



## Risk Disclosure and Warning Notice

July 2025

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Risk Warning: Trading Forex and Contracts for Difference (CFDs) on margin carries a high level of risk and may not be suitable for everybody. The high degree of leverage can work against you as well as for you. Before deciding to trade Forex and CFDs, you should carefully consider your trading objectives, level of experience and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial trading capital. You should be aware of all the risks associated with trading Forex and CFDs and seek advice from an independent adviser if you have any doubts.

## 1. GENERAL

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- 1.1. EBC Financial (MU) Limited (as referred to as “EBC”, “we”, “us”, “our”) provides you with This Risk Disclosure and Warning Notice (“the Notice”), as supplementary to Client Agreement, which was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.
- 1.2. All Clients and prospective Clients (hereinafter referred to as referred to as “the Clients”, “you”, “your” and “yourself”) are strongly advised to read carefully the following risk disclosure and warnings set forth in this document, before applying to us for a trading account and before commencing any trading activities. However, you should understand that this document cannot and does not disclose or explain all of the risks and other significant aspects associated with trading in Financial Instruments. There may be additional circumstances and risks that may not be included in the Notice, and we shall not be held liable for any loss or damage arising from such omissions.
- 1.3. Please ensure you have fully read and understood that the Notice as regard to all potential risks and fluctuant marketing situations where you shall ensure that you have enough debt capacity to bear any loss.

## 2. CHARGES AND TAXES

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- 2.1. The Provision of Services by us to the Client is subject to fees, available on our website. Before the Client begins to trade, he should obtain details of all fees, commissions, charges for which the Client will be liable. It is the Client’s responsibility to check for any changes in the charges.
- 2.2. If any charges are not expressed in monetary terms (but, for example, as a percentage of contract value), the Client should ensure that he understands what such charges are likely to amount to.
- 2.3. We may change its charges at any time.
- 2.4. There is a risk that the Client’s trades in any Financial Instruments the trade may be or become subject to tax or any other duty for example because of changes in legislation or his personal circumstances. We do not warrant that no tax or any other stamp duty will be payable. We do not offer tax advice.
- 2.5. The Client is responsible for any taxes and any other duty which may accrue in respect of his trades.
- 2.6. It is noted that taxes are subject to change without notice.

## 3. TECHNICAL ISSUES

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- 3.1. The Client and not us shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems.
- 3.2. If the Client undertakes transactions on an electronic system, he will be exposed to risks associated with the system including the failure of hardware, software, servers, communication lines and internet failure. The result of any such failure may be that his order is either not executed according to his instructions or it is not executed at all. We do not accept any liability in the case of such a failure.
- 3.3. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.
- 3.4. At times of excessive deal flow the Client may have some difficulties to be connected over the phone or our trading platforms and system, especially in fast Market (for example, when key macroeconomic indicators are released).
- 3.5. The Client acknowledges that the internet may be subject to events which may affect his access to our Website, trading platforms and system, including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks. We are not responsible for any damages or losses resulting from such events which are beyond its control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access our Website, trading platforms and system or delay or failure in sending orders or Transactions.
- 3.6. In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks amongst other risks in which cases we have no liability of any resulting loss:
  - 3.6.1. Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client;
  - 3.6.2. Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider, and the trading or information server of the Client;
  - 3.6.3. Outage (unacceptably low quality) of communication via the channels used by the Client, or us or the channels used by the provider, or communication operator (including voice communication) that are used by the Client or us;
  - 3.6.4. Wrong or inconsistent with requirements settings of the Client Terminal;
  - 3.6.5. Untimely update of the Client Terminal; When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialing, when trying to reach an employee of the customer service department of us due to communication quality issues and communication channel loads;
  - 3.6.6. The use of communication channels, hardware and software, generate the risk of no reception of a message (including text messages) by the Client from us;

- 3.6.7. Trading over the phone might be impeded by overload of connection;
- 3.6.8. Malfunction or non-operability of the Platform, which also includes the Client Terminal.
- 3.7. The Client may suffer financial losses caused by the materialization of the above risks. We accept no responsibility or liability in the case of such a risk materializing and the Client shall be responsible for all related losses he may suffer.

