

Plus500SG Pte Ltd



Plus500

World's Trading Machine

Risk Disclosure Notice



Risk Disclosure Notice

Contracts for Difference (“CFDs”) are considered high risk by some regulatory authorities, as there is no protection of capital, no guaranteed return and customers can lose more than the amount invested. With the trading platform offered by Plus500SG Pte Ltd (“Plus500SG”, “we” and “ours”), however, whilst your capital is at risk, you cannot lose more than your balance in your trading account (“Trading Account”) i.e. you cannot be left in debt to Plus500SG. Trading CFDs is not appropriate for some investors; make sure you fully understand the risks involved.

This Risk Disclosure Notice forms part of the Client Agreements as defined in the User Agreement

1. Introduction

- 1.1. You are considering dealing using our trading platform for transacting in CFDs (“Trading Platform”). CFDs are derivative instruments which are considered high risk investments and may not be suitable for many investors.
- 1.2. This notice provides you with information about the risks associated with CFDs, but it cannot explain all of the risks nor how such risks relate to your personal circumstances. If you are in doubt you should seek professional advice.
- 1.3. It is important that you fully understand the risks involved before deciding to enter into a trading relationship with us. If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully.
- 1.4. The burden of all risks involved in any CFD will be borne by you, and we are not responsible for any losses which you incur, of whatever nature and howsoever arising.

2. MAGNIFIED LOSSES

- 2.1. Due to the nature of margin trading, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, a relatively small movement in the underlying market can have a



significant effect on your trade. This means that both profits and losses can be magnified.

- 2.2. If the underlying market movement is in your favour, you may achieve a significant profits, but an equally small adverse market movement against you can result in significant losses, exceeding your deposits.
- 2.3. To avoid incurring large losses, where possible, you should use the risk management tools offered by Plus500SG. Please note that you cannot lose more than the balance on your Trading Account i.e. you cannot owe Plus500SG any funds.

3. ***CFDS ARE NOT SUITED FOR LONG TERM INVESTMENT***

- 3.1. CFDs are not suited to the long term investor. If you hold a CFD open over a long period of time the associated costs increase, and it may be more beneficial to buy the underlying asset instead.

4. ***NO RIGHTS TO THE UNDERLYING INSTRUMENT***

- 4.1. CFDs do not provide any right to the underlying instruments, or in the case of Equity CFDs, to voting rights.

5. ***ONLY INVEST MONEY YOU CAN AFFORD TO LOSE***

- 5.1. Do not invest in CFDs with money you cannot afford to lose. An investment in CFDs carries a high degree of risk to the investor and for reasons including those stated herein, you may not get back the full amount you have invested.

6. ***APPROPRIATENESS***

- 6.1. Under the Notice On The Sale of Investment Products of the Securities and Futures Act (Cap. 289), we are required to assess your investment knowledge (also known as Customer Knowledge Assessment) and determine whether access to the Trading Platform should be made available to you. Nonetheless, it is your decision whether or not to open an account or position on the Trading Platform.
- 6.2. We may also ask you for information about your financial assets and earnings. We do not monitor on your behalf whether the amount of money that you have credited to the Trading Platform or your profits and losses are consistent with that information. It is your responsibility to assess the adequacy of your financial resources and the level of risk you wish to be exposed to.

7. ***POTENTIAL RISKS***

- 7.1. You can lose all, but not more than the balance of your Trading Account.



- 7.2. Before you open a CFD position you must have sufficient funds on your Trading Account (“Initial Margin”). In order to keep the position open, you must ensure that the balance in your Trading Account does not fall below the required margin level.
- 7.3. The Initial Margin will differ between instruments and the amount required for a particular transaction will be indicated on the Trading Platform. You should familiarise yourself with and understand the requirements for trading on margin.
- 7.4. Trading CFDs on leverage means a relatively small security deposit is security for a significantly larger exposure to an underlying asset. The use of leverage magnifies the size of your trade, which can lead to potential large gains and potential large losses. Trading using ‘leverage’ can work for you or against you in equal measures; a small price movement in your favour can result in a high return whilst a small price movement against you may result in substantial losses.
- 7.5. You should, therefore, closely monitor all of your open positions to manage the risk of large losses. For example, a leverage of “10%” (or 1:10) means that if the price of the underlying asset changes by 1%, it is as if the price of the CFD has changed by 10%.
- 7.6. Each instrument has a fixed leverage which is specified in the instrument’s details. An important consideration is whether or not, you wish to dedicate all of your deposit to meet your margin requirements. By dedicating all your deposit in this manner, you will be less able to deal with market volatility than if you only dedicate some of your deposit.
- 7.7. You must ensure that the amount in your Trading Account does not fall below the required margin in order to keep a Transaction open, otherwise if price moves against you, you may be called upon at short notice to make additional margin deposits to maintain your open position(s). If you fail to do this, we will be entitled to close or partially close one, more or all of your trades without notice to you and you will be responsible for any losses that may be incurred. Such loss may be substantial. You must therefore carefully consider whether such margin provision arrangement for trading in CFDs is suitable for you in light of your own financial position and investment objectives.
- 7.8. You should also be aware that under our User Agreement we are entitled, at our sole discretion, to make a Margin Call Alert (as defined in the User Agreement) which you are required to satisfy immediately. If you do not satisfy the Margin Call Alert in a timely manner, we will be entitled to close or partially close one, more, or all of your trades without notice to you. For more information on Margin Call, please visit our website at the link provided:
<http://www.plus500.com.sg/FAQ/Trading/WhatIsMarginCall>.



