Risk Disclosure Policy

HIGH RISK INVESTMENT WARNING

Contracts for Difference (CFDs) and leveraged foreign exchange (FX) are complex, highly speculative products and are not appropriate for every investor. Trading on margin carries a substantial level of risk and can result in the loss of your entire invested capital. Before trading with Brave Ltd you must ensure that you fully understand these risks and that you can afford to bear them.

1. Introduction

Brave Ltd ("Brave", "the Company", "we") is a company incorporated in Saint Lucia and operating the Brave Markets brand through its website www.bravefx.trade. The Company offers online trading in derivative financial instruments, including CFDs and leveraged FX, on currencies, precious metals, energies, indices, commodities, cryptocurrencies and shares.

This Risk Disclosure Policy (the "Policy") is issued to all clients and prospective clients so that, before opening a trading account or placing any order, they are made aware in clear terms of the principal risks attached to the products we offer.

2. Scope of the Policy

This Policy forms part of the Client Agreement between the Company and each client, and every client is bound by its terms. It must be read carefully before an account is opened and before any trading begins.

No document of this kind can describe every risk or every significant aspect of dealing in CFDs and leveraged FX. Its purpose is to explain, fairly and in general terms, the nature of the main risks involved so that clients can make an informed decision about whether these products are appropriate for them.

3. General Risk Warning

You should not invest, directly or indirectly, in any financial instrument unless you know and understand the risks attached to that specific instrument. By trading with the Company you acknowledge that buying and selling financial instruments exposes you to a serious risk of loss and damage, and you confirm that you are willing to accept that risk.

If you have any doubt about the risks involved, you should obtain advice from an independent, suitably qualified professional. The Company does not provide investment, legal or tax advice of any kind. If, after seeking advice, you still do not understand the risks of trading CFDs and leveraged FX, you should not trade at all.

4. Technical Risks

4.1. Responsibility for financial loss caused by the failure, malfunction, interruption, disconnection or malicious interference of information systems, communication lines, electricity supply or other electronic infrastructure rests with the client and not with the Company.

4.2. Trading through an electronic system exposes you to risks inherent in that system, including hardware, software, server, communication-line and internet failures. A failure of this kind may mean that your order is executed otherwise than in accordance with your instructions, or is not executed at all, and the Company accepts no liability where this occurs.

4.3. Information sent by unencrypted email is not protected against unauthorised access, and you accept the risks of communicating in that way.

4.4. During periods of exceptional order flow — for example around the release of major economic data — you may experience difficulty reaching the Company by telephone or connecting to the trading platform.

4.5. Access to the Company's website and trading platform depends on the internet and may be affected by transmission blackouts, software or hardware faults, disconnections, public power failures or hacking attacks. The Company is not liable for losses, costs or expenses (including loss of profit) arising from events outside its control, or from your inability to access the website or platform, or from delay or failure in sending orders.

4.6. When trading electronically you also bear, among others, the following risks, for which the Company accepts no liability:

– failure, misconfiguration, untimely updating or poor connection quality of your own devices, terminal or software;
– power failure or physical damage affecting your equipment or that of your internet or communication provider;
– outages or unacceptably poor quality of the communication channels used by you, your provider or the Company;
– non-receipt of messages (including text messages) sent by the Company;
– congestion of telephone lines when attempting to trade by phone; and
– malfunction or non-operability of the trading platform, including the client terminal.

5. Trading Platform

5.1. Only one instruction may be queued at a time; once an instruction has been sent, a further instruction may be submitted.

5.2. The only reliable source of live pricing is the quotes base of the live server. The quotes base held in the client terminal is not reliable, because the connection between the terminal and the server may be interrupted and some quotes may never reach the terminal.

5.3. Closing an order-placement window or a position opening/closing window does not cancel an instruction that has already been sent to the server.

5.4. Orders are processed in sequence while queued; simultaneous multiple orders from the same account may not be executed.

5.5. If you do not receive the result of an order you have sent and you choose to repeat that order, you accept the risk of executing two transactions instead of one.

5.6. If a pending order has already been triggered and you send an instruction to modify its level, the only modification that will be applied is to the stop loss and/or take profit attached to the position opened when the pending order was triggered.

6. Risks of Complex Financial Instruments (CFDs and Leveraged FX)

6.1. General

Although derivatives can be used to manage investment risk, many of these products are unsuitable for a large number of investors. Trading in CFDs and leveraged FX is highly speculative and carries a substantial risk of loss; it is not appropriate for all members of the public. You should deal in these products only if you understand their nature, the extent of your exposure to economic, legal and other risks, and the possibility of losing your entire investment together with any commissions and other costs incurred.

