



# RISK DISCLOSURE

*This document outlines the key characteristics and risks of trading Contracts for Difference (CFDs). CFDs are complex financial instruments that involve a high level of risk and do not provide capital protection. As a result, trading CFDs may not be suitable for everyone. Traders must ensure they fully understand how it works, and the risks involved, before opening a trading account with Rinxo.*

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## Introduction

This Account Opening Risk Disclosure is intended to provide clients with an overview of the potential risks associated with trading Contracts for Difference (CFDs) through Rinxo Ltd ("Rinxo"). CFDs are complex financial instruments that involve a high level of risk and may not be suitable for all investors. Engaging in CFD trading can lead to significant losses, including the loss of the entire invested capital.

Clients should ensure that they fully understand the nature of CFD trading, including the financial, legal, and operational risks involved, before opening a trading account. It is the client's responsibility to assess their financial situation, trading experience, risk appetite, and investment objectives. This document does not disclose all possible risks but aims to highlight the most significant ones. Rinxo recommends that clients seek independent financial or legal advice if they are uncertain about any aspect of trading.

This document forms an essential part of the account opening process and should be read in conjunction with the Client Agreement, Terms and Conditions, and other legal documents available on the Rinxo website.

**By proceeding with account registration, clients acknowledge that they have read, understood, and accepted the risks outlined herein and agree to be bound by the terms and conditions governing their trading activities with Rinxo.**

## Scope of the Disclosure

This Risk Disclosure outlines the general and significant risks that clients may face when trading Contracts for Difference (CFDs) through Rinxo. It is designed to help clients make informed decisions by presenting an overview of the risks involved in CFD trading.

The content of this document does not aim to cover every possible risk, nor does it account for the individual financial circumstances or investment goals of each client. Additional risks may exist that are not specifically addressed herein. Clients are responsible for ensuring that they have sufficient understanding of CFD trading and its implications before opening an account or placing any trades.

This document is informational in nature and is not intended to act as investment advice, legal guidance, or a solicitation to trade. It should be read alongside Rinxo's Client Agreement and other relevant legal documentation.

Clients are strongly encouraged to seek independent professional advice where necessary to ensure that their decision to trade is made with a clear understanding of the associated risks.

## General Trading Risks

Trading financial instruments, including Contracts for Difference (CFDs), carries inherent risks. Clients must recognize that they alone are responsible for all trading decisions, and the

Company does not bear any liability for outcomes arising from the Client's actions. The following risks may affect the performance of trade and the overall trading experience.

### **Operational Risk**

Clients may face disruptions due to internal process failures, human errors, or external events such as system outages, execution delays, or platform malfunctions. These issues can impact the timely placement, modification, or closure of trading positions.

### **Technology and Execution Risk**

Interruptions in internet connectivity, software failures, or server issues may prevent timely trade execution or access to your account.

### **Systemic Risk**

Wider disruptions in the financial system such as banking crises, geopolitical shocks, or large institutional defaults can impact the pricing and availability of instruments. Such events are unpredictable and may affect multiple markets simultaneously.

### **Country Risk**

Changes in a country's political, economic, or regulatory environment can affect market stability and the performance of underlying assets, particularly in emerging or less regulated regions.

### **Communication Risk**

Failure to receive important communications from the Company due to outdated or incorrect contact details may result in missed updates, affecting trading activity or account security. Clients are responsible for ensuring their contact details are always current.

### **Force Majeure Events**

Rinxo is not liable for losses arising from events outside its control, such as natural disasters, political instability, or unforeseen market disruptions. Clients acknowledge that such events could impact market conditions, trading platforms, and transaction processing, and accept responsibility for any consequences arising from these risks.

### **Broker Discretionary Rights / Promotional Terms Risk**

Rinxo may alter or revoke promotions, bonuses, or other trading incentives at its sole discretion. Clients should review all promotional and operational terms carefully.

### **Jurisdictional Restrictions**

Clients must ensure they are legally permitted to trade under the laws of their respective jurisdictions. Trading in restricted regions may lead to account limitations or legal consequences, for which the Client alone is responsible.