## 4. TRADING PLATFORM

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- 4.1. The Client is warned that when trading in an electronic platform he assumes risk of financial loss which may be a consequence of amongst other things:
  - 4.1.1. Failure of Client's devices, software and poor quality of connection;
  - 4.1.2. Our and the Client's hardware or software failure, malfunction or misuse;
  - 4.1.3. Improper work of Client's equipment;
  - 4.1.4. Wrong setting of Client's Terminal;
  - 4.1.5. Delayed updates of Client's Terminal.
- 4.2. 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 are ignored and the "orders is locked" message appears until the first Instruction is executed.
- 4.3. The Client acknowledges that the only reliable source of Quotes Flow information is that of the live Server's Quotes Base. Quotes Base in the Client Terminal is not a reliable source of Quotes Flow information because the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes simply may not reach the Client Terminal.
- 4.4. The Client acknowledges that when the Client closes the order placing/deleting window or the position opening/closing window, the Instruction, which has been sent to the Server, shall not be cancelled.
- 4.5. Orders may be executed one at a time while being in the queue. Multiple orders from the same Client Account in the same time may not be executed.
- 4.6. The Client acknowledges that when the Client closes the Order, it shall not be cancelled.
- 4.7. In case the Client has not received the result of the execution of the previously sent Order but decides to repeat the Order, the Client shall accept the risk of making two Transactions instead of one.
- 4.8. The Client acknowledges that if the Pending Order has already been executed but the Client sends an instruction to modify its level, the only instruction, which will be executed, is the instruction to modify Stop Loss or Take Profit levels on the position opened when the Pending Order triggered.

## 5. ABNORMAL MARKET CONDITIONS

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- 5.1. Financial markets may fluctuate rapidly to reflect news, events, analysis, reports, researches, opinions, and any form of information published that are beyond our control or yours; as a result, prices will become volatile. One form of price volatility is ‘gapping’, which occurs when there is a sudden shift in prices from one level to another. This can be caused, for example by unexpected economic events or market announcements, within or outside trading hours. Consequently, we may be unable to execute your instructions at the requested price. This may also occur when there is insufficient underlying liquidity in the market.

## 6. FOREIGN EXCHANGE

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- 6.1. In respect of any foreign exchange transactions and transactions in derivatives and securities that are denominated in a foreign currency, a movement in exchange rates may have a favourable or an unfavourable effect on the gain or loss achieved on such transactions.
- 6.2. The weakening of a country’s currency relative to a benchmark currency or the currency of your portfolio will negatively affect the value of an investment denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. Some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

## 7. INTEREST RATE

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- 7.1. Interest rates can rise as well as fall. A risk with interest rates is that the relative value of a security, especially a bond, may worsen due to an interest rate increase. This could impact negatively on other products. There are additional Interest Rate related risks in relation to floating rate instruments in that interest income on floating rate instruments cannot be anticipated. Due to varying interest income, investors may not be able to determine the definite yield of floating rate instruments at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the relevant instruments provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates decline. Reinvestment risk is the risk arising from the fact that investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

## 8. NATURE OF CONTRACT FOR DIFFERENCE (CFDS)

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- 8.1. CFDs are agreements to exchange the difference in value of a particular instrument or currency between the time at which the agreement is entered into and the time at which it is closed. CFDs allow the Clients to replicate the economic effect of trading in particular currencies or other instruments without requiring actual ownership of those assets.
- 8.2. CFDs are derivative products traded off-exchange (or Over-the-Counter ('OTC')); this means we are at all times the counterparty to the Client trades and any CFD trades entered into with us, can only be closed with us. Your ability to open or close trades is dependent on the availability of our trading platform(s).
- 8.3. You understand that you are not entitled to the physical delivery of the underlying instrument (or reference instrument) of the CFDs you are trading and you have no rights in the underlying instrument (such as voting rights in case you are trading CFDs on shares).
- 8.4. CFDs fluctuate in value during the day; the price movements of CFDs are determined by a number of factors including but not limited to availability of market information.

## 9. MARGIN AND LEVERAGE TRADING

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- 9.1. Trading CFDs enables you to use leverage to open a trade by depositing a fraction of the total trade value; this means that a relatively small market movement may lead to a proportionately much larger movement in the value of your trade.
- 9.2. You should note that any changes made to your leverage level, on an already traded Account, can immediately affect your open positions and may result in a stop-out.
- 9.3. It is your responsibility to monitor the required margin of your open positions and in order to avoid a stop-out you may have to fund your Account.
- 9.4. Trading in CFDs is very speculative and highly risky and is not suitable for all members of the general public but only for those investors who:
  - 9.4.1. understand and are willing to assume the economic, legal and other risks involved;
  - 9.4.2. taking into account their personal financial circumstances, financial resources, lifestyle and obligations are financially able to assume the loss of their entire investment;
  - 9.4.3. have the knowledge to understand CFDs trading and the Underlying assets and Markets.

