



## **NOTICE OF RISKS**

**FIBO Group, Ltd**  
**May, 2012**

## NOTICE OF RISKS

*FIBO Group, Ltd (the Company)  
hereby  
notifies all its Clients as follows:*

Trading transactions in financial markets provide ample opportunities and allow well-informed and experienced investors who are ready to run a certain reasonable risk to gain a high profit.

It is important for the Clients to understand the risks peculiar to trading transactions in financial markets which may be rather high.

This notice of risks (hereinafter referred to as the Notice) does not contain the description of all risks and other material aspects of transactions in financial markets.

Therefore, it necessary for the Client to carefully analyze all the risks peculiar to transactions in financial markets and make a decision whether he/she should be engaged in such transactions, considering own experience, financial standing, purposes and tasks, the risk which he/she is ready to run, and other material circumstances.

The purpose of this Notice is to disclose the Client the information on the risks related to trading transactions in financial markets and to warn the Client about potential financial losses related to these risks. As stated above, this Notice may not disclose all the information on all potential risks due to the variety of possible situations.

The Company strongly recommends the Client to read carefully the Trading rules which are posted on the Company's official Website: <http://www.fibogroup.com>.

### **1. Leverage Effect**

1.1 In making trading transactions under the leverage conditions a comparatively slight change in the rate of the relevant instrument may significantly influence the state of the Client's trade account due to the leverage effect. In case of the market movement against the Client's position he may incur loss in the amount of the original (guaranteed) deposit and additional assets deposited by him for supporting the open positions. The Client shall be fully liable for keeping the records of all risks, the use of financial resources and selection of the relevant trade strategy.

1.2 The use of leverage shall allow the Clients to make trading transactions with amounts which significantly exceed the amount of their original (guaranteed) deposit. However, it must be understood that a slight change in the market may entail a rather significant change in the amount of the original (guaranteed) deposit both upwards and downwards. In case of significant changes in the currency market the Clients shall be at risk of losing the whole amount of the original (guaranteed) deposit.

1.3 In addition, if the market movement is opposite to the position opened by the Client, then the latter may be required to contribute additional funds for supporting the open position, otherwise it may be unilaterally liquidated by the Company. It may happen that it will be required to contribute additional funds upon the first request of the Company. The procedure and terms of contribution of additional funds are described in the Trading rules and the relevant sections on the Company's official Website: <http://www.fibogroup.com>.

1.4 It is strongly recommended that all the Clients open a demonstration trade account and practice themselves in making trading transactions on the demonstration trade account until they feel that they have adequately studied the rules and procedures for making trading transactions in financial markets.

## **2. Risk of High Volatility of Certain Instruments**

2.1 A lot of instruments have significant intraday ranges of change in prices (quotations) what means the high probability of both profit and loss from trading transactions.

## **3. Technical Risks**

3.1 The Client shall assume risks of financial losses due to failures of information, communication, electronic and other communications systems and data transmission systems.

3.2 In making trading transactions with the use of the client terminal the Client shall assume risks of losses which may arise due to:

- a) failures of hardware, software and low quality of communication on the Client's part;
- b) improper operation of the Client's equipment;
- c) incorrect adjustments of the client terminal;
- d) untimely updating of the client terminal version;
- e) the Client's ignorance of the instructions described in the relevant section on the Company's official Website: <http://www.fibogroup.com>.

3.3 The Client acknowledges that in making trading transactions by telephone it may be difficult to call a duty operator (dealer) at peak loads. Such a situation may take place in the so-called "fast market" (for example, output of key economic news).

## **4. Risk of High Volatility of the Market**

4.1 The Client acknowledges and agrees that during the processing of an order for trading transaction received from him there may occur significant changes in the market, in particular, with a negative effect for the Client.

Such a change is beyond the control of the Company and, as a rule, is conditioned by the high volatility of the market itself (for example, output of key economic news).

## **5. Trade Risks**

5.1 The Client acknowledges that only one request or order of the Client may be in the queue of requests/orders on the server. An attempt to send any new request or order shall be denied.

5.2 The Client acknowledges that the single reliable source of information on the quotation feed shall be the principal server servicing the actual Clients of the Company. The quotation bases in the client terminal may not serve as the reliable source of information on the quotation feed since in case of unstable connection between the client terminal and the principal server part of quotations from the quotation feed may not be delivered to the client terminal.

5.3 The Client shall assume risk of making unplanned trading transactions in case of resending of an order prior to obtaining the information on the results of the dealer's processing of the previous order of the Client.

5.4 The Client acknowledges and agrees that the majority of interbank and electronic trading systems operate on the basis of computer systems of routing, fulfillment, coordination and registration of orders and/or settlements of trading transactions. As in case of the use of any systems and equipment there may be failures and/or faults.

5.5 At the end or at the beginning of week, and during the day after outputs of significant national measures, economic and/or political news in case of the occurrence of force majeure circumstances there may appear situations, movements and/or circumstances making the currency market open with price levels which significantly differ from previous (last) prices. In this case there is a substantial risk that the Clients' orders given for the protection of open positions and for the opening of new positions shall be fulfilled at prices which significantly differ from the prices specified (posted).

## **6. Specific Risks**

6.1 The Client shall assume a risk of any financial losses due to the fact that he has not received or received any message from the Company with delay.

6.2 The Client acknowledges that the information sent by e-mail in the clear is not protected against the unauthorized access.

6.3 The Client shall be fully liable for compliance with the confidential treatment of information obtained by him from the Company and shall assume a risk of any financial losses due to the unauthorized access of third parties to his trade account.

6.4 Prior to making trading transactions in the market the Clients shall receive full clarification in respect of commissions, expenses and other payments which are payable by them. The amounts of such payments may reduce the Clients' profit or increase their losses.

## **7. Currency Risks**

7.1 Foreign currency is a legal means of payment of one or several states and, as a rule, is not secured by any valuables (for example, precious metals). Transactions with foreign currency, including OTC trading of foreign currency, are related to risks which are not peculiar to investments in the currency of the Client's country. Such risks include risks of political and/or economic changes in the foreign state (foreign states) which may significantly and for a long period change trading conditions, tradability and/or price of foreign currency.

## **8. Bans and Limitations Stipulated by Laws**

8.1 The Client shall fully assume financial and other risks in case making transactions (or performing acts related therewith) in financial markets is banned or limited by the laws of the country of the Client's residence (location).

## **9. Special Notice**

9.1 An overview given in this document makes it impossible to characterize all risks related to foreign currency trading. The Clients should understand the nature and essence of foreign currency trading and risks related. The Clients should not make trading transactions until they understand and determine the level of certain risks. In addition, it should always be remembered that there are additional risks which must be considered both prior to making a decision on commencement of trading transactions and in the course of trading transactions.