RISK DISCLOSURE STATEMENT

Z Trading & Technology Inc.

Sheikh Zayed Road, No:1 The H Dubai Hotel, Unit 1803, 18th floor
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Potential Risks

Prior to initiating a trade, we request that you deposit funds with us as the Initial Margin. In order to maintain an open Transaction, it is necessary for the amount in your Trading Account to exceed the Maintenance Margin. The specific Initial Margin amounts for different Instruments will be specified on the Trading Platform. This implies that you will be engaging in leveraged trading, where small price fluctuations can lead to significant returns or losses on the Initial Margin invested in the trade.

By trading CFDs on leverage, you can gain a much larger exposure to an underlying asset by investing a relatively small Initial Margin. Nevertheless, it's important to recognize that leverage amplifies both potential profits and potential losses. Therefore, it is crucial to closely monitor all your open positions to effectively manage the risk of significant losses.

In addition, it is necessary for you to maintain a Trading Account balance that is higher than the Maintenance Margin to keep your open trades active. If the market moves unfavorably, you may be required to promptly provide us with a significant amount of additional Margin to sustain your open positions. Failure to fulfill this requirement will give us the right to close one or more, or even all, of your trades. Consequently, you will be held accountable for any resulting losses.

It is important for you to understand that according to our Customer Agreement, we have the authority to issue a Margin Call at our own discretion. In accordance with the agreement, you are obligated to meet any Margin Calls promptly, using the specified methods within the designated timeframe. Failure to comply with this requirement will grant us the right to close one or more, or even all, of your trades.

Operational Risks

The Customer assumes various risks related to computer equipment and data usage, for which Z Trading cannot be held liable for resulting losses. These risks include but are not limited to power interruptions on the Customer's or provider's side, damage to communication channels, communication outages or low-quality connections, incorrect settings of the Customer Terminal, delayed updates of the Customer Terminal, potential non-reception of messages, and immediate execution of Market Orders placed over the telephone. The malfunction or inoperability of the Platform, including the Customer Terminal, is also a factor to consider.

If any of the risks mentioned above materialize, the Customer may experience financial losses, and Z Trading cannot be held responsible or liable for such losses. It is the Customer's responsibility to bear any related losses that may occur.

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Currency Risk

Customers need to be aware that when engaging in OTC trades using a currency different from their currency, there is an additional risk associated with fluctuations in currency exchange rates.

Third Party Risks

The Customer is accountable for any taxes or duties that may arise from their trades involving Financial Instruments, including derivative instruments. The Company does not guarantee that no tax or stamp duty will be applicable in the event of changes in legislation or the Customer's personal circumstances. The funds deposited by the Customer in their Z Trading account are held in segregated accounts at designated banks. In the event of Z Trading's bankruptcy or insolvency, the administration of Customer funds will be conducted in accordance with the bankruptcy law of the British Virgin Islands.

The Company reserves the right to transfer funds received from the Customer to a third party for various purposes, such as facilitating transactions or meeting collateral requirements. The Company cannot be held responsible for the actions or omissions of any third party to whom it transfers the Customer's funds. It is possible that the third party may hold the funds in an omnibus account, making it difficult to differentiate between the Customer's funds and the third party's funds. If the third party becomes insolvent or undergoes similar proceedings, the Company may only have an unsecured claim on behalf of the Customer, exposing the Customer to the risk of insufficient funds to cover their claims on the relevant account. The Company assumes no liability or responsibility for any losses that may arise from these circumstances.

Trading Platform

The Customer is advised that engaging in trading on an electronic platform carries the risk of financial loss, which can occur due to various factors including but not limited to: failures of the Customer's devices, software, or internet connection; technical issues with Z Trading's systems or the Customer's own hardware or software; improper functioning of the Customer's equipment; incorrect configuration of the Customer's trading platform; and delayed updates to the Customer's trading platform.

Z Trading holds no responsibility for communication failures, disruptions, or delays that may occur when trading through the Internet, including but not limited to failures in communication networks or public electricity networks.

In order to limit access to the customer account by unauthorized users, e-mail or SMS verification will be performed at the customer's entrance to the portal. In addition, if the customer accepts,

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MT5's OTP (One-Time password generator) service will be used to log in to the trading platform, and a password will be sent to the mobile application while providing online access to the platform, and it will be requested to log in with the relevant password. In addition, telephone orders to the trading desk to limit unauthorized access will not be accepted. Therefore, the client may place his/her orders via online access to the Company's Trading Platform.