## 10. PRICES AND COSTS

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- 10.1. The prices generated by our trading platform(s) are derived from the prices of the relevant underlying instruments, which we obtain from third party liquidity providers and price providers. The prices of CFDs that you trade with us include a mark-up; this means that the spreads offered by us

comprise of (i) the raw spreads received from third party liquidity providers and price providers and (ii) a mark-up (where applicable).

- 10.2. For trading certain CFDs, the Client may be required to pay a commission and other fees; these instances are described in detail in our Website. For all type of CFDs offered by us, the commission and the Swap fees are not incorporated into our quoted prices and are instead charged explicitly to the Client Account(s). In the case of the Swap fees, the value of opened positions in some types of financial instruments is increased or reduced by a daily financing fee 'swap' throughout the life of the trade. The financing fees are based on prevailing market interest rates. From Mondays to Thursdays swap is charged once for every business day and on Fridays swap is charged in triple size in order to account for the weekend; details of daily the Swap fees applied, are available in our Website.
- 10.3. You should not fund your Account using money obtained from any credit facility (including bank loan or otherwise). You should understand that your overall risks will be significantly increased. For instance, if you incur a loss on your trades, you will still have to repay any amount borrowed plus any interest or other costs. Therefore, you shall never finance any trades on such borrowed money and you should never rely on being able to profit on any trade, in order to repay such amounts.
- 10.4. When products are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the products. To the extent that additional domestic or foreign parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, you must take into account that you may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).
- 10.5. In addition to such costs directly related to the purchase of products (direct costs), you must also take into account any follow-up costs (such as custody fees). You should inform yourself about any additional costs incurred in connection with the purchase, custody or sale of an investment before investing. The effect of transaction costs (for example on a new issue of securities) may result in the issue price of such securities falling below the market value when trading starts.

## 11. REGULATORY, LEGAL AND STRUCTURAL RISK

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- 11.1. All investments could be exposed to regulatory, legal or structural risk.
- 11.2. Returns on all, and particularly new, investments may be at risk from regulatory or legal actions and changes which can, amongst other issues, alter the profit potential of an investment. Legal changes could even have the effect that a previously acceptable investment becomes illegal. Changes to tax policy may also occur and could have a large impact on profitability. These risks are unpredictable and can depend on numerous political, economic and other factors. The risk may be

greater in emerging markets which are developing their regulatory frameworks but does apply everywhere. In emerging markets, there is generally less government supervision and regulation of business and industry practices, stock exchanges and over-the-counter markets, and so potentially the risk of adverse regulatory or legal change may be reduced rather than increased.

- 11.3. The type of laws and regulations which investors are familiar with in Mauritius may not exist in some jurisdictions, and where they do, they may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic or political influences remain largely untested in many countries. Judges and courts in many countries may be inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent.
- 11.4. There is no guarantee that an overseas investor would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. An investor may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in overseas courts.
- 11.5. In the case of many products, there will be no legal or beneficial interest in the obligations or securities of the underlying reference entity. An investor will only have a contractual relationship with the counterparty. Its rights will therefore be limited to contractual remedies against the counterparty in accordance with the terms of the relevant product.
- 11.6. In all cases the legal terms and conditions of a product may contain provisions which could operate against your interests. For example, they may permit early redemption or termination at a time which is unfavourable to you, or they may give wide discretion to the issuer of securities to revise the terms applicable to securities. In other cases there may be limits on the amounts in relation to which rights attaching to securities may be exercised and in the event that you hold too many (or too few) securities, your interests may be prejudiced and should scrutinise these carefully. In some cases, the exercise of rights by others may impact on your investment. For example, a product such as a bond or note may contain provisions for calling meetings of holders of those bonds or notes to consider matters affecting their interests generally (including yours) and may permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Further, in some cases amendments may be made to the terms and conditions of bonds or notes without the consent of any of the holders.

## 12. CLEARING HOUSE PROTECTIONS AND SETTLEMENT RISK

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- 12.1. On many exchanges, the performance of a transaction may be “guaranteed” by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you in your



dealings with an exchange member or other intermediary and may not protect you if the broker or another party that you have instructed in respect of the transaction defaults on its obligations to you.

