

Risk Disclosure Notice

Company:	Afterprime Europe Limited.
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1. **INTRODUCTION**

- 1.1. Afterprime Europe Limited (“**We**”, “**Us**”, “**Our**”, “**Afterprime**”, the “**Company**”) is authorized, licensed and regulated as a Cyprus Investment Firm (“**CIF**”) by the Cyprus Securities and Exchange Commission (“**CySEC**”) under license number 368/18 and is operating in accordance with the provisions of the ‘**Investment Services and Activities and Regulated Markets Law of 2017**’ (L. 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets’ (the “**Investment Services Law**”), as the same may be in force from time to time and modified and amended from time to time.
- 1.2. This notice is provided to you in accordance with the provisions of the ‘**Investment Services and Activities and Regulated Markets Law of 2017**’ (L. 87(I)/2017, to help you understand the risks that may arise when trading Contracts for Difference (“**CFDs**”).

IMPORTANT - PLEASE READ CAREFULLY

- 1.3. This Risk Disclosure Notice cannot and does not disclose or explain all the risks involved when engaging in CFD trading, nor how these risks relate to your personal circumstances, financial situation, or objectives. It is designed to explain the general nature of the risk risks involved on a fair and non-misleading basis.
- 1.4. Before deciding to trade and/or invest, you should carefully consider the risks involved and seek independent advice if necessary. This document does not constitute a recommendation or opinion that CFDs are appropriate for you.

2. **RISKS ASSOCIATED WITH COMPLEX FINANCIAL INSTRUMENTS (CFDs)**

Introduction to CFDs

- 2.1. A CFD is an agreement between you and us to exchange the difference in value of an underlying instrument from when a position is opened to when it is closed. This is where the name “Contract for Difference” comes from.
- 2.2. Since the agreement is between you and us, your CFD is not exchange traded, and you do not own, or have any rights to, the underlying assets. You are reliant on us valuing your CFD trades fairly and fulfilling our obligations to you.
- 2.3. The value of a CFD fluctuates based on the price of the underlying instrument - which could be the price of Bitcoin, the S&P 500 Share Index, the EUR/USD currency pair, or any other financial market.
- 2.4. If the value of the CFD has moved in your favour, you will be paid an amount into your account. Should the value of the CFD move against your position, an amount will be deducted from your account. The amount of profit or loss you make will be the difference between the price when the CFD is opened and the price when it is closed, adjusted to reflect notional dividends and interest payments, where applicable.

Leverage risk

- 2.5. CFDs have leverage which can lead to large losses as well as large gains. The high degree of leverage in CFDs can work against you as well as for you.
- 2.6. Any changes made to your leverage level, on an already traded account, can immediately affect your open positions, and may require you to provide additional funding to support those positions.
- 2.7. The leverage in our CFDs gives a moderate to high risk of a loss larger than the amounts you pay us as Margin. It can also cause volatile fluctuations in the Margin requirements.

Margin risk

- 2.8. You must be able to pay us the amount of required Margin as and when required, otherwise all of your transactions (including CFDs) may be Closed Out without notice to you.
- 2.9. You should consider there is a high risk of Margin requirements changing and changing at times very rapidly. There is a moderate to high risk that if the market value of the underlying market moves rapidly against you, you will be required to pay more Margin on little or no notice. If you do not meet those requirements, your positions (including CFDs) can be automatically Closed Out.

Gapping risk

- 2.10. Financial markets may fluctuate rapidly, and the prices of CFDs will reflect this. Gapping is a risk that arises as a result of market volatility and occurs when the prices of CFDs move from one price to another, without passing through the prices in between. As an example, if the price of Bitcoin falls from 40,000 to 20,000 in an instant, any orders between those two prices would not be filled.
- 2.11. Afterprime offers you the opportunity to choose Stop Loss Orders to limit the potential losses you can incur from an open position. This option automatically closes your position when it reaches a certain price limit. There are some circumstances in which a 'stop loss' limit is ineffective, e.g., where there are rapid price movements or market closure.

