



RISK DISCLOSURE AND WARNING NOTICE

ABF Trade EU Limited

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CySEC Licence No. 171/12
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Document Control

Version	Date	Description	Approved By
v1.0	12 May 2026	Initial version for ABF Trade EU Limited	Board of Directors

1. Introduction

By accepting this Risk Disclosure and Warning Notice ("Notice"), you acknowledge and confirm that the official legally binding language of ABF Trade EU Limited ("the Company") is English. This Notice is provided in English and, where made available, in other languages for convenience only. In case of discrepancy, the English version shall prevail.

ABF Trade EU Limited ("the Company") is a Cyprus Investment Firm ("CIF") with business address at 162 Fragklinou Rousvelt, 1st & 2nd Floors, Limassol 3045, Cyprus, registered under Company Registration No. HE 291958 and authorised and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under CIF Licence No. 171/12.

This Notice is provided to you (our Client and prospective Client) in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 (L.87(I)/2017) as amended (the "Law") and the European Securities and Markets Authority (ESMA) product intervention measures in force.

All Clients and prospective Clients should carefully read the following risk disclosures and warnings. However, please note that this Notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in financial instruments. The Notice was designed to explain, in general terms, the nature of the risks involved when dealing in financial instruments.

The Company executes Client Orders in relation to Contracts for Differences ("CFDs") in foreign exchange currency pairs, stocks, commodities, indices and cryptocurrencies. CFDs are complex financial instruments and come with a high risk of losing money rapidly due to leverage. The percentage of retail investor accounts that lose money when trading CFDs with this provider is published on the Company's Website at www.abftrade.com/eu and is updated periodically. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

2. Charges and Taxes

The provision of services by the Company to the Client may be subject to fees and charges, which are available on the Company's website at www.abftrade.com/eu. Before commencing to trade, the Client should obtain details of all commissions and other charges for which the Client will be liable.

If any charges are not expressed in monetary terms (but, for example, as a percentage or formula), the Client should ensure they understand what such charges are likely to amount to in monetary terms. Charges and fees may increase depending on the size of the trade.

The Company may change its costs and associated charges at any time in accordance with the provisions of the Client Agreement. The Client will be notified in advance of any such changes.

There is a risk that the Client's trades in any financial instruments may be or become subject to tax and/or any other duty. The Client is responsible for any taxes and/or any other duty which may accrue in respect of their trades. It is noted that taxes are subject to change without notice.

If required by applicable law, the Company shall deduct at source from any payments due to the Client such amounts as are required by law. It is possible that other costs, including taxes, relating to Transactions carried out on the Trading Platform may arise for which the Company is not responsible.

The Company's prices in relation to CFD trading are set and quoted in accordance with the Company's Best Interest and Order Execution Policy.

3. Third-Party Risks

The Company will promptly place any Client money it receives into one or more segregated account(s) held with reputable financial institutions (such as a bank) as required under the Law. The Company keeps Client funds segregated from its own funds at all times.

The financial institution where Client money will be held may be within or outside Cyprus or the European Economic Area (EEA). The legal and regulatory regime applying to any such financial institution outside Cyprus or the EEA may be different from that of Cyprus or the EEA and in the event of the insolvency or any other equivalent failure of that financial institution, the Client's money may be treated differently from the treatment which would apply if the financial institution was located within Cyprus or the EEA.

The financial institution to which the Company passes Client money may hold it in an omnibus account and it may not be possible to identify it separately from the financial institution's money or the money of other clients of the financial institution. In the event of the insolvency or any other equivalent failure of that financial institution, the Company may only have an unsecured claim against the financial institution on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the financial institution is insufficient to satisfy the claims of the Client.

The Company does not execute Client Orders on an own account basis, i.e., as principal to principal. The Company transmits Client Orders to one or more liquidity providers for execution on behalf of Clients.

4. Insolvency Risk

The Company's insolvency or default may lead to Client open positions being closed out without the Client's consent. In such circumstances, the Client may not recover all of the money to which they are entitled from their trading account.

5. Investor Compensation Fund

The Company participates in the Investor Compensation Fund ("ICF") for Clients of Investment Firms regulated in the Republic of Cyprus. The ICF provides compensation to eligible Clients (retail clients only) in the event that the Company is unable to fulfil its obligations to its Clients. The ICF covers claims of up to EUR 20,000 per eligible Client. For further details, please refer to the Company's Investor Compensation Fund Notice available on the Company's website at www.abftrade.com/eu.

6. Technical Risks

The Client, and not the Company, shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection, or delays in any computer or mobile device, power supply, software, hardware, internet connection or network, any equipment or any other service used by the Client or the Company.

