

## RISK DISCLOSURE: derivatives on virtual currencies

1. Trading in derivatives on virtual currencies (Bitcoin, Ether, etc.) is extremely risky and it is not appropriate for all the investors. You should not engage in trading in relation to such products if a) you do not have the necessary knowledge in this specific product; or b) you cannot bear the loss of the entire invested amount. You must be fully aware of, and understand, the specific characteristics and risks in relation to these products.
2. Derivatives on virtual currencies are complex products. Risks described in the Risk Disclosure for Derivatives provided on our website apply equally or to a greater degree with respect to trading in derivatives on virtual currencies. Therefore, you should carefully read the aforementioned Disclosure as well as this specific Risk disclosure before trading in derivatives on virtual currencies. Below is a list of some of the possible risks of trading in the derivatives on virtual currencies, but there may be other risks that are not specifically mentioned. You should consult your financial advisor before trading in derivatives in virtual currencies.
3. Derivatives on virtual currencies are margin products. Therefore, losses (or gains) are magnified. You acknowledge that you could lose your entire investment and that possible losses are not limited to the funds and equity deposited in the account. You may be required to pay additional funds to us to cover losses in derivatives on virtual currencies.
4. Virtual currencies is an asset class based on decentralised monetary protocols which are still in experimental stage and may change at any time. Reliability of virtual currencies storage system still needs improvement, the probability of massive virtual currency loss, including theft, staying considerable, with the facts of such losses revealed having potential to influence the markets of Derivatives on virtual currencies.
5. Virtual currencies are not controlled by any sovereign country and the value of which is not based on any tangible commodity, security, economic measure or legal obligation of a company or government. Virtual currencies have no intrinsic value themselves - apart from the law of supply and demand, there may be no fundamental or economic basis for valuation of virtual currencies and their prices may move randomly.
6. The underlying "cash" markets for virtual currencies (the product from which derivatives on virtual currencies are derived) are largely unregulated and many are offshore. Underlying virtual currencies markets may not be subject to registration, licensing or fitness requirements, audit trail or trade reporting rules, market integrity rules, wash sale, spoofing or other anti-fraud rules, disaster recovery or cybersecurity requirements, surveillance requirements, or anti-money laundering rules. Particularly, virtual currencies markets are extremely prone to the abusive dissemination of information, which gives a false or misleading impression as to the factors that may influence virtual currency, such as possible acceptance of virtual currency as a means of payment or exchange by certain businesses. Because of these factors, virtual currencies markets may be unusually susceptible to fraud and manipulation, which could adversely affect the price of derivatives on virtual currencies.
7. Virtual currencies and the elements of infrastructure servicing virtual currencies, such as respective exchanges, can be subject to abrupt voluntary restrictions and prohibition imposed by national authorities with no losses to be compensated to the investors.
8. Virtual currency prices have been highly volatile historically, with sudden and unexpected upward and downward price swings. This increases the risk of trading in derivatives on virtual currencies.
9. If you have a "short" position in the derivative on virtual currency and market prices for virtual currency products rise, your potential loss is not limited. Depending on how quickly virtual currency prices rise, you may be unable to close your short position and therefore you may be unable to stop or limit the losses you are incurring. This is especially true if the exchanges for virtual currency products halt trading because of a sudden price move. You can suffer similar losses if you have a "long" position in the derivative on virtual currency and prices fall.