Risk of loss of invested funds

- 2.12. It is possible for adverse market movements to result in the loss of your account balance in full or even more. In case you lose more than your current account balance, we will bear the negative consequences of such adverse events and your losses will be limited to your then current account balance.

Volatility

- 2.13. Volatility risk refers to the risk of sudden, sharp, and large movement of prices in Financial Instruments. Volatile markets are faster and have greater ranges which increases your risk of losses. The prices of Financial Instruments and the underlying asset(s) may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by you or us. Under such market conditions it may be impossible for your orders to be executed at quoted prices leading to losses.

Liquidity risk

- 2.14. Liquidity risk refers to the capacity to readily monetize assets without suffering a significant discount in their prices, i.e., the ability to open and close trades without moving the market or suffering excessing slippage due to market illiquidity. The underlying assets on some products on offer by us may be inherently illiquid or sometimes face persistent liquidity strains due to adverse market conditions. Illiquid underlying assets may exhibit high levels of volatility in their prices and consequently a higher degree of risk. This typically leads to larger gaps in bid and ask prices for an underlying asset that would otherwise prevail under liquid market conditions. These large gaps may be reflected on the prices of the product that we offer.

Not a regulated market

- 2.15. The products offered by Afterprime are over the counter products and so are not covered by the rules for an exchange.
- 2.16. Over-the-counter financial products, such as CFDs, by their nature do not have an established liquid market with numerous participants. If you want to exit your CFDs, you rely on our ability to Close Out at the time you wish, which might not match the underlying market's liquidity or price.

3. GENERAL RISKS OF ONLINE TRADING

Market Risk

- 3.1. Market risk is the risk of losses on financial investments caused by adverse price movements. There is a high risk that market prices will move such that the value of your CFDs can be significantly less than the amount you invested in them.

Foreign Exchange Risk

- 3.2. Foreign currency conversions required for your Account can expose you to foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs. This exposes you to adverse changes in the value of your Trading Account which can be large (depending on foreign exchange rates).

Orders

- 3.3. Stop-loss Orders may not always be filled and may not limit your losses to the amount specified in your order. You should consider placing stop-loss or other orders that limit your losses but also closely monitor your Account and the relevant market in case the Stop-loss Order is not fully filled or filled at all, and you need to take further action to limit your losses.
- 3.4. There are times when orders may be subject to what's known as "slippage", because of an increase in volatility or volume. This happens most often during fundamental news events or "gapping" in the markets, which create conditions where orders are difficult to execute because of extreme price movements.

Electronic Trading Platform

- 3.5. Your access and/or use of the Electronic Trading Platform(s), or any portion thereof, may be restricted, intermittent or unavailable during periods of peak demands, extreme market volatility, systems, upgrades or for other reasons. We make no express or implied representations or warranties to you regarding the availability, usability, condition, or operation thereof. We do not warrant that the access to, or use of our Electronic Trading Platform(s) will be uninterrupted or error free, or that our Electronic Trading Platform(s) will meet any requirements or criteria of processing, performance, or quality.
- 3.6. You expressly acknowledge and agree that your access and use of the Company's Electronic Trading Platform(s) is at your sole and exclusive risk. You assume full responsibility for any risk of loss resulting from the use of, or materials or data obtained through the Company's Electronic Trading Platform(s). Neither the Company, nor any of the Company's directors, officers, employees, agents, contractors, affiliates, third party vendors, facilities, information providers, licensors, exchanges, clearing organizations or other suppliers providing data, information, or services, warrants:
 - a) that the Company's Electronic Trading Platform(s) will be uninterrupted or error free; neither does the Company, nor any of the Company's directors, officers, employees, agents, contractors, affiliates, third party vendors, facilities, information providers, licensors, exchanges, clearing organizations or other suppliers providing data, information, or services, make any warranty as to the results that may be obtained from the use of the Company's Electronic Trading Platform(s), or as to the timeliness, sequence, accuracy, completeness, reliability or content of any information, service, or transaction provided through the Company's Electronic Trading Platform(s); or
 - b) that your computer systems will be unaffected or undamaged by any malicious software; or
 - c) that any data will not be intercepted by any third party.
- 3.7. If your access to the Electronic Trading Platform(s), or any part thereof, is restricted or unavailable, you agree to use other means to place the orders or access information, such as calling us.
- 3.8. Orders placed through our Electronic Trading Platform(s) may not be reviewed by a registered representative prior to execution. We are not liable to you for any losses, lost