If the Client undertakes transactions on an electronic system, they will be exposed to risks associated with the system including the failure of hardware and software. The result of any such failure may be that the Client's Order is either not executed according to their instructions or is not executed at all.

The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access. The Client is solely responsible for maintaining the confidentiality and security of access credentials to the Trading Platform.

At times of excessive deal flow, the Client may have some difficulty connecting over the phone or the Company's Platform. The Company will endeavour to maintain service availability but cannot guarantee uninterrupted access.

The Client acknowledges that the internet may be subject to events which may affect their access to the Company's website and/or the Trading Platform, including but not limited to interruptions or transmission blackouts. The Company will not be liable for any such disruption to the extent it is outside the Company's reasonable control.

In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks, amongst others:

- Power cut of the equipment on the side of the Client, provider, or communication operator.
- Physical damage or destruction of the communication channels used to link the Client and provider.
- Poor quality communication via the channels used by the Client or the channels used by the provider.
- Wrong or inconsistent configuration of the Client Terminal.
- Untimely update of the Client Terminal.
- Malfunction or non-operability of the Trading Platform or the Client Terminal.

The Client may suffer financial losses caused by the materialisation of the above risks. The Company accepts no responsibility for such losses.

7. Trading Platform Risks

The Client is warned that when trading via an electronic Trading Platform, they assume the risk of financial loss which may be the result of, amongst other things:

- Failure of the Client's devices, software, and poor quality of connection.
- The Company's or Client's hardware or software failure, malfunction, or misuse.
- Improper functioning of the Client's equipment.
- Wrong or untimely settings of the Client Terminal.
- Delayed updates of the Client Terminal.

The Client acknowledges that only one Instruction is allowed to be in the queue at one time. Once the Client has sent an Instruction, any further Instructions sent by the Client will be ignored until the first Instruction is executed.

The connection between the Client Terminal and the Company's server may be disrupted at some point, and in such cases the Client may not receive important information. In the event of such disconnection, the Client should contact the Company's customer support immediately.

Orders may be executed one at a time while being in the queue. Multiple orders from the same Trading Account in the same direction will be executed one at a time. In the event that the system is overloaded, the execution of an Order or Instruction may be delayed.

8. Force Majeure Events

In case of a Force Majeure Event, the Company may not be in a position to arrange for the execution of Client Orders or fulfil its obligations under the Client Agreement. Force Majeure Events are events beyond the Company's reasonable control including, but not limited to, acts of God, extreme weather conditions, acts of government or regulatory authorities, pandemics, epidemics, wars, riots, civil unrest, fires, floods, acts of terrorism, strikes, or failures in telecommunications or electronic systems.

In accordance with the Client Agreement, the Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations where such failure, interruption, or delay is due to a Force Majeure Event.

9. Communication Risks

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. The Company uses the contact details provided by the Client when sending communications, and the Client is responsible for ensuring those details remain up to date.

The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access. The Company has no responsibility if unauthorised third persons have access to information, including electronic addresses, electronic communication, and personal data, when the above are transmitted between the Company and the Client or when using the internet or other network or electronic means.

10. Abnormal Market Conditions

The Client acknowledges that under Abnormal Market Conditions, the period during which Orders are executed may be extended, and the Company may not be in a position to execute such Orders at the required price. Prices, spreads, and margin requirements may increase significantly during Abnormal Market Conditions.

Abnormal Market Conditions include, but are not limited to, times of rapid price fluctuations, sharp rises or falls in price, low liquidity, market closures, and periods of extreme economic or political uncertainty.

11. Foreign Currency Risk

When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence and/or account base currency, any changes in the exchange rate may have a negative effect on the value, price, and/or performance of such instrument. The Client bears the risk of adverse currency movements and should be aware that exchange rates can move rapidly.

12. Conflicts of Interest

When the Company deals with the Client, the Company, an associate, a relevant person, or some other person connected with the Company may have an interest, relationship, or arrangement that is material in relation to the transaction concerned. The Company manages conflicts of interest in accordance with its Conflicts of Interest Policy, available on the Company's website.

The following includes the major circumstances which may give rise to a conflict of interest entailing a material risk of damage to the interests of the Client:

- The Company's incentive and performance scheme may award its employees based on measures including trading volume or client retention.
- The Company may receive inducements from third parties in connection with the referral of new Clients or Clients' trading activity, in accordance with applicable law and MiFID II provisions on inducements.

For more information about conflicts of interest and the procedures and controls that the Company follows to manage them, please refer to the Company's Conflicts of Interest Policy, available at www.abftrade.com/eu.

13. Appropriateness Assessment

The Company is required to assess the appropriateness of a prospective Client's knowledge and experience in relation to the investment services and financial instruments offered. The Company requires the Client to complete an appropriateness test during the application process.