## Corporate Events

CFD prices may be affected by actions like dividends, mergers, or stock splits. In some cases, the Company may face suspension or insolvency, which could impact access to accounts or funds. Clients are solely responsible for managing the risks arising from such events.

## Conflict of Interest

Rinxo may act as the counterparty in a client's trade or derive revenue from spreads and other fees. While Rinxo follows internal policies to manage conflicts, clients should be aware of this risk.

## Data Ownership

All trading data, including transactional records and trade details, are the sole property of Rinxo. Clients are responsible for ensuring they understand the platform's data usage policies and agree that Rinxo may use such data as required, in accordance with the terms and conditions provided.

## Platform Usage Terms

All orders placed by the client are processed by Rinxo's servers in the order they are received. A new order cannot be submitted until the previous one has been fully executed. If a second order is sent before the first is processed, it may be automatically rejected.

Clients are solely responsible for understanding how the trading platform functions. They must ensure that orders are not resubmitted unnecessarily and acknowledge that closing an order or position window does not cancel an order already submitted. Rinxo will not be liable for any unintended trade resulting from misinterpretation or improper use of the trading platform.

## Abnormal Market Conditions

Under abnormal market conditions such as periods of rapid price movement or low liquidity, orders may be delayed, partially executed, or not executed at all. Clients must understand that placing a stop-loss order does not guarantee limiting losses to the expected amount, as execution may occur at a worse price than requested due to market gaps or volatility. Clients are solely responsible for managing their risk, and Rinxo shall not be held liable for any losses arising from delayed or failed order execution during such market events.

## Event Modification Rights

Rinxo reserves the right to modify, cancel, or re-quote orders in response to extreme market conditions, technical issues, or erroneous pricing to maintain market integrity and protect client interests.

## Pricing Source and Liquidity Provider Risks

Rinxo relies on external pricing sources and liquidity providers to deliver market quotes. There may be instances where prices deviate, or liquidity is insufficient, affecting the execution and availability of trade.

## **Compliance Related Risks**

Delayed account activation, trading restrictions, or account termination risks

1. Clients need to ensure that all personal, financial, and identification data submitted during onboarding is accurate and current. Providing false, outdated, or incomplete identification or financial information may result in delayed account activation, trading restrictions, or account termination.
2. Clients should not transfer funds from unknown or unrelated accounts, and refrain from any activity that may be perceived as money laundering. Using the trading account for illicit fund transfers, third-party funding, or suspicious activity may trigger regulatory reporting and legal action.
3. Clients should avoid any conduct that manipulates markets or takes unfair advantage of non-public information. Activities such as insider trading, spoofing, or price manipulation are illegal and may lead to criminal prosecution.

## **Risks Specific to CFDs**

### **Leverage Risk**

CFDs are traded on margin, which allows clients to open larger positions with a small deposit. While leverage can magnify profits, it also significantly increases the potential for losses, including losses that may exceed the initial investment. It is the client's sole responsibility to understand how leverage works and to use it prudently.

### **Volatility Risk**

CFD instruments can be highly sensitive to market news and events, leading to sharp and unpredictable price movements. Such volatility may result in rapid gains or losses in client positions.

### **Market Risk**

The value of a CFD is directly tied to the performance of the underlying asset. Adverse movements in the market may lead to losses in open positions, regardless of the client's expectations or strategies.

### **Liquidity Risk**

Certain assets may experience low trading volumes or limited market interest, making it difficult to open or close positions at desired prices. This may also result in wider spread or slippage during execution. Clients must be aware of the liquidity risks involved in each market they choose to trade in.

### **Foreign Exchange / Currency Risk**

When trading CFDs on instruments denominated in a currency different from the account base currency, fluctuations in exchange rates may affect profit and loss of outcomes. Clients should consider potential currency conversion impacts.

## **Gapping Risk**

Gapping happens when prices suddenly jump from one level to another without moving gradually between, often during big news events or when markets reopen after a break. This can cause your stop-loss not to trigger at the price you expected. Clients are responsible for understanding that this could lead to larger-than-expected losses.