opportunities or increased commissions that may result from your inability to use the company's Electronic Trading Platform(s) to place orders or access information.

4. **CHARGES AND TAXES**

- 4.1. Our trading fees and charges are available on our website. You should obtain the details of all fees, and charges for which you will be liable before you trade or accept any services from us.
- 4.2. We may change our charges at any time, according to the provisions of the Client Agreement accessible on our website. It is your responsibility to check for any changes in the charges.
- 4.3. There is a risk that your trades in a Financial Instrument may be or become subject to tax and/or any other duty for example because of changes in legislation or your personal circumstances. We do not warrant that no tax and/or any other stamp duty will be payable. We do not offer tax advice and recommends that you seek advice from a competent tax professional for any questions that you might have.
- 4.4. It is noted that our prices in relation to Financial Instruments are set/quoted in accordance with our Best Interest and Order Execution Policy which is available on the our website. It is also noted that our prices may be different from prices reported elsewhere. The prices displayed on our Trading Platform reflect the last known available price at the moment prior to placing any Order, however, the actual execution price of the Order may differ, in accordance with our Best Interest and Order Execution Policy and Client Agreement. As such, the price that you receive when you open or close a position may not correspond to the exact price that you could see at the time of placing the order and it may not correspond to the prices quoted by other brokers/provider.

5. **THIRD PARTY RISKS**

- 5.1. We promptly place Client money we receive into one or more segregated client money account(s) (denoted as 'clients' accounts'), which are held with a credit institution abiding by the Capital Requirements Directive framework (CRD IV) and in compliance with Cyprus Securities and Exchange Commission ("CySEC") safeguarding Client Money Rules (as per Directive DI87-01). We don't keep your money separate. Your money is pooled with money belonging to other clients.
- 5.2. We exercise due skill, care, and diligence in selecting, appointing, and reviewing the institution(s) where we deposit your money. However, if an institution in which the clients' money is held becomes insolvent or fails, we're not liable for this insolvency and in the case the institution is unable to return the full amount of funds held in the clients account, you may not receive all the funds to which you have an ownership interest.

6. **INSOLVENCY**

6.1. Our insolvency or default, or the insolvency or default of any parties involved in Transactions undertaken by us on your behalf (including without limitation brokers, execution venues and liquidity providers) may lead to positions being liquidated or closed out without your consent and as a result you may suffer losses. In the event of our insolvency, segregated client funds cannot be used for reimbursement to creditors. If we're unable to satisfy repayment claims, eligible claimants have the right to compensation by the Investor Compensation Fund as stated below.

7. **INVESTOR COMPENSATION FUND**

7.1. Afterprime participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Claims against us may be compensated by the Investor Compensation Fund when we're unable to do so due to our financial circumstances and when no realistic prospect of improvement in the above circumstances seems possible. Compensation shall not exceed twenty thousand Euro (EUR 20.000). For more details, please refer to the "Investor Compensation Fund Notice" found on our website.

8. **COMMUNICATION BETWEEN THE CLIENT AND THE COMPANY**

8.1. You are responsible for the risks in respect of delayed or undelivered Company notices including emails, system internal mail messages sent by us through the Electronic Trading Platforms or on the website.

8.2. Unencrypted information transmitted electronically is not protected from any unauthorized access. It is your responsibility to safeguard your account numbers, passwords, and any other sensitive information relating to your account with Afterprime.

8.3. We have no responsibility if unauthorized persons access your information including: electronic addresses, electronic communications, personal data, and passwords and other access.

