

RISK WARNING DISCLOSURES

Our products are complex instruments and come with a high risk of losing money rapidly due to leverage. 73.5% of retail investor accounts lose money when trading our products with us. You should consider whether you understand how our products work and whether you can afford to take the high risk of losing your money.

Introduction

OANDA Europe Limited offers you the ability to trade contracts for difference ("CFDs") and spread bets (if you are resident in the UK) (our "**Products**"). **Trading our Products carries a high degree of risk.** This warning provides you with information about key factors and risks you should take into account before trading with us. It is not a complete list of all the risks and does not explain how these apply to your individual circumstances. You should ensure you understand these risks before trading with us. If anything is unclear, please contact us.

If you open an account with us, you must keep these risk factors in mind at all times and ensure you have sufficient financial resources to bear such risk when you trade with us. You should always monitor your positions carefully.

Our Products

Our Products allow you to obtain an indirect exposure to an underlying asset such as a currency pair, index, commodity, metal or bond. This means you will never own the underlying asset, but you will make gains or suffer losses as a result of price movements in the underlying asset to which you have the indirect exposure. The purpose of our Products is generally for you to speculate (i.e. take a chance) on price movements in the underlying asset. For this reason, our Products are generally held for short periods of time. **Trading our Products carries a high degree of risk and will not be appropriate for everyone.**

You may get back less than your Initial Investment

Every financial investment involves a degree of risk. The value of your investments may increase or decrease and you may get back less than your initial invested capital. With some of our Products, **your losses may exceed your initial deposit. Retail clients will never lose more than the total sum they have invested in our Products.** This is because we are required by law and regulation to provide retail clients with negative balance protection. **However, professional clients are liable for all negative balances, which are immediately due and payable.**

The use of leverage magnifies your losses and gains

You generally trade our Products using leverage. Trading using leverage allows you to trade without paying or depositing the full value of your position in advance. We take a form of security (or deposit) against any losses you may incur when you trade using leverage. This is known as **Margin**. **Trading on leverage magnifies your gains and losses, so small price changes in the underlying asset can result in large losses or gains.**

We are required by law and regulation to impose leverage restrictions on opening Transactions. The leverage limits for our Products are:

- a) major currency pairs: 30:1;
- b) non-major currency pairs, gold and major indices: 20:1;
- c) commodities other than gold and non-major equity indices: 10:1;
- d) individual equities and other reference values: 5:1; and
- e) cryptocurrencies: 2:1.

The above leverage limits only apply to our retail clients. There are no prescribed limits on the amount of leverage that a professional client may be exposed to when opening Transactions. The leverage limits for our Products are available on our Website.

The effects of trading on margin

For each Transaction we require you to have certain funds available on your account, this is known as "**Margin**". Margin acts as a deposit against the full value of the Transaction. This is what creates the leverage referred to above. For example, with leverage set at 30:1 you would be asked to deposit Margin of 3.3% of the full value of the Transaction you wish to enter into. Margin protects us in case you are not able to pay any money you owe us when Transactions are closed out.

Although maximum leverage rates and therefore minimum levels of Margin are set by law and regulation for retail clients, we are able to increase the amount of Margin required for any reason. We set the amount of Margin required for professional clients, and can alter it for any reason.

In order to keep a position open, you are required to maintain a minimum amount of money in your account, this is known as the "**Margin Requirement**". You must maintain sufficient funds in your account at all times to meet the Margin Requirement. The Margin Requirement is 50% of the Margin required to place the Transactions. This means that **you are unlikely to lose more than 50% of the Margin required to open a position when trading in our Products.**

If the market moves against you, **you may be required to pay substantial additional funds at short notice to maintain your Margin Requirement.**

If you fail to maintain your Margin Requirement, we will close your open positions without prior notification. You will be responsible for any losses you incur as a result, subject to negative balance protection for retail clients.

The nature of the contracts between you and us

Every Transaction that you enter into using our services is a contract between you and us. We act as the seller when you buy, and the buyer when you sell. You cannot transfer your contracts to other providers. **You must close all contracts through us.**

Our products are not traded on an exchange

The contracts that you enter into with us are not executed on an exchange. You may not be afforded all of the regulatory and financial protections offered by exchange-traded investments.

We do not provide advice

We provide our services on an execution only basis. This means we do not provide investment or financial advice for any Product. Where we provide factual information, market commentary,

Transaction procedure guidance or methods of managing risk, you should not construe these as advice. You are solely responsible for any decision to enter into a Transaction with us.

You are responsible for managing your own tax, regulatory, and legal affairs, including where relevant any filings, payments, or returns. We do not provide any tax, legal, or regulatory advice. If you require assistance with a tax, legal or regulatory matters regarding our Products, you should seek independent professional advice.

Our Products are not appropriate for everyone

Prior to opening an account, we are required to assess whether our Products are appropriate for you. We may refuse to open an account for you on the basis that we do not consider our services to be appropriate for you.