- 12.2. Settlement risk is the risk that a counterparty does not deliver the security (or its value) in accordance with the agreed terms after the other counterparty has already fulfilled its part of the agreement to so deliver. Settlement risk increases where different legs of the transaction settle in different time zones or in different settlement systems where netting is not possible. This risk is particularly acute in foreign exchange transactions and currency swap transactions.

## 13. COUNTERPARTY INSOLVENCY

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- 13.1. The insolvency or default of us whom you are dealing, or of any counterparty involved with your transaction, may lead to positions being liquidated or closed out without your consent or, indeed, investments not being returned to you. There is also insolvency risk in relation to the investment itself, for example of us that issued a bond or of the counterparty to off-exchange derivatives (where the risk relates to the derivative itself and to any collateral held by the counterparty).

## 14. THIRD PARTY RISKS

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- 14.1. We may pass money received from the Client to a third party (e.g. an intermediate broker, a bank, a market, a settlement agent, a clearing house or OTC counterparty located outside Mauritius to hold or control in order to effect a Transaction through or with that person or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. We have no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.
- 14.2. The legal and regulatory regime applying to any such third party person will be different from Mauritius and in the event of the insolvency or any other equivalent failure of that person, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in Mauritius. We will not be liable for the solvency, acts or omissions of any third party referred to in this clause.
- 14.3. The third party to whom we will pass money may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of the insolvency or any other analogous proceedings in relation to that third party, we may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by us from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. We do not accept any liability or responsibility for any resulting losses.

- 14.4. We may deposit Client money with a depository who may have a security interest, lien or right of set-off in relation to that money.
- 14.5. A Bank or Broker through whom we deal with could have interests contrary to the Client's Interests.

## 15. NO ADVICE

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- 15.1. We may, from time to time and as often as it deems appropriate, issue or distribute our own or third party material (the 'Material'), which contains information including but not limited to the conditions of the financial markets, posted through our Website and other media or received by you. It should be noted that the Material is considered to be marketing communication only and does not contain, and should not be construed as containing, investment advice or an investment recommendation or, an offer of or solicitation for any transactions in financial instruments; any decision to enter into a specific transaction shall be made by the Client following an assessment by themselves of their situation.
- 15.2. We make no representation and assumes no liability as to the accuracy or completeness of the information provided, nor any loss arising from any investment based on a recommendation, forecast or other information supplied by any employee of us, a third party or otherwise. The Material is not prepared in accordance with legal requirements promoting the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. All expressions of opinion included in the Material are subject to change without notice. Any opinions made may be personal to the author and may not reflect the opinions of us.
- 15.3. We do not provide investment, financial, legal, tax, regulatory or other advice relating to investments or trading CFDs. Any material or information or other features, which may be provided to you through our Website, trading platforms, marketing or training events or otherwise, is generic and shall not be treated as advice appropriate for you or based on a consideration of your personal circumstances. You should seek independent professional advice from a suitably qualified advisor, if necessary, prior to engaging in trading CFD with us.
- 15.4. It is understood that market commentary, news, or other information provided or made available by us are subject to change and may be withdrawn at any time without notice.

## 16. NO GUARANTEES OF PROFIT

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- 16.1. We provide no guarantees of profit nor of avoiding losses when trading. The Client has received no such guarantees from us or from any of its representatives. The Client is aware of the risks inherent in trading and is financially able to bear such risks and withstand any losses incurred.

## 17. PAST PERFORMANCE

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- 17.1. Past performance, simulation or prediction of CFDs does not constitute an indication of future results. You should note that the value of your investment can decrease (as well as increase) as the market price of the underlying asset may fluctuate downwards (or upwards).

## 18. COMMUNICATION BETWEEN THE CLIENT AND US

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

## 19. ACKNOWLEDGEMENT

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- 19.1. You shall acknowledge that you are fully aware of all potential risks and losses that may occur during your
- 19.2. transactions with EBC, which EBC will not be responsible for it.
- 19.3. Before deciding to enter any transaction with EBC, you should carefully consider including but not limited to your financial situation, investment objectives, investment experience and professional knowledge; and ensure you are affordable to bear any loss.
- 19.4. You should be aware that the risk disclosure is only a statement to describe the risks themselves. For details about each sector, there may be other supplementary documents such as Order Execution Policy. Always the more specific documents will be prior to the general documents.

## 20. CONFIRM SIGNATURE

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- 20.1. All the terms of The Risk Disclosure and Warning Notice have been received, read and understood.

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