



TrioMarkets™
TRUSTWORTHY TRANSPARENT TRADING

EDR Financial LTD

RISK WARNING STATEMENT ON CFDs IN CRYPTOCURRENCIES



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RISK WARNING STATEMENT ON CFDs in CRYPTOCURRENCIES

Before trading in CFDs on cryptocurrencies you should be aware of the following

- i. Although cryptocurrencies are not confirmed to be recognized as financial instruments for the purposes of MiFID there is specific EU regulatory framework governing the trading in cryptocurrencies Contracts for Differences.
- ii. Further to the European Securities and Markets Authority's (ESMA) decision on 27 March 2018 to include Contracts For Differences (CFDs) on virtual currencies into the scope of its product intervention measures, CFDs on virtual currencies are considered as financial instruments under the Investment Services and Activities and Regulated Markets Law of 2017 and regulated by Cyprus Securities and Exchange Commission (CySEC).
- iii. Cryptocurrency CFDs are an extremely high-risk, speculative investment. You should be aware of the following risks when investing in cryptocurrency CFDs:

Market risk (high volatility). The value of cryptocurrencies, and therefore the value of CFDs linked to them, is extremely volatile. They are vulnerable to sharp changes in price due to unexpected events or changes in market sentiment. The value of some cryptocurrencies recently fell by more than 30% in a single day. Therefore, you must carefully consider that there is a high risk of loss as well as profit.

Leverage risk. Leverage multiplies your losses and potential profits and can have a significant impact on fees. It also places you at risk of losing more than your initial investment.

Price transparency risk. When compared with currencies and taking into consideration of Over-The-Counter (OTC) nature of CFDs, there can be more significant variations in the pricing of cryptocurrencies used to determine the value of your CFD position. There is a greater risk you will not receive a fair and accurate price for the underlying cryptocurrency when trading.

Counterparty risk. Crypto exchange can be defaulted or could provide low liquidity to cryptocurrency CFDs.

Risk Warning: CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 59.01% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. Please find more information in our [Risk Disclosure](#).

Risk of high fees and charges costs. Charges tend to be significantly higher than for other CFD products. Fees can include the spread (the difference between the prices at which a firm offers to buy or sell a CFD position), crypto exchange charges and commissions and swaps (roll over rates). You should consider the impact of these fees on your likelihood of making a profit.

Regulatory risk includes risk of limitation or prohibition of use of cryptocurrencies and cryptocurrency CFDs in different countries.

Technology risk is a risk of so called "forks" of crypto currency blockchain. Other risks, including unidentifiable ones.

- iv. CFDs on cryptocurrencies are an extremely volatile high-risk, speculative investment and you may experience a significant loss over a short period of time or lose all your invested capital. Before trading, you need to ensure you fully understand the risks involved taking into consideration your level of experience and investment objectives. Seek independent advice and consultation from an independent financial advisor if you have any doubts.
- v. CFDs on cryptocurrencies are not appropriate for all investors and therefore, you should not trade in such products if you don't have the necessary knowledge and expertise in this specific product. You should always be fully aware and understand the specific characteristics and risks related to these products.
- vi. Since CFDs on cryptocurrencies are confirmed to be covered by MiFID you have the protection offered by the regulatory framework of Cyprus financial services.

Therefore:

- a. All companies offering CFDs must be licensed and controlled by CySEC;
 - b. You have the right to protection under the Investor Compensation Fund;
 - c. Investor's individual complaints may be referred to the Cyprus Financial Ombudsman.
- vii. However, these protection measures do not fully compensate you for any loss of trade. You should still be careful and consider whether these products are right for you.

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- viii. When trading in CFDs on cryptocurrencies, you represent and warrant to us that you fully understand, accept and agree to/with all the aforesaid points and additional risks associated with such trading, as set out above. For the avoidance of doubt, all other relevant terms of Terms and Conditions (Client Agreement), are fully applicable to you when you trade CFDs on cryptocurrencies.

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