9. **FORCE MAJEURE EVENTS**

9.1. In case of a Force Majeure Event as defined in the Client Agreement, we may not be able to arrange for the execution of your orders or fulfil our obligations under the Client Agreement. As a result, you may suffer financial loss.

9.2. According to the Client Agreement, we will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing our obligations under the Client Agreement where such failure, interruption or delay is due to a Force Majeure event.

10. **ABNORMAL MARKET CONDITIONS**

- 10.1. Under Abnormal Market Conditions, the period during which the execution of orders may be extended, or it may be impossible for orders to be executed at declared prices, or for orders to be executed at all.
- 10.2. Abnormal Market Conditions include but not limited to times of high volatility when prices rise or fall in one trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted, or there is lack of liquidity, or this may occur at the opening of trading sessions.

11. **CONFLICTS OF INTEREST**

- 11.1. Afterprime is subject to actual and potential conflicts of interest which may operate against your interests. For more information about conflicts of interest and the procedures and controls that we follow to manage the identified conflicts of interest, please refer to the Afterprime Conflicts of Interest Policy found on the our website.

12. **NO ADVICE OR RECOMMENDATIONS**

- 12.1. When you place orders with the Company, we will not give any form of investment advice. We provide you with our products and services on an execution-only basis. This means that you are solely responsible for any decisions that you make in relation to our products and services.
- 12.2. We may publish information on our website which does not consider your investment objectives and goals, or your financial situation and needs. Therefore, all the publications by us, unless otherwise specifically stated, are intended for informational and/or marketing purposes only, and should not be construed as either business, financial, investment, hedging, legal, regulatory, tax or accounting advice, and/or a recommendation or trading idea, and/or any other type of encouragement to act, invest or divest in a particular manner (collectively “recommendations”). We shall not be responsible for any loss arising from any investment based on a perceived Recommendation.
- 12.3. We may provide you with information and tools produced by third parties on an “as is” basis (i.e., we do not approve, or endorse, or affect the said information and or tools), which may be indicative of trading trends. You accept and understand that taking any actions based on such information and/or tools provided by third parties may result in losses.
- 12.4. Our publications may not be updated after their release and may become inaccurate and possibly misleading due to changing circumstances. We give no guarantee against and assumes no liability towards any recipient for any publication being outdated.

13. **NO GUARANTEES OF PROFITS**

- 13.1. Afterprime provides no guarantees of profit nor of avoiding losses when trading in Financial Instruments. We cannot guarantee the future performance of your Trading Account, promise any specific level of performance, or promise that your investment decisions and strategies will be successful or profitable. You acknowledge that you have not received such guarantees from Afterprime or any of our representatives. You acknowledge that you are aware of the risks inherent in trading in Financial Instruments and are financially able to bear such risks and withstand any losses incurred.

14. **OPERATIONAL AND SYSTEM RISK**

- 14.1. Operational risks in relation to our Electronic Trading Platform(s) are inherent in every product that we offer. For example, disruptions in operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a transaction.
- 14.2. We are not liable to you if losses arise owing to delays, errors, or failures in operational processes outside our control, due to faults in the Electronic Trading Platform(s) or in the provision of data by third parties.
- 14.3. Disruptions to our operational processes such as communications, computers, computer networks, software or external events could also lead to delays in the execution and settlement of your CFD. This means that you might be unable to trade in a particular CFD that we offer and you could suffer a financial loss or opportunity loss as a result.
- 14.4. If you experience a disruption to our trading platform, you can contact our Support team directly to open/close your positions.

15. **REGULATORY AND LEGAL RISK**

- 15.1. A change in laws and regulations may materially impact a Financial Instrument and investments in a sector or market. A change in laws or regulations made by a government or a regulatory body or a decision reached by a judicial body can increase business operational costs, lessen investment attractiveness, change the competitive landscape and as such alter the profit possibilities of an investment. This risk is unpredictable and may vary from market to market.



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