- 7.9. Unless you have taken steps to place an absolute limit on your losses by setting a Guaranteed Stop (as defined in the User Agreement), it is possible for adverse market movements to result in the loss of the entire balance of your Trading Account. Guaranteed Stops are not offered on all instruments, but there are other risk management tools available, e.g. by placing “Close at Loss” or “Close at Profit” orders on your account, that will help mitigate your losses. However, please note “Close at Loss” and “Close at Profit” are not guaranteed if the rate changes by more than a single pip. For more information visit our [FAQ Trading page](#).
- 7.10. With CFDs customers can buy ("go long") and close the position later by selling (the mere action of selling closes the position). Being long in CFD means you are buying the CFDs on the market by assuming that the market price of the underlying instrument will rise between the time of the purchase and sale. As owner of a long position, you will generally make a profit if the market price of the underlying instrument rises whilst your CFD long position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying instrument falls whilst your CFD long position is open. In addition, you might suffer a loss due to the closing of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.
- 7.11. Alternatively customers can sell ("go short") and close the position later by buying (the mere action of buying the position closes the position). Selling at a higher/lower price than the purchase price yields a gain/loss accordingly. If the market goes against you and you do not have the necessary risk management tools in place your position could result in significant losses.

8. NOT SUITABLE AS INCOME

- 8.1. The inherent concept of CFDs means they are not suitable for an investor seeking an income from their investments, as the income from such investments may fluctuate in value in money terms. For an investment in an OTC product, which is not a readily realisable investment, it may be difficult to sell or realise the investment and obtain reliable information about its value or the extent of the risks to which it is exposed.

9. FLUCTUATIONS IN THE MARKET

- 9.1. It is important that you comprehend the risks associated with trading in CFDs, as fluctuations in the price of the underlying market will have an effect on the profitability of the trade. For example: the value of investments denominated in foreign currencies may diminish or increase due to changes in the rates of exchange.
- 9.2. Slippage occurs when the market moves suddenly in any direction, and is the difference between the expected price of a trade, and the price at which the trade was actually executed. The price is then said to have



relation to the operational processes of Plus500, except to the extent that it is caused by the fraud, negligence or dishonesty by Plus500.

13. CURRENCY RISK

13.1. You should be aware that CFDs denominated in a currency other than your home currency have the additional risk associated with currency fluctuations. The value of your return may be affected by its conversion into the home currency.

14. CLIENT MONEY & COUNTERPARTY RISK

14.1. All funds and currencies belonging to you ("Client Money") shall be held by us in a segregated client money bank account; and are subject to a right of off-set for all liabilities that you owe to us. Designated client money is segregated from the assets of the Firm and is deemed client money for the purposes of MAS rules & regulations. We may place your funds in our designated Client Money account in a different currency to your base currency. Such Client Money will be at least equal in value to your base currency and will be in compliance with MAS regulatory requirements. No interest is due or will be paid in respect of Client Money.

14.2. Given that you are dealing with Plus500SG as the counterparty to every transaction, you will have an exposure to us in relation to each of your transactions and are reliant on our ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as 'counterparty risk'.

15. TRADING CRYPTOCURRENCY CFDS RISK

15.1. Cryptocurrency CFDs are complex, and usually highly speculative. Trading in Cryptocurrency CFDs involves a high risk of loss of funds over a short period of time due to high market volatility, execution issues and industry-specific disruptive events, including, but not limited to, discontinuation, regulatory bans and other malicious actors within cryptocurrency ecosystems.

15.2. The pricing of Cryptocurrency CFDs is derived from specific cryptocurrency exchanges, which means that the market depth is limited to what is available in the order books of such exchanges. These markets are relatively new and thus might be volatile and limited in terms of liquidity. The pricing engines of cryptocurrency exchanges may experience delays and/or interruptions which can be caused by numerous potential issues.

15.3. Cryptocurrency CFD trading is not appropriate for all investors and therefore, any person wishing to trade in Cryptocurrency CFDs should



have detailed and updated knowledge and expertise in these specific products. Customers should always be fully aware and understand the specific characteristics and risks related to these products as laid down in this section.

16.COMMUNICATION BETWEEN THE CLIENT AND THE COMPANY

- 16.1. The Client shall accept the risk of any financial losses caused by the fact that the Client has received with delay or has not received at all any notice from the company.
- 16.2. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.
- 16.3. The Company has no responsibility if unauthorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the Company and the client or when using the internet or other network communication facilities, or any other electronic means.



Plus500SG Pte Ltd ■ 1 Temasek Avenue, Millenia Tower #18-07 ■ Singapore 039192



Plus500SG Pte Ltd is licensed and regulated by the Monetary Authority of Singapore