The Company does not assume responsibility for any losses incurred by the Customer as a result of unauthorized access to encrypted information sent by the Company through the Trading Platform. It is the sole responsibility of the Customer to ensure the security of their account access data. As previously emphasized, the Customer is exposed to risks associated with the system, including hardware and software failures.

Market Volatility

The price, execution speed, and trading volume of a financial instrument may be influenced by market volatility. Trading under such conditions, where unexpected economic events, important news, and data releases occur, carries a high level of risk. During volatile periods, the application of best execution criteria may be compromised. If prices move rapidly against your position, the Company may be unable to execute your instructions at the desired price. It is crucial to consider the possibility of slippage during periods of heightened volatility. As per industry standards, execution pricing will be based on the first available price.

The financial markets are influenced by various factors that can cause prices to change rapidly. Due to this volatility, no CFD transaction offered on our trading platform can be considered completely free of risk. It is important to monitor your transactions closely always, especially considering the potential for market volatility. For instance, investments denominated in foreign currencies can be affected by both fluctuations in exchange rates and market movements.

Slippage refers to the disparity between the intended price of a transaction and the actual execution price. It frequently happens when market conditions are more volatile, such as during news events. In such situations, placing an order at a specific price becomes challenging, particularly with market orders. Additionally, slippage can occur when executing large orders if there isn't enough market interest at the desired price level to sustain the expected trade price.

Cryptocurrency markets are decentralized and lack regulation, meaning that there is no central authority to stabilize or manipulate the value of cryptocurrencies during a crisis or increase the supply of currency. Consequently, engaging in over the counter (OTC) trading of cryptocurrencies carries a high risk of losing funds within a short timeframe due to market volatility, execution challenges, and disruptive events specific to the cryptocurrency industry. These events may include discontinuation of cryptocurrencies, regulatory bans, and malicious activities within cryptocurrency ecosystems. OTC trading of cryptocurrencies is not suitable for all investors, and individuals interested in trading cryptocurrencies should possess up-to-date knowledge and expertise in these instruments. Customers must thoroughly understand and be fully aware of the unique characteristics and risks associated with OTC trading.

Process of After a Circuit Breaker

During times of significant market volatility, the company has the authority to halt trading in specific securities, preventing clients from engaging in buying or selling activities until the circuit breaker is lifted. This measure is implemented to safeguard clients from incurring additional losses that could arise from trading in such volatile conditions.

In periods of extreme market volatility, the company has the option to set price limits on orders, effectively restricting clients from placing orders that surpass specific price thresholds. This measure is implemented to ensure that clients do not place orders at prices that could be significantly affected by the extreme volatility of the market.

The company may communicate with their clients through various channels, such as website, email, text messages, or phone calls, to keep them informed of the market conditions and any actions that they may take on behalf of their clients.

The company can offer advice and recommendations to their clients regarding appropriate actions to take during the circuit breaker period. These recommendations will be such that the customers are least affected by the circuit breaker, provided that there is no price estimation of the products in the transactions carried out by the customer. This guidance may include suggestions to hold onto their positions or place stop-loss orders to mitigate potential losses.

Equity and options exchanges have established protocols known as market-wide circuit breakers (MWCB) to address severe market price declines that could deplete market liquidity. These MWCB procedures involve temporary trading halts or, in extreme cases, the early closure of markets before the regular end of the trading session. MWCBs are activated when there is a significant decline in the S&P 500 Index within a single trading day, leading to cross-market trading suspensions.

Market-wide circuit breakers are designed to pause cross-market trading activities in the event of a significant market downturn, determined by a single-day decrease in the S&P 500 Index. There are three specific thresholds that can trigger a cross-market trading halt: Level 1 at 7%, Level 2 at 13%, and Level 3 at 20%. These threshold levels are determined by the markets daily, considering the previous day's closing price of the S&P 500 Index.

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When implementing circuit breakers for its customers, the company will take into consideration the regulations set by the relevant country's regulator and determine the specific threshold values accordingly.

No Guarantees of Profit

The Company does not guarantee profits or the prevention of losses in trading. The Customer has not received any guarantees of this nature from the Company or its representatives. It is the Customer's responsibility to understand and accept the risks associated with trading and to have the financial capacity to bear such risks and cope with any resulting losses.

Force Majeure

If a force majeure event occurs, such as war, terrorist attacks, natural disasters, trading halts in financial markets, currency interventions, government decisions, or financial market instability with sudden liquidity declines, the Customer acknowledges and assumes the risk of any resulting loss.

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