



## RISK DISCLOSURE POLICY

SPECTRA GLOBAL LTD

## **1. Risk Disclosure Overview**

The purpose of this document is to inform clients of the inherent risks associated with trading in financial markets. Clients should recognize that engaging in such transactions may result in financial losses, potentially exceeding the funds initially deposited. This Risk Disclosure forms an essential component of the overall agreement between Spectra Global Ltd (the "Company") and the client.

In cases where a term is not specifically defined in this document, its interpretation shall refer first to the definitions set out in the Customer Agreement. Due to the diverse and unpredictable nature of trading conditions, this document cannot encompass all potential risks or cover every circumstance relevant to Foreign Exchange (FOREX) trading.

Trading in FOREX is highly speculative, involving substantial risk. It is suitable only for clients who:

- Fully understand the financial, legal, and operational risks involved
- Are prepared to accept the possibility of total loss
- Have the financial capacity to absorb losses, including those exceeding their initial margin or deposit

No earnings or returns are guaranteed. Historical performance is not indicative of future results, and clients may lose some or all of their invested capital.

It is important to note that the issuance of a license to Spectra Global Ltd by a regulatory authority does not constitute an endorsement or validation of:

- i. The reliability or financial soundness of the products offered by the Company
- ii. The accuracy of statements or representations made by the Company

Clients engage with the Company and its services entirely at their own risk. There are no statutory compensation schemes in place that would cover any potential losses under any circumstances.

Anyone considering trading the financial products or services offered by the Company is strongly encouraged to seek independent professional advice regarding the suitability and risk exposure of such investments.

## **2. No Investment or Legal Advice**

Spectra Global Ltd operates on an execution-only basis. We do not provide:

- Investment advice
- Legal or regulatory advice
- Tax guidance
- Recommendations or suitability assessments

We may, at our discretion, offer general factual information about trading processes or the risks involved. However, all decisions regarding trading in specific products or engaging in Company services are the sole responsibility of the client. Clients are encouraged to consult independent advisors before entering any transaction.

### **3. Our Services and Financial Products**

Spectra Global Ltd offers Contract for Difference (CFD) products across a broad range of underlying markets on an execution-only basis. While the prices of these products are linked to the movements of their respective underlying markets, the features and trading characteristics of CFDs may differ significantly from the actual instruments or markets on which they are based.

Clients should understand that CFDs are derivative instruments, and trading them involves unique risks that may not be present in traditional market transactions.

### **4. Risk Disclosure Statement**

#### **General Overview-**

#### **No Advisory Services:**

Spectra Global Ltd operates on an execution-only basis. We do not assess the appropriateness of any product or service for individual clients, nor do we monitor client activity for suitability. All trading decisions are made solely by the client, including determining the adequacy of financial resources to support such activity.

#### **Investment-Specific Risks:**

Trading leveraged or margined products poses substantial financial risk. Clients should:

- Fully understand market volatility and price fluctuations
- Ensure they have sufficient financial resources to meet margin calls
- Be aware that small adverse price movements can lead to rapid and significant losses, potentially exceeding their initial margin

#### **Impact of Leverage:**

Trading with leverage amplifies both potential gains and losses. While a small favorable move can yield high returns relative to margin, a minor unfavorable shift may trigger significant losses, requiring immediate additional funding to maintain open positions.

Failure to meet margin requirements can lead to automatic closure of open trades and clients will be liable for any resulting losses.

#### **Margin Requirements & Margin Calls:**

Clients must always maintain adequate equity in their account to cover required margins. If equity falls below a predefined threshold, clients may be required to:

- Deposit additional funds immediately
- Close existing positions to reduce exposure
- Or both

If margin levels fall further, the system may automatically begin liquidating positions, starting with the least profitable.

**Stop Orders and Non-Guaranteed Stops:**

Limit and stop orders can help manage downside risk, but they do not guarantee execution at the desired price. During volatile or fast-moving market conditions, orders may be filled at a worse price due to slippage or liquidity gaps.

Spectra Global only offers non-guaranteed stop orders, and clients accept that execution prices may differ significantly from requested levels during adverse market conditions.

**Quoted Prices and Execution:**

Prices displayed on the platform are indicative only. Executable prices may differ at the moment an order is submitted due to market movement.

All orders are processed on a first-in, first-out basis, and clients should carefully review the order details (e.g., product, size, price) before submission.

