monitor your trades closely due to the speed at which prices may change. You should always be in a position to access and manage your account. You may do this on-line, 24 hours a day, 7 days a week. We may rectify mistakes, but only if you notify us as soon as possible and in any event within 24 hours of the trade.
- Digital Currencies are not backed by any central bank, but are an as-yet autonomous and largely unregulated worldwide system of currency firms and individuals;
- You must understand that the price of the Digital Currency Contract being traded is determined by fluctuations in markets outside our control and that the historical performance of a Digital Currency Contract is no indication as to its future performance.
- You may be required to deposit additional funds into your account at short notice in order to support your working orders. A failure to deposit additional funds when required to do so may result in all of your working orders being cancelled by us without notice to you.
- Some of our Deliverable Digital Currency Contracts are quoted and settled in currencies other than the base currency of your account. Trading in these Deliverable Digital Currency Contracts carries additional risk as the exchange rate at the time you close a trade and when your balance is converted to your base currency at the close of business on the same day may have fluctuated. Therefore, if you trade in an instrument that is not quoted in the base currency of your account, currency exchange fluctuations will impact upon your profits and losses.
- We do not guarantee that the order you place will be filled at the price that you specify. In a fast moving markets, your order may be liable to 'gap'
- Changes in, or the introduction of new, rules, regulations and laws or the way in which they are applied or interpreted may impact your trading with us. You may be exposed to the risks arising under the rules, laws and regulations of jurisdictions other than the jurisdiction in which you are located and/or with which you are familiar.
- Your rights to monies in your Account are as follows:

- You will have an ownership interest in your share of the balance in the relevant client bank account including any monies held by the clearing house or broker that is allocable or returnable to your Account.
- You will not have an ownership interest to any monies required to be transferred either from the relevant client bank account, or from the monies held by a clearing house or broker that is allocable or returnable to your Account, for the purpose of settling our obligations under our Back to Back Trade such as settlement of mark-to-market losses on daily settlement of such trade.
- In certain circumstances, you may not receive all the monies to which you have an ownership interest as there is a possibility that the bank at which the client bank account is held has become insolvent or has otherwise failed and is unable to return the full amount of monies held in the client bank account. You may also suffer a shortfall if the clearing house or broker has become insolvent or has otherwise failed and is unable to return the full amount of monies that is returnable or allocable to your Account.
- Our charges are set out on the Instrument Information on our Trading Platform. You should ensure that you are aware of all the charges that apply to you and understand how our charging system operates before you commence trading with us.
- One or more of your trades may be affected by a corporate action type event, the occurrence of which may have a dramatic effect on that trade or trades and/or on your account generally. Please see the Terms of Business for further information and a worked example. We recommend that before you open a trade with us you carry out your own research into whether the trade that you intend to open is liable to be the subject of a corporate action type event and if so the likely effect of that action on the trade that you wish to open.

To the fullest extent permitted by law, in no event shall we or any of our directors, employees or agents have any liability whatsoever to you or any other person for any direct or indirect loss, liability, cost, claim, expense or damage of any kind, whether in contract or in tort, including negligence, or otherwise, arising out of or related to your use of with any customised interface or third party equipment, hardware or software, or any form of interaction between any Software Trading Tools and your Account (including but not limited to API and/or FIX interactions, a “Software Bridge”).

We have a formal complaints procedure. We aim to handle complaints as effectively as possible

in order to achieve a speedy resolution. In order to aid this process, we require you to advise us of any complaint you have, and to provide all supporting documents, in a timely manner. A copy of our complaints handling procedure can be found on our website.

If there is anything in this Notice you do not understand, please contact our Helpdesk:

Email us at info@lmaxdigital.com

Call us on +44 333 700 4096

Please note telephone calls will be recorded and/or monitored.

Write to us at:

LMAX Digital, Office 208 Regus, World Trade Center, Bayside Road, Gibraltar or

LMAX Digital, Yellow Building, 1A Nicholas Road, London W11 4AN, United Kingdom