

Risk Warning

iFOREX offers various financial products (“the Products”) allowing for inter alia, the carrying out of transactions in Contracts for Difference including but not limited to, forex, foreign currency exchange rates, indices, commodities, futures and options and other financial assets (CFDs). However owing to the fact that different regulations apply in different regions, restrictions may apply and some of the financial product offered by iForex may not be available to clients in certain regions. For example CFD’s may not be offered in Romania. Therefore some of the products offered by iForex are not intended and not available to certain clients within certain Jurisdictions and territories and are therefore not offered within those in jurisdictions where the prohibitions to offer and trade the products apply. Some of the products mentioned in the risk warnings relate to products that are available to recipients residing in countries where the provision of such products and services would not constitute a violation of mandatory applicable legislation or regulations

This is a general risk warning and the Information provided herein is of a general nature dealing with all the products offered by iForex. This risk warning notice (the “Risk Warning Notice”) cannot and does not disclose all of the risks of trading in spot foreign exchange (“Spot Forex”) and foreign exchange contracts for difference (“CFDs”). The purpose of this notice is to describe the major risks of trading spot forex and CFDs.

General

You should not engage in speculative spot forex or CFD trading unless you understand the basic aspects of such trading and its risks.

– for example, how positions are opened and closed, how profits and losses are made and the extent of your exposure to risk and loss.

Trading in spot Forex and CFDs is speculative and involves a high degree of risk. In particular because it will be conducted using margin (which covers only a small percentage of the value of the foreign currency traded), price changes in spot Forex or CFD can result in significant losses.

Therefore, trading in these contracts is appropriate only for persons who understand and are willing to assume the economic, legal and other risks involved in such transactions. You should be satisfied that spot forex and CFD trading is suitable for you in the light of your financial circumstances and attitude to risk. If you are in any doubt as to whether spot forex or CFD trading is suitable for you, please seek independent advice from a financial services professional. iFOREX does not provide such advice.

When you engage in CFD or spot forex trading you are placing a trade in relation to movements of prices set by iFOREX. Prices quoted to you by iFOREX will include a spread, mark-up, or mark-down when compared to prices that iFOREX may receive or expect to receive if it were to cover transactions with you by a trade in the interbank market or with another counterparty. Although dealing spreads are common in the foreign exchange markets, the total impact of spreads may be significant in relation to the size of the margin you post and may make it more difficult for you to realize a profit from your trading. In addition, in connection with the automatic rolling forward of spot forex transactions that you do not close out, iFOREX will impose an interest charge. You should carefully consider the effect of such interest charges along with spreads, mark-ups, or mark-downs on your ability to profit from trading.

The “gearing” or “leverage” available in CFDs and spot forex trading (i.e. the funds iFOREX requires you to provide when a position is opened compared to the notional size of trade you can enter into) means that a small margin deposit can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the size of any loss or profit which can work against you as well as for you.

You may lose all amounts you deposit with iFOREX as Margin. The placing of certain orders (e.g. “stop-loss” or “limit” orders) that are intended to limit losses to certain amounts may not always be effective because market conditions or technological limitations may make it impossible to execute such orders. Please also note that for all orders (including guaranteed stop loss orders) you may sustain the loss (which your order is intended to limit) in a short period of time.

You have to pay to iFOREX all losses you sustain as well as all other amounts payable under the terms and conditions for trading spot forex and CFDs such as interest. If you decide to engage in CFD and/or spot forex trading, you must accept this degree of risk.

CFDs and spot forex trades are not traded under the rules of a recognized or designated investment exchange. Consequently, engaging in CFDs and/or spot forex trading may expose you to substantially greater risks than investments which are so traded.

The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts are affected by fluctuations in foreign exchange rates. Transactions involving foreign currencies, including CFDs and/or spot forex trading, involves risks not present when dealing with investments denominated entirely in your domestic currency. Such enhanced risks include (but are not limited to) the risks of political or economic policy changes in a foreign nation, which may substantially and permanently alter the conditions, terms, marketability or price of a foreign currency. The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will also be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

You can only engage in CFD and/or spot forex trading with iFOREX in currencies iFOREX makes available. iFOREX does not undertake to continue to offer all such currencies. The markets iFOREX offers (and its prices) are derived from underlying prices quoted in the forex interbank market. iFOREX has no control over movements in the underlying prices which may be volatile and unpredictable. Those movements will affect iFOREX's prices, whether or not you can open and close a position and the price at which you can do so.

One of iFOREX's subsidiary companies acts as the market maker and principal to all foreign currency contracts executed by you with iFOREX. We are not required to continue to make markets in any foreign currency and may refuse to accept any order at our absolute discretion. During periods of market volatility, it may be difficult or impossible for you to liquidate an existing position, to assess the value of open positions, to determine a fair price or to assess the exposure to risk. These are among the reasons why transactions in foreign currency involve increased risks. Since foreign currency trading with iFOREX is not conducted on a regulated exchange, there is no clearinghouse or other central counterparty which guarantees our payment obligations to you under contracts that you enter into. You can only look to iFOREX for performance on all spot forex or CFDs you enter into with us and for a return of any margin. The insolvency or default of iFOREX can cause you to lose the value of all positions carried in your Account with iFOREX and can cause you to suffer additional losses from open positions.

As a foreign currency company iFOREX may have access to information that is not available to you, may have acquired trading positions at prices that are not available to you, and may have interests different from your interests. iFOREX does not undertake any obligation to provide you with market or other information we possess, nor to alter or refrain from our own trading.

[Additional Trading Risks](#)