**Contingent Liability Transactions:**

Certain products require partial payments (margins) rather than full payment upfront. These carry the risk of additional margin calls in the event of adverse price movements. Failure to meet such calls may result in forced liquidation at a loss.

**Market Availability Risks (Weekends & Holidays):**

Not all instruments are tradable 24/7. Trading hours vary based on market availability, public holidays, and other factors.

Spectra Global strives to update trading hours on its platform, but clients are responsible for monitoring availability and managing exposure around market closures.

**Electronic Trading & System Risks:**

Trading via electronic platforms exposes users to operational risks such as:

- System failures, hardware/software issues, or internet disruptions
- Latency or delays in order execution due to high traffic or third-party service limitations
- Outdated client software, incorrect settings, or poor understanding of platform features

Spectra Global is not liable for losses caused by technical failures or user-side errors.

**Platform Execution Risks:**

- Transmission Delays: Once an order is submitted, it enters the execution queue and cannot be cancelled. Any new instruction submitted during this process may be ignored.
- Slippage & Gapping: During periods of high volatility (e.g., news releases), price gaps may occur, leading to executions far from intended price levels.

- Delayed Execution: Poor internet connection or server load may result in missed or delayed orders, and clients accept that platform performance may vary.
- Order Modifications: If multiple instructions are submitted simultaneously, only the latest valid instruction may be accepted.

#### **Margin Risk and Currency Conversion:**

Spectra Global sets margin levels at its sole discretion and may change them without prior notice. Clients are responsible for:

- Monitoring margin requirements
- Ensuring margin levels are met at all times
- Depositing additional funds as needed

The Company may convert funds between currencies at exchange rates it determines based on prevailing market conditions.

Failure to meet margin requirements will result in the forced liquidation of open positions, and the client will be fully responsible for any resulting losses.

#### **Third-Party Tools and Software Risks:**

Clients who use third-party applications or trading bots do so entirely at their own risk. Spectra Global does not endorse or accept responsibility for:

- Decisions made using third-party tools
- The results of automated trades or signals
- Losses resulting from their use

Clients must monitor their accounts and remain accountable for all trading activity conducted using such tools.

### **5. Volatility Risk**

Trading in foreign exchange markets involves significant volatility, which can lead to large price swings in a short period. These fluctuations can substantially affect a client's multi-currency exposure, potentially resulting in major financial losses.

Clients understand that extreme market conditions—such as regulatory changes, liquidity shortages, or supply-demand imbalances—can lead to temporary inability to execute orders. This may force clients to hold positions longer than intended or to liquidate positions due to insufficient margin, potentially resulting in losses that may exceed initial deposits. These risks can occur at any time, including outside of regular trading hours, and may cause a rapid decline in account balance.

### **6. Risk Mitigation Tools**

Tools like Stop Loss and Stop Limit Orders are designed to help manage and limit potential losses during unfavorable price movements. However, under abnormal or fast-moving market conditions, such

orders may not be executed at the specified levels due to price gaps or low liquidity, which may lead to greater losses than anticipated.

## **7. Product-Specific Risk**

Profits and losses on trades may be influenced by currency conversion rates if the trade is settled in a currency different from the account's base currency.

While accounts are typically maintained in USD, Spectra Global may support other currencies at its discretion. The conversion of gains, losses, margin, and fees to the base currency exposes clients to exchange rate fluctuations, which can further affect their overall trading outcomes.

## **8. Use of Trading Agents**

If a client appoints a third party (a "Trading Agent") to trade on their behalf—whether on a discretionary or non-discretionary basis—Spectra Global accepts no responsibility for that decision and is not liable for any losses incurred or disputes that arise between the client and the appointed agent.

In cases where a Trading Agent is not officially authorized on the account, the Company reserves the right to reject instructions from that individual.

## **9. Currency Risk**

When a client trades in a product denominated in a different currency from their account's base currency, any margin requirements, profits, losses, and financing charges will be calculated in the currency of that product.

This means that currency exchange rate movements will impact the final profit or loss, potentially enhancing or reducing gains depending on market fluctuations.

## **10. Pricing and Commissions**

The prices displayed on our platform may not always align precisely with those available in the broader interbank market. Spectra Global Ltd aggregates market data to determine margin requirements and to mark positions to market periodically. While we aim to provide pricing that is reasonably reflective of interbank rates, variations may occur. As such, the Company retains full discretion in setting margin levels and determining when and how margin is collected.