You should also be satisfied that the product is suitable for you in light of your financial circumstances, resources, lifestyle and obligations, and that you are financially able to bear the loss of everything you commit.

CFDs are derivative instruments whose value is derived from the price of the underlying asset or market to which they refer (for example a currency pair, equity index, share, metal or future). Although the prices at which the Company deals are generated by its pricing engine, they are derived from the underlying market, and movements in the underlying market will therefore determine the profitability of your trades. The Company does not advise on CFDs, leveraged FX, underlying assets or markets and makes no investment recommendations.

6.2. Leverage and Gearing

Margined transactions carry a high degree of risk. Because the initial margin is small relative to the notional value of the contract, transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately much larger impact on the funds you have deposited: this can work for you, but it can equally work against you. You may lose all of your initial margin and any additional funds deposited to maintain your positions. If the market moves against you, or margin requirements increase, you may be required to deposit additional funds at short notice; failure to do so may result in your positions being closed by the Company on your behalf, and you will be liable for any resulting loss or deficit.

6.3. Risk-Reducing Orders and Strategies

Orders intended to cap losses at particular amounts — such as stop loss or stop limit orders — may not always be effective, because market conditions (for example illiquidity) can make it impossible to execute them at the stipulated price. Strategies that combine positions, such as spreads and straddles, can be as risky as outright long or short positions. Neither stop orders, trailing stops nor expert advisors can guarantee that losses will be limited.

6.4. Volatility

Some CFDs and leveraged FX instruments trade within wide intraday ranges with volatile price movements, creating a high risk of losses as well as gains. Prices of derivatives and their underlying assets can fluctuate rapidly and across wide ranges, reflecting unforeseeable events and changes in conditions that neither the client nor the Company can control. In certain market conditions it may be impossible to execute an order at the declared price, leading to losses. Prices are influenced by, among other things, supply and demand, governmental and trade policy, national and international political and economic events and the prevailing sentiment of the marketplace.

6.5. Margin

Regardless of any information the Company may provide, the value of CFDs and leveraged FX positions may move up or down, and it is possible for an investment to become worthless. This reflects the margining system, under which a comparatively modest deposit supports a much larger notional exposure, so that a relatively small movement in the underlying market can have a disproportionately large effect on your position. A small favourable movement may produce a good profit, but an equally small adverse movement can quickly erase your entire deposit and may expose you to further significant loss.

6.6. Liquidity

Some underlying assets may become illiquid as demand for them falls, and you may be unable to obtain reliable information about their value or the extent of the associated risks.

6.7. Off-Exchange (OTC) Transactions

The CFDs and leveraged FX offered by the Company are off-exchange (over-the-counter) transactions. While some OTC markets are highly liquid, dealing in OTC or non-transferable derivatives can involve greater risk than dealing in on-exchange derivatives, because there is no exchange on which an open position can be closed out. It may be impossible to liquidate a position, to value a position, or to assess your risk exposure. Bid and ask prices need not be quoted, and where they are quoted they are set by dealers, so it may be difficult to determine a fair price. The Company's online trading system is not a recognised exchange or multilateral trading facility, and transactions through it do not enjoy the protections attached to such venues.

6.8. Contingent Liability Transactions

Margined contingent liability transactions require a series of payments against the contract price rather than payment of the full price upfront. You may sustain a total loss of the margin deposited to open and maintain a position, and if the market moves against you, you may be called upon to pay substantial additional sums at short notice. If you fail to do so within the time required, your position may be liquidated at a loss and you will be liable for any resulting deficit. The Company is not obliged to notify you of any margin call in order to sustain a loss-making position. Even a transaction that is not margined may carry an obligation to make further payments beyond the amount paid when the contract was entered into.

6.9. Suspension of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position — for example, during rapid price movements where trading in the underlying market is suspended or restricted. Placing a stop loss will not necessarily limit your losses to the intended amount, because market conditions may make it impossible to execute the order at the stipulated price, and execution may occur at a worse level than requested.

6.10. No Delivery

You have no rights or obligations in respect of the underlying assets to which your CFDs or leveraged FX contracts relate. There is no delivery of any underlying asset.

6.11. Slippage

Slippage is the difference between the expected price of a transaction and the price at which it is actually executed. Slippage frequently occurs during periods of elevated volatility (for example around news events), when market orders are used, and when large orders are executed against insufficient interest at the desired price level.

7. Charges and Taxes

7.1. The Company's services are subject to fees, details of which are published on its website. Before trading, you should obtain details of all fees, commissions and charges for which you will be liable, and it is your responsibility to monitor any changes.

