

# Risk Disclosure and Warning Notice

**Contracts for Difference (CFDs)** are complex financial instruments that carry a high risk due to the use of leverage. They do **not** offer capital protection or guaranteed returns. Leverage can amplify both gains and losses, and trading CFDs may not be suitable for all investors. You should only trade with funds you can afford to lose and ensure you fully understand the risks involved before opening a trading account.

## Scope of the Risk Disclosure

This Risk Disclosure and Warning Notice ("Risk Disclosure") is intended to fairly and clearly explain the general nature of risks associated with CFD trading. It does **not** disclose all possible risks, nor does it account for your individual financial situation. You are strongly encouraged to seek independent financial, legal, or tax advice before trading.

This document is provided for informational purposes and does not constitute investment advice or a solicitation to trade. It should be read together with the Client Agreement and General Business Terms available on the Rage Markets website.

## Main Risks Associated with Trading CFDs

### Leverage Risk

CFDs are leveraged products, meaning you can trade larger positions using a smaller deposit (margin). While this can multiply profits, it also increases the potential for significant losses. Small price movements can have a large impact on your trading account. However, as a retail client, you are protected by **negative balance protection**, ensuring your losses will not exceed your account balance.

### Credit and Counterparty Risk

When trading CFDs with **Rage Markets**, you engage in over-the-counter (OTC) transactions. These are not executed on a centralized exchange, meaning your positions cannot be offset with other providers. As such, you carry the risk of **counterparty default**. If Rage Markets were to become insolvent, your positions may be forcibly closed without prior notice.

### Market Risk

CFDs are affected by various market forces, including economic events, political instability, natural disasters, and changes in regulation. These factors can significantly influence price movements and affect your open positions. Different

asset classes carry distinct types of risk such as interest rate, commodity, equity, and foreign exchange risk.

## **Volatility Risk**

High market volatility can result in rapid and unpredictable price swings. This may increase both your potential gains and losses. During volatile conditions, order execution times may be delayed, and you may experience slippage.

## **Currency Risk**

If you trade CFDs in a currency different from your account's base currency, exchange rate fluctuations may affect your final profit or loss. Currency risk also applies if you deposit or withdraw funds in a currency other than your account's denomination.

## **Liquidity Risk**

Some instruments may experience **low liquidity**, especially during specific market hours or news events. Wider spreads and difficulty in executing trades may occur, increasing the cost and risk of trading.

## **Technical Risk**

Online trading carries **technical risks**, including internet connectivity issues, system failures, platform crashes, and cyberattacks. Clients should use secure and reliable hardware/software, strong passwords, and maintain backup systems where possible.

## **Trading Platform Risk**

Orders are executed in sequence on our servers. Submitting a second order before confirmation of the first may result in rejection or unintentional trades. Closing the order window **does not cancel** an already-submitted order. Only prices received from our servers are valid.

## **Communication Risk**

Outdated or incorrect contact details may result in **missed communications**, such as margin calls, platform updates, or legal notices. Ensure your contact information is always accurate.

## **Abnormal Market Conditions**

In highly volatile or illiquid market conditions, executing or closing trades may be delayed or impossible. Stop-loss orders are not guaranteed and may be executed at worse prices than requested, resulting in **slippage**.

## **Force Majeure**

**Rage Markets** will not be held liable for losses due to force majeure events, such as natural disasters, war, political unrest, system failures, or cyberattacks beyond our control.

## Slippage

Slippage occurs when an order is executed at a price different from the one requested. It can be **positive or negative** and is most common during high volatility or low liquidity periods.

## Legal and Jurisdictional Risks

Clients are solely responsible for understanding and complying with laws applicable in their jurisdiction. Rage Markets is not liable for activity conducted in contravention of local laws.

## Third-Party Risk

Client funds may be held with third-party institutions. While we exercise due diligence in selecting these parties, we do not accept liability for losses resulting from their insolvency or failure.

## Additional Disclosures

### Margin Requirements

Clients must **always maintain minimum margin** on open positions. Insufficient margin may result in the automatic closing of trades. Do not rely on last-minute deposits to avoid liquidation.

### No Ownership of Underlying Assets

CFDs do not grant ownership or rights to the underlying financial instruments.

### Taxation

Tax treatment of CFD trading may vary by jurisdiction. Clients are encouraged to seek **independent tax advice** to understand any obligations, including stamp duties or capital gains tax.

### Impersonation and Fraud Risk

Clients should only communicate with **verified representatives** of Rage Markets using official channels. Do not disclose sensitive information unless you are sure of the contact's authenticity.

## **Final Notice**

Before trading with Rage Markets, ensure you understand your financial goals, experience level, and risk tolerance. Always consider seeking professional financial, legal, and tax advice.

For any questions or further clarification, please contact us at:

**[support@ragemarkets.com](mailto:support@ragemarkets.com)**