## **11. Client Communications**

Clients acknowledge that during peak trading periods, it may be difficult to reach the Company due to high communication volume. Spectra Global shall not be liable for any service interruptions resulting from force majeure events.

Clients bear the risk of any financial loss resulting from:

- Failure to receive a Company notification, or delays in delivery
- Unauthorized access to unencrypted email communications
- Messages deleted from the internal messaging system after five (5) days, even if unread

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Clients are fully responsible for safeguarding all communication details and access credentials. The Company is not responsible for any losses resulting from unauthorized account access by third parties.

Additionally, any positions mistakenly executed by a Company employee at an incorrect or untradeable price are considered invalid and will be reversed.

## **12. Legal and Regulatory Risks**

Clients assume full responsibility for any transactions conducted in violation of local laws or restrictions applicable in their jurisdiction. Clients must also ensure they fully understand fees and charges—which may be quoted as fixed amounts, percentages, or in alternative formats—prior to initiating any trades.

## **13. Scalping Policy**

Scalping is permitted on the platform under specific conditions:

1. Trades must remain open for a minimum of 3 minutes before being closed.
2. Each trade must result in a minimum movement of 5 pips (e.g., for gold, the price must change by at least \$0.50).

## **14. Bankruptcy Disclaimer**

All client trades on Spectra Global's platform are conducted off-exchange. Therefore, in the event of Company insolvency, client funds may not benefit from the same legal protections granted to exchange-traded instruments. If Spectra Global enters bankruptcy, clients become general creditors and may only be reimbursed after higher-priority claims have been satisfied. Deposits and accrued profits are not guaranteed in such cases.

## **15. Reimbursement of Investment**

In case the company disengages with an investor whose status (e.g., he/she becomes a PEP) or fitness and propriety changes (e.g., there are hits or adverse media reports or sanctions in the investor) during the business relationship, investments made will then be up to the administrator/intermediary bank's discretion. Investments are made via credit card / wire transfers / Virtual Cards. The withdrawals are made on source-to-source basis. For example, if a deposit is made via wire transfer, the funds will be reimbursed by wire transfer itself.

## **16. Client Acknowledgement of Risk**

By engaging in leveraged Forex trading on Spectra Global's platform, the client:

- Confirms full understanding and acceptance of the risks associated with margin trading
- Acknowledges responsibility to review the Company's Risk Disclosure Statement, including future updates
- Agrees that initiating any trade implies agreement with the most current version of the Risk Disclosure
- Certifies their financial and personal capacity to bear the entire loss of their trading account without it resulting in a material impact on their financial well-being or lifestyle

## 17. Automated and Algorithmic Trading

The Client acknowledges and agrees that SGFX strictly prohibits the use, deployment or attempted operation of any form of automated or algorithmic trading tool on its trading platforms, including without limitation Expert Advisors (“EAs”), trading robots, scripts, copy-trading bots, or any other software or mechanism which executes, manages or optimises trades without the Client’s direct, manual intervention (collectively, “Automated Trading Tools”).

All trading activity must be initiated and executed solely and exclusively by the Client on a manual basis.

The use of any Automated Trading Tools, whether directly by the Client or indirectly through a third party, shall constitute a material breach of the Company's Risk Disclosure, the Client Agreement and SGFX’s Terms and Conditions, and shall be classified as abusive trading.

In the event that SGFX, in its sole discretion, determines that the Client has engaged in trading by means of Automated Trading Tools or other abusive trading practices, SGFX reserves the right, without prior notice and without prejudice to any other rights or remedies available to it, to:

- (a) suspend, restrict or terminate the Client’s access to one or more trading accounts;
- (b) cancel, void or amend any open or pending orders and/or close any open positions; and
- (c) deem any profits, gains or advantages arising from such prohibited activity to be invalid, non-withdrawable and subject to deduction, cancellation and/or reversal from the Client’s account(s).

The Client acknowledges and accepts that SGFX shall have/bear no liability whatsoever for any loss, risks, cost or damages arising from actions taken by SGFX under this Clause 17. For further information or clarification regarding this provision, the Client may contact [support@sgfx.com](mailto:support@sgfx.com)