Risk Disclosure Notice

Foreign Exchange, spread betting and CFD trading are high risk and not suitable for everyone. You should carefully consider your investment objectives, level of experience and risk appetite before deciding to trade with us. Most importantly, do not invest money you cannot afford to lose. There is considerable exposure to risk in any off-exchange transaction, including, but not limited to, leverage, creditworthiness, limited regulatory protection and market volatility that may substantially affect the price, or liquidity of the markets that you are trading. It is important that as a potential customer that you understand the key risks related to opening an account and trading with One Government FX. It is important to keep in mind one of the main principles of investing: the higher the risk of losing money, the higher potential reward. The reverse also, is generally true: the lower the risk, the lower the potential reward. Trading in currencies may not be suitable for all investors and should not be considered a complete investment programme. This document sets out the key risks to which you may be exposed as a client of One Government FX when depositing money with the firm and proceeding to execute trades with One Government FX. Agreeing to execute and accept the terms of, the Client Agreement creates a binding contractual relationship between you and One Government FX. Breach by you of the Client Agreement may have legal consequences, including, without limitation, that you may become the subject of legal action for breach of contract.

News Trading is not permitted

Unless expressly agreed in writing with One Government FX, news trading is not permitted with One Government FX and any such trades, be they manual or automated, if discovered by One Government FX, will be cancelled. The reason for this is simple. This form of trading is regarded as amongst the most toxic forms of trading by our liquidity providers. This risks our very business continuity if one of our liquidity providers widens our spread so much as to make us uncompetitive or worse, terminates the transactions in question or our liquidity feed entirely. So, if you want to newstrade, either talk to us first so we can provide guidance but don't do it on our prime retail feeds. It is not what we offer them for as you will ruin the pricing and/or the venue for the vast majority of our compliant retail client base. Too many news-traders conceal their strategy and have their trades cancelled. It is not worth it. A final point, whether you call your strategy a "momentum" or "breakout" strategy or any other name, we know how to identify a "news-trade" and will call expert witnesses to support our contentions. Thank you for your understanding.

Risk of Loss and Margin Calls

Trading with One Government FX involves considerable risk and can result in the loss of some or all of your funds deposited. In certain circumstances, it is possible that you may lose more than your original amount invested (such excess loss, the "Shortfall") and you will be required to repay the Shortfall immediately to One Government FX. The Shortfall could be a substantial amount relative to the size of your initial deposit or the equity in your account, and it could even be multiples of any such amounts. If you are in any doubt regarding the risks or suitability of these investments, you should seek the advice from an independent financial advisor.

Margin calls & Margin Cuts

If you maintain trade positions in your trading account which exceed your Margin Limit due to adverse movements in your trading positions, you will be required to deposit additional funds immediately into your Account. If you do not do this, as soon as you hit 200% Exposure (as calculated by the Electronic Trading System), some or all of the positions will be closed, at One Government FX's discretion, in order to bring your trade exposures within the Margin Limit.

Suitability Considerations – Is this Right for You?

When we take you on as a client, we provide a suitability assessment and a recommendation whether trading with One Government FX is suitable and appropriate for your particular circumstances. We do this by asking you questions concerning your trading history, financial knowledge and experience, and financial resources. Despite this process and the ensuing recommendation, you may still lose money by trading with One Government FX and you should not regard this suitability assessment as a substitute for a disciplined and considered approach to your trading and personal responsibility for your education and appropriate risk-management which may permit you to be successful as a trader.

Effect of Leverage

Spread betting and trading foreign exchange and contracts for difference involves the use of "leverage" or "gearing". This means that you can, with use of a small deposit, known as the "margin", place a trade controlling a substantially higher notional value, up to 100 times the size of the margin used for an individual trade. When market prices move, "leverage" has the effect of the change in the value of the trade being magnified or accelerated, relative to other forms of investment activities with which you may be familiar (e.g., when you buy shares or units in funds/ collective investment schemes). As such, small changes in the value of the underlying instruments you are trading may have a large negative impact on the value of your trading account. You may also understand this concept in theory, but there is no substitute for actually seeing how leverage works in practice to see if you are comfortable with this form of trading.

Market Risks

All markets can be subject to considerable movements caused by many different factors. By way of example only, some currencies may experience significant declines against some other currencies and devaluation of any such currencies may occur subsequent to your investment in these currencies. These may include, but not limited to unexpected interest rate decisions, political or budgetary statements by competent authorities and/or governments. Consequently, prudent traders set stop losses when placing trades to limit their potential losses, but it is important to understand that stop losses are not guaranteed risk-management tools and will not work in certain situations, including, but not limited to, the following: -

(a) Gapping

The price of an underlying instrument may move by a large amount and there may be no liquidity providers quoting prices at all within a given range around the applicable underlying instrument's spot price (just prior to the market movement) in which case your stop loss will be not be filled at the requested level. If this happens, the stop loss will only be honoured on the first available closest quoted price in the market.

(b) Insufficient liquidity

A stop loss may not be honoured if no market quote exists in the desired amount for a requested stop loss transaction size. An example of this occurs when trying to risk manage a large position for a less liquid currency pair or if a single stock CFD transaction is large relative to the average daily volume of a given underlying stock. As stated above, your stop loss will not be filled at the requested level. If this happens, the stop loss will be honoured on the first available quoted price in the market.