We would not expect our services to be appropriate for people who:

- (a) **do not understand the impact of and risks associated with trading on margin and in derivative products;**
- (b) **do not have a high risk tolerance;**
- (c) **cannot afford to lose the money they are trading with;**
- (d) **want to invest for the long term; or**
- (e) **do not already have a diversified investment portfolio or savings.**

We will warn you if we do not consider our service to be appropriate for you. In such circumstances we may still let you open an account, but you do so at your own risk like all our customers.

We set the prices at which you can trade and may change them at any time

We set the prices and other conditions for trading with us in accordance with our Order Execution Policy. We quote both a buy and sell price for each instrument. The difference between these prices is known as the spread. **The spread we offer can vary at any time and may be different when you open and close a Transaction.** The spread widens and narrows based on changes in the underlying market. This is known as a dynamic spread.

We establish the prices at which we offer to trade with you based on prices that are made or quoted to us by banks, financial institutions, exchanges and counterparties with which we do business. The price we quote to you may depend on the size of your order and underlying market depth. **Our prices may not be the same as prices available from other sources.**

We price our Products by taking into account the underlying instruments. However, market conditions can change rapidly and there may be occasions where it becomes difficult or impossible to liquidate a position or to exit it on the same terms as when you opened it.

Pending orders and slippage

A pending order is an order to buy or sell a Product which will only be executed if and when our quote reaches or crosses a specified level. When you specify a target price for a pending order, **the price at which we execute the Transaction may not be the price you specified when you placed your order.** This may be due to volatile market conditions outside of our control. A Transaction **may be executed at a worse price than you specified** because the market moved too quickly for us to execute sooner. Where this happens, we will execute the Transaction at the next best price. This is referred to as slippage.

Past performance is not an indication of future performance

Past performance is not an indication of future performance. The value of investments can go down as well as up.

Currency conversions could impact your profits and losses

If you trade in a market denominated in a currency other than your base currency, currency exchange fluctuations will impact your profits and losses.

Markets are volatile and prices can change rapidly

Financial markets in general and these products in particular are volatile and can move rapidly, particularly in response to news events. This will have a direct impact on your profits and losses. Knowing the volatility of an underlying market will help guide you as to where any stops should be placed. Volatility can often be hard to predict and come unexpectedly.

Gapping could lead to different prices

Gapping is a sudden shift in the price of an underlying market from one level to another. Various factors can lead to gapping (for example, economic events or market announcements) and gapping can occur both when the underlying market is open and when it is closed. When these factors occur when the underlying market is closed, the price of the underlying market when it reopens (and therefore our derived price) can be markedly different from the closing price, with no opportunity to buy or sell your instruments before the market opens. Unlike a guaranteed stop, a non-guaranteed stop or entry order will not protect you against the risk of gapping.

Market liquidity

Market conditions can change significantly in a very short period of time. Under certain trading conditions it may be difficult or impossible to exit a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.

Out-of-hours markets

During the out-of-hours trading, our prices reflect our own view of the underlying price. This could include referring to price movements in other relevant markets which are open. Business done by other clients may also affect our price. There may be nothing against which to measure our quotation at these times.

Monitoring open positions

Markets can move quickly and consequently you should monitor open positions closely. It is your responsibility to monitor your open positions and whilst any position is open it is prudent to have the ability to access your accounts quickly and easily.

Electronic communications

We offer you the ability to deal by electronic means, via our trading platform online. However no electronic communication is completely reliable or always available. There is a risk that your communications to us via our trading platform may be delayed, not reach their intended destination, and may not be secure.

There is a risk that a catastrophic failure of our internal systems could result in the loss of data recording individual account balances. We mitigate this risk by the frequent backup of data, by maintaining backup systems and through contingency plans to minimise the possibility of system failure.

Your client money may be at risk if the bank fails

All cash that we hold belonging to you is held as client money in accordance with the FCA's Client Money Rules and will be held in a segregated account with a UK bank. We will take reasonable care in the selection and continued use of such bank to hold your money but, we cannot ensure you would not lose any money if the bank fails or defaults in any way.

You may be eligible for compensation if we fail, but only up to specified limits

We and the bank(s) we hold your client money with are covered by the UK Financial Services Compensation Scheme (FSCS). If our business fails or defaults, you may be eligible for compensation up to £50,000, and if the bank defaults, you may be entitled to compensation up to £85,000. You can find more information about the FSCS (including eligibility to claim) on its website, www.fscs.org.uk.

Tax

You will be liable for all taxes, fees and assessments for any transaction. You will have to reimburse us if we pay any applicable taxes on your behalf. We do not provide tax advice and if you are in any doubt as to your tax affairs, you should seek independent professional advice.

Regulatory, policy and legal risk

Changes to laws, policies and regulations can have an impact on the price of our Products, their performance and our services generally. For example, changes in to monetary policy of a country can have an impact on our rolling foreign exchange Products. These risks are unpredictable and can vary from market to market and jurisdiction to jurisdiction.