

MAZI FINANCE

RISK DISCLOSURE STATEMENT

This notice is provided to you (the “Client” or “you”) because you are considering dealing with **Mazi Finance** (hereinafter “the Company”) in Foreign Exchange Contracts, Contracts for Difference, deposits and payments products and other Derivatives Contracts (“Transactions”) either on a margin basis or otherwise.

This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in these Transactions and was designed to explain in general terms the nature of the risks particular to dealing in these Transactions and to help the Client to take investment decisions on an informed basis.

Prior to applying for an account you should consider carefully whether trading in these Transactions is suitable for you in the light of your circumstances and financial situation. Margin FX and CFDs involve different levels of exposure to risk and, in deciding whether to trade in such instruments, you should be aware of the following points:

- Trading in Margin FX and CFDs (“OTC Derivatives”) carries a high degree of risk. The “gearing” or “leverage” involved in trading OTC derivatives means that a small initial margin payment can potentially lead to large losses in excess of your initial investment. The geared nature of derivatives also means that Margin FX and CFDs trading can carry greater risks than conventional share trading, which is generally not geared.
 - A relatively small market movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you.
 - Most OTC derivatives are off-exchange derivatives. This might be considered to involve greater risk than an on-exchange derivative as there is no exchange market on which to close out an open position – you are only able to open and close your positions with us. Accordingly, you are exposed to the unlikely event that we may not be able to fulfill our obligations to you as a counterparty.
 - Foreign markets will involve different risks to domestic markets. The potential for profit or loss from OTC derivatives relating to a foreign market or denominated in a foreign currency will be affected by fluctuations in foreign exchange rates. It is possible to incur a loss if exchange rates change to your detriment, even if the price of the instrument to which the OTC derivatives relates remains unchanged.
 - Margin FX and CFDs are contingent liability transactions which are margined and require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately, and they may only be settled in cash.
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- You may sustain a total loss of the margin that you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay

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substantial additional margin at short notice. If you fail to do so within the required time, your position may be liquidated at a loss and you will be liable for any resulting deficit.

- You will be deemed to have received a notice requiring the payment of such funds, even if you are not at home or do not receive the messages we leave for you, if the notices are delivered to your nominated contact points.
- Even if a Margin FX and CFD is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered into the contract.
- Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading in the underlying market is suspended or restricted.
- Placing a Stop Order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an Order if the underlying market moves straight through the stipulated price.
- We will not provide you with personal financial product advice relating to Margin FX and CFDs and we will not make Margin FX and CFD recommendations of any kind. The only advice we will give you will be as to how Margin FX and CFDs work.
- There is no clearing house for Margin FX and CFDs, and the performance of a Margin FX and CFD by **Mazi Finance** is not 'guaranteed' by an exchange or clearing house.
- Our insolvency or default may lead to your positions being liquidated or closed out without your consent. As all deposits lodged with us are held in a segregated client account or accounts, in such circumstances those deposits would attract all legal protections afforded under the applicable laws. Net unrealised running profits are also held in trust by us (in excess of our contractual and regulatory requirements) and would normally be similarly protected for your benefit as beneficial owner, unless a Court were not to uphold the trust in relation to the net unrealised profits, in which event you would rank as an unsecured creditor of ours in relation to such net unrealised profits. It should also be noted that keeping your funds in a segregated client account does not offer or guarantee absolute protection of your funds in the event of our insolvency or default where there is a deficit in the segregated client account.
- Although by dealing with us you will not be dealing in securities, you need to be aware that you may still be subject to the applicable laws.
- The obligations to you under the Client Agreement and the Margin FX and CFDs are unsecured obligations, meaning that you are an unsecured creditor of ours.

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Scalping & High-Frequency Trading (HFT):

Mazi Finance defines trades with a duration of less than 90 seconds as Scalping. Engaging in High Frequency Trading (HFT) using high-speed Ultra execution Virtual Private Server (VPS) based algorithmic trading constitutes HFT trading practice. Such practices are deemed abusive trading practices.

In the event that any accounts exhibit more than 30% scalping or HFT trades, **Mazi Finance** reserves the right to reverse or cancel said trades and withhold profit withdrawals for such accounts.

Scalping & High-Frequency Trading (HFT) Clause:

- **Manipulative Trading:** Any attempt to manipulate market prices, including but not limited to spoofing, layering, or any other deceptive trading practices, will be considered abusive trading practices. **Mazi Finance** reserves the right to reverse or cancel trades suspected of manipulative trading and may take further disciplinary action as deemed necessary.
- **Insider Trading:** Engaging in insider trading, which involves the use of material non-public information to gain an unfair advantage in trading, is strictly prohibited. Any accounts found to be involved in insider trading will be subject to immediate closure and may face legal action as per relevant regulations. **Mazi Finance** reserves the right to reverse or cancel said trades and withhold profit withdrawals for such accounts.
- **Front Running:** Front running, the unethical practice of placing orders on behalf of a broker or financial institution based on advanced knowledge of their client's pending orders, is considered abusive trading. Accounts found to be engaged in front running will be subject to disciplinary action, including the reversal or cancellation of trades and possible account closure. **Mazi Finance** reserves the right to reverse or cancel said trades and withhold profit withdrawals for such accounts.
- **Wash Trading:** Participating in wash trading, where a trader simultaneously sells and buys the same financial instruments to create artificial trading volume or manipulate prices, is prohibited. Accounts found to be involved in wash trading will be subject to disciplinary action, including trade reversal, account suspension, or closure. **Mazi Finance** reserves the right to reverse or cancel said trades and withhold profit withdrawals for such accounts.
- **Churning:** Churning refers to excessive trading conducted by a broker for the purpose of generating commissions without regard for the client's investment objectives. **Mazi Finance** prohibits churning and reserves the right to investigate and take appropriate action against accounts suspected of engaging in this practice, including trade reversal and account closure. **Mazi Finance** reserves the right to reverse or cancel said trades and withhold profit withdrawals for such accounts.

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- **Price Manipulation:** Any attempt to artificially manipulate the price of financial instruments, including spreading false rumors or engaging in coordinated trading activities to influence prices, will be considered abusive trading. **Mazi Finance** reserves the right to reverse or cancel trades suspected of price manipulation and may take further disciplinary action as necessary. **Mazi Finance** reserves the right to reverse or cancel said trades and withhold profit withdrawals for such accounts.