7.2. Where charges are not expressed in money terms (for example as a percentage of contract value), you should make sure you understand what those charges are likely to amount to in practice.

7.3. The Company may change its charges at any time.

7.4. Your trades may be, or may become, subject to tax or duty as a result of changes in legislation or your personal circumstances. The Company does not warrant that no tax or stamp duty will be payable and does not provide tax advice. You are responsible for all taxes and duties arising from your trading, and taxes may change without notice.

7.5. The Company's prices for CFDs and leveraged FX are set by the Company and may differ from prices reported elsewhere. They represent the prices at which the Company is willing to deal with its clients at the point of sale and may not correspond exactly to real-time levels in the underlying market.

8. Third Party Risks

8.1. The Company may pass money received from you to a third party (such as an intermediary broker, bank, market, settlement agent, clearing house or OTC counterparty) to hold or control in order to effect a transaction or to satisfy your collateral obligations. The Company has no responsibility for the acts or omissions of any such third party.

8.2. A third party holding your money may do so in an omnibus account, and it may not be possible to separate your money from that of the third party or of other clients. If that third party becomes insolvent, the Company may have only an unsecured claim on your behalf, and you will be exposed to the risk that the money recovered is insufficient to satisfy your claims. The Company accepts no liability for resulting losses.

8.3. The Company may deposit client money with a depository that holds a security interest, lien or right of set-off over that money.

8.4. A bank or broker through which the Company deals may have interests that conflict with your own.

9. Insolvency

The insolvency or default of the Company may result in your positions being liquidated or closed out without your consent.

10. Communication Between the Client and the Company

10.1. You accept the risk of financial loss arising from the late receipt, or non-receipt, of any notice from the Company.

10.2. Unencrypted email is not protected against unauthorised access.

10.3. The Company bears no responsibility where unauthorised third parties obtain access to information — including email addresses, electronic communications, personal data or access credentials — while it is being transmitted between the Company and the client over the internet, other networks, telephone or any other electronic means.

10.4. You are fully responsible for the risks associated with undelivered internal platform messages sent to you by the Company.

11. Force Majeure Events

11.1. In a force majeure event the Company may be unable to arrange execution of your orders or to perform its obligations under its agreement with you, and you may suffer financial loss as a result.

11.2. The Company will not be liable for any loss or damage arising from any failure, interruption or delay in performing its obligations where that failure, interruption or delay results from a force majeure event.

12. Abnormal Market Conditions

Under abnormal market conditions, the time required to execute orders may be extended, orders may be impossible to execute at declared prices, or orders may not be executed at all.

13. Foreign Currency

Where a financial instrument is traded in a currency other than the currency of your country of residence, changes in exchange rates may have a negative effect on its value, price and performance and may result in losses to you.

14. Advice and Recommendations

14.1. The Company will not advise you on the merits of any particular transaction or provide any form of investment advice. You alone enter into transactions and make decisions based on your own judgement. In asking the Company to enter into a transaction, you represent that you are solely responsible for making your own independent appraisal of its risks and that you have sufficient knowledge, market sophistication, professional advice and experience to evaluate its merits and risks. The Company gives no warranty as to the suitability of the products traded and assumes no fiduciary duty toward you.

14.2. The Company is under no duty to provide legal, tax or other advice. If you are in any doubt about potential tax liabilities, you should seek independent expert advice, and you are warned that tax laws change from time to time.

14.3. The Company may from time to time, at its discretion, provide information, news, market commentary or other material (including via newsletters on its website or platform), but not as a service. Where it does so: the Company is not responsible for that information; it gives no representation or warranty as to its accuracy, correctness or completeness, or as to the tax or legal consequences of any related transaction; the information is provided solely to help you make your own investment decisions and does not constitute investment advice or an unsolicited financial promotion; where the material is restricted to a category of persons, you agree not to pass it to any person outside that category; and you accept that the Company may have acted on the information itself before making it available and does not guarantee that you receive it at the same time as other clients.

14.4. Market commentary, news and other information provided by the Company are subject to change and may be withdrawn at any time without notice.

15. No Guarantee of Profit

The Company gives no guarantee of profit or of freedom from loss when trading, and you confirm that you have received no such guarantee from the Company or any of its representatives. You are aware of the risks inherent in trading and are financially able to bear those risks and withstand any losses incurred.

16. Conclusion

This Policy cannot and does not describe every risk or every significant aspect of every financial instrument or investment service. The Company may provide additional warnings about the risks attached to your chosen services and instruments, based among other things on the categorisation assigned to you. If you have questions about this Policy, please contact support@bravefx.trade.