Where the Company determines that a financial instrument or service is not appropriate for the Client based on the information provided, the Company will warn the Client accordingly. If the Client chooses to proceed despite such a warning, they do so at their own risk.

The Company warns the Client that if they choose not to provide the information needed for the appropriateness assessment, or if they provide incomplete or inaccurate information, the Company will not be able to assess whether the proposed service or financial instrument is appropriate for them, and the Company will therefore not be able to extend its services in such cases.

14. Risks Associated with CFDs

14.1 General CFD Risk

Trading CFDs can put the Client's capital at risk, especially if used in a speculative manner. CFDs are categorised as high-risk financial instruments due to the leverage involved. This means that a relatively small movement in the underlying asset can lead to a large profit or a large loss.

The investment decisions made by the Client are subject to various market, currency, economic, political, and business risks. The Client acknowledges and accepts that, notwithstanding any general information the Company may have provided, the value of any investment in financial instruments may fluctuate downward or upward and it is even probable that the investment may become of no value.

Set out below is an outline of the major risks associated with CFD trading. Trading in CFDs is VERY SPECULATIVE AND HIGHLY RISKY and is not suitable for all members of the general public but only those who understand and are willing to assume the economic, legal, and other risks involved; who have, taking into account their personal financial circumstances, financial resources, lifestyle, and obligations, the financial ability to assume the loss of their entire investment; and who have the knowledge to understand CFDs trading and the underlying assets and markets.

The Company will not provide the Client with any advice relating to CFDs, the underlying assets and markets, or make investment recommendations. The Client is responsible for all trading decisions.

14.2 Leverage and Gearing

CFDs are leveraged products. In order to place a CFD Order, the Client is required to maintain a margin deposit, which is usually a relatively modest proportion of the overall value of the position. A relatively small movement in price can have a proportionately larger impact on the funds the Client has deposited or will need to deposit. This means that a small adverse movement in the price of the underlying asset can result in a loss that significantly exceeds the margin deposited to open the position.

The Company offers its retail Clients fixed leverage ratios which vary from 1:2 to 1:30 according to the volatility of the underlying asset and in accordance with ESMA product intervention measures and CySEC regulations:

- 1:30 for major foreign exchange currency pairs
- 1:20 for non-major foreign exchange pairs, gold, and major indices
- 1:10 for commodities (other than gold) and non-major equity indices
- 1:5 for individual equities (shares) and other reference values
- 1:2 for cryptocurrencies

14.3 Margin Requirements

The Company may change its margin requirements at any time in accordance with the provisions of the Client Agreement. The Client must monitor their margin levels at all times. If the Client's account falls below the required margin level, the Company may close some or all of the Client's open positions without prior notice in order to reduce the Client's exposure.

14.4 Negative Balance Protection

The Company provides negative balance protection for retail Clients. This means that the Client cannot lose more than the funds in their trading account. The Company will not pursue Clients for amounts beyond their deposited funds. However, this protection does not apply to professional clients.

14.5 Volatility

Some financial instruments trade within wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of losses as well as profits. The price of CFDs is derived from the price of the underlying asset in which the contract is referencing.

Prices can be extremely volatile and may move rapidly. This can result in significant losses for the Client.

14.6 Liquidity Risk

Liquidity risk refers to the capacity to readily monetise assets without suffering a significant discount in their price. Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, during periods of rapid price movement if the price rises or falls in one trading session to such an extent that trading in the relevant market is restricted or suspended.

14.7 Off-Exchange Transactions

CFDs offered by the Company are off-exchange (over-the-counter) transactions. The trading conditions are set by the Company in accordance with the Client Agreement and the Company's Best Interest and Order Execution Policy. While some off-exchange markets are highly liquid, transactions in off-exchange or non-transferable derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position.

14.8 No Clearing House Protection

Transactions in the financial instruments offered by the Company are not currently subject to exchange or clearing house rules. Therefore, the Client may be subject to a higher counterparty risk compared with instruments traded on a regulated exchange or cleared through a central counterparty.

14.9 No Delivery of Underlying Asset

The Client has no rights or obligations in respect of the underlying assets or instruments relating to the CFD. CFDs are cash-settled contracts; there is no physical delivery of the underlying asset. The Client's profit or loss is determined solely by the difference between the opening and closing price of the CFD position.

14.10 Slippage

Slippage is the difference between the expected price of a transaction in a CFD and the price at which the transaction is actually executed. Slippage can occur at any time but is most prevalent during periods of higher volatility when market orders are used, and when large orders are executed. Slippage may work in the Client's favour or against them.