## **Slippage**

During periods of high volatility or low liquidity, orders may be executed at a different price than requested. Slippage can result in greater-than-anticipated losses or gains, especially when using market orders. Clients must acknowledge the risk of slippage and factor it into their trading strategy.

## **Credit and Counterparty Risk**

CFDs are over-the-counter (OTC) products and are not traded on centralized exchanges. Clients are exposed to the risk that Rinxo or its liquidity providers may fail to meet their contractual obligations.

## **Derivative Product Risk (CFD-specific)**

CFDs are complex financial products that derive their value from underlying assets so they may not be suitable for all clients and involve higher risks than traditional investments. Clients must independently assess their financial situation, trading experience, and risk tolerance before engaging in CFD trading.

## **Interest Rate Risk**

Changes in interest rates may influence the value of the underlying asset or the cost of holding a CFD position. Clients bear full responsibility for understanding how interest rate movements may affect their trades.

## **Overnight Charges Risk**

Holding CFD positions overnight may incur additional costs, such as swap or rollover fees. These charges can affect the overall profitability of trades and vary depending on the instrument and market conditions. Clients are responsible for reviewing and understanding how these fees apply to their open trade.

## **Negative Balance Protection Scope**

Rinxo offers Negative Balance Protection to prevent clients from losing more than their account balance. However, under extreme conditions, especially during illiquid markets or gapping, this protection may not apply or may be subject to specific terms.

## **Margin Requirements**

Clients must ensure they maintain a sufficient margin at all times. Failure to meet margin calls may lead to the automatic closure of positions, and clients are solely accountable for any resulting losses.



## **Fees and Costs**

CFD trading may involve various charges, including spreads, commissions, and overnight financing fees. These costs can add up and impact trading performance. Clients should review all applicable charges before initiating trades.

## **Rights to Underlying Assets**

Trading CFDs do not grant ownership of the underlying asset. Clients understand that they do not receive dividends, voting rights, or any asset-related entitlements.

## **Taxation**

Profits or losses from CFD trading may be subject to taxation based on the client's country of residence. Clients are responsible for understanding and fulfilling their personal tax obligations.

## **Regulatory and Legal Risk**

Changes in regulations, tax laws, or financial policies may negatively affect your trading positions or the operations of the platform. Where taxation is concerned, profits or losses from CFD trading may be subject to taxation based on the client's country of residence. Clients are responsible for understanding and fulfilling their personal tax obligations.

## **Additional Disclosures**

### **Impersonation Risk**

Clients should remain alert to the risk of individuals or entities falsely representing Rinxo. All official communication will only come through authorized Rinxo channels. Clients are solely responsible for verifying authenticity before engaging.

## **Regulatory Restrictions**

Certain products or services offered by Rinxo may not be allowed in some jurisdictions. It is the client's responsibility to ensure that accessing and using Rinxo's services does not violate any local laws or regulations applicable to them.

## **Client's Responsibility in Restricted Jurisdictions**

Rinxo does not knowingly offer services in jurisdictions where it is not permitted. If a client opens an account while residing in or relocating to a restricted area, they do so at their own risk and accept full responsibility for any legal or regulatory consequences.

## **Jurisdiction Clause / Governing Law**

All trading activities and legal matters will be governed by the laws specified in Rinxo's Terms and Conditions. Clients agree to abide by the jurisdiction stated and accept that any disputes will be handled accordingly.

## Final Acknowledgment

By applying to open a trading account with Rinxo, the client confirms that they have carefully read, fully understood, and voluntarily accepted all the risks outlined in this disclosure. The client acknowledges that trading involves significant financial risk and that losses may exceed initial investments.

The client also agrees that they are solely responsible for their trading decisions and for complying with all applicable laws and regulations in their country of residence. Rinxo shall not be held liable for any consequences resulting from a client's failure to understand or manage the risks involved.

This Risk Disclosure should be read in conjunction with Rinxo's **Terms & Conditions** and **Client Agreement**, which collectively govern the client's relationship with the Company.

In case of any queries regarding the content of this document and the features of our products, you may contact us at [support@rinxo.com](mailto:support@rinxo.com).