14.11 Risk-Reducing Orders

The Company makes available certain orders (e.g., stop-loss orders, where permitted under local law, or stop-limit orders) that are intended to limit losses. Stop-loss orders will not necessarily limit losses to the intended amounts, as market conditions may make it impossible to execute such an order at the stipulated price. Strategies using combinations of positions, such as 'spread' and 'straddle' positions, may be as risky as taking simple long or short positions.

14.12 Overnight Swap Charges

If a Client holds any positions overnight, then an applicable swap charge (financing cost) will apply. Swap values are clearly stated on the Trading Platform (MT5) and are published on the Company's website. The swap rate is mainly dependent on the level of prevailing interest rates as well as the Company's charge for financing an open position overnight. Clients should be aware that swap charges can significantly affect the profitability of a trade held for an extended period.

14.13 Past Performance

Past performance is not an indication of future performance. The value of investments can go down as well as up. The return on an investment may increase or decrease as a result of currency fluctuations where investments are made in a different currency from that of the Client's base currency.

15. Cryptocurrency CFD Risks

Cryptocurrencies are a type of decentralised digital currency or asset, which is not issued or backed by any government, central bank, or other conventional financial institution. Cryptocurrencies are

complex and high-risk financial products, and as such they imply a high risk of losing all invested capital.

The market and pricing data on cryptocurrencies is derived from digital exchanges, and the Company cannot guarantee the accuracy, reliability, or completeness of such data. Cryptocurrency markets operate 24 hours a day, 7 days a week, and can be subject to extreme price movements at any time.

Specific risks associated with Cryptocurrency CFDs include, but are not limited to:

- Extreme price volatility: Cryptocurrency prices can rise or fall dramatically over very short periods.
- Regulatory risk: The regulatory environment for cryptocurrencies is evolving and changes in regulation could adversely affect the value or legality of cryptocurrencies.
- Technological risk: Cryptocurrencies depend on technology infrastructure that may be vulnerable to hacking, cyber-attacks, or technical failures.
- Liquidity risk: Some cryptocurrency markets may have limited liquidity, which could prevent the Client from exiting a position at a desired price.
- Concentration risk: The cryptocurrency market is relatively concentrated, with a small number of cryptocurrencies accounting for a large proportion of total market capitalisation.

Given the particularly high risk associated with Cryptocurrency CFDs, the maximum leverage available for retail Clients is 1:2. The Client should not invest in Cryptocurrency CFDs unless they fully understand and can afford to assume the associated risks.

16. ESG and Sustainability Risks

Environmental, Social, and Governance (ESG) factors may affect the value of the underlying assets to which CFDs are referenced. Political, social, and environmental developments — including but not limited to changes in climate policy, environmental regulation, social unrest, and governance failures — may adversely affect the price of underlying assets. Clients should be aware that ESG-related risks are not fully predictable and may materialise rapidly.

17. Digital Operational Resilience Risks (DORA)

In accordance with the Digital Operational Resilience Act (DORA, Regulation (EU) 2022/2554), the Company has implemented an ICT risk management framework to identify, classify, and mitigate technology and operational risks. However, no framework can eliminate all risks. The Client should be aware that ICT-related disruptions, cyber-attacks, data breaches, and third-party technology failures may affect the Company's ability to provide services and could result in delayed order execution, loss of data, or temporary unavailability of the Trading Platform.

18. Advice and Recommendations

The Company will not advise the Client about the merits of a particular transaction or give the Client any form of investment advice. The Client is solely responsible for all trading decisions. The Company's services are provided on an execution-only basis (with the exception of portfolio management services where specifically agreed in writing).

The Company will not be under any duty to provide the Client with any legal, tax, or other advice relating to any transaction. The Client should seek independent professional advice on tax, legal, and financial matters before trading.

The Company may, from time to time and at its discretion, provide the Client with market commentary, news, or other information. In such circumstances:

- The Company will not be responsible for such information.
- The Company gives no representation, warranty, or guarantee as to the accuracy, correctness, or completeness of such information.

- This information is provided solely to enable the Client to make their own investment decisions and does not amount to investment advice or an investment recommendation.
- The Client accepts that prior to dispatch, the Company may have acted upon such information for its own purposes, in accordance with applicable law.

Market commentary, news, or other information provided or made available by the Company is subject to change and may be withdrawn at any time without notice.

19. No Guarantees of Profit

The Company provides no guarantees of profit, nor of avoiding losses, when trading in financial instruments. The Company cannot predict future market movements. The Client acknowledges that all trading involves risk and that no trading system or methodology has ever been developed that can guarantee profits or ensure freedom from losses.

20. Additional Information

For further information regarding the risks associated with investing in financial instruments, the Client may consult resources published by the European Securities and Markets Authority (ESMA) and the Cyprus Securities and Exchange Commission (CySEC), available on their respective websites.

If you have any questions about this Risk Disclosure and Warning Notice, please contact the Company at:

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