



# GENERAL RISK DISCLOSURE STATEMENT

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## 1. Introduction

Viverno Markets Ltd (hereinafter "Viverno" or "the Company") is an investment firm that operates as a liquidity provider. The Company is incorporated in the Republic of Cyprus through the Department of Registrar of Companies with registration number HE300153 and is authorised and regulated by the Cyprus Securities and Exchange Commission (hereinafter "CySEC") with license number 199/13. It operates under the European Markets in Financial Instruments Directive 2014/65/EU (hereinafter "MiFID II") and the Cyprus Investments Services and Activities regulated Markets Law 87(I)/2017 (hereinafter the "Law").

## 2. Risk Warnings

The Company's products and services are intended for professional clients and eligible counterparties only.

All Clients and prospective Clients should carefully read the following risk disclosure and warnings contained in this document, before applying to the Company for access to liquidity through its platform and before accepting investment services from the Company. However, it is noted that this document 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 on a fair and non-misleading basis. In case the Clients do not understand the risks involved, they should seek advice or consultation from an independent financial advisor. If the Clients still do not understand the risks involved in trading in any Financial Instruments, they should not trade at all.

## 3. General Risks and Acknowledgements

Clients who deal in CFDs acknowledge, understand, agree and accept the risks including but not limited:

- (a) The Company does not and cannot guarantee that funds deposited in the Client's Account for trading will not be lost as a result of the Client's transactions.
- (b) The Client acknowledges that, regardless of any information which may be offered by the Company, the value of any investment in Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value.
- (c) The Client acknowledges that he/she runs a great risk of incurring losses and damages as a result of the purchase and/or sale of any Financial Instrument and accepts that he/she is willing to undertake this risk.
- (d) Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or

safe forecast as to the corresponding future performance of the Financial Instruments to which the said Information refers.

- (e) The Client is hereby advised that the transactions undertaken through the dealing services of the Company may be of speculative nature. Large losses may occur in a short period of time and may be equal to the total value of funds deposited with the Company.
- (f) Some Financial Instruments may not become immediately liquid, for example, as a result of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks.
- (g) When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance.
- (h) A Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in the Client's country of residence. In some cases, these risks may be greater. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.
- (i) A Derivative Financial Instrument (i.e., option, future, forward, swap, contract for difference) may be a non-delivery spot transaction giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share price called the underlying instrument.
- (j) The value of the Derivative Financial Instrument may be directly affected by the price of the security or any other underlying asset which is the object of the acquisition.
- (k) The Client should not purchase a Derivative Financial Instrument unless he/she is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.
- (l) Under certain market conditions (for example but not limited to the following situations: force majeure event, technical failure, communications network failure, poor or no liquidity, market news or announcements etc.) it may be difficult or impossible to execute an order.
- (m) Placing "Stop-Loss" Orders serves to limit your losses. However, under certain market conditions the execution of a "Stop-Loss" Order may not be effective, be impossible to execute the order or get the stop price or may be worse than its stipulated price and the realised losses can be larger than expected.

- (n) Should the Equity of the Client be insufficient to hold current positions open, the Client may be called upon to deposit additional funds at short notice or reduce exposure. Failure to do so within the required time may result in the liquidation of positions at a loss and the Client will be liable for any resulting deficit.
- (o) The Client's attention is expressly drawn to currencies traded so irregularly or infrequently that it cannot be certain that a price will be quoted at all times or that it may be difficult to effect transactions at a price which may be quoted owing to the absence of a counterparty.
- (p) Trading on-line, no matter how convenient or efficient, does not necessarily reduce risks associated with currency trading.
- (q) There is a risk that the Client's trades in Financial Instruments may be or become subject to tax and/or any other stamp duty, for example, because of changes in legislation or his/her personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his/her trades.
- (r) Before the Client begins to trade, he/she should obtain details of all commissions and other charges for which the Client will be liable. If any changes are not expressed in money terms (but for example a dealing spread), the Client should ask for a written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.
- (s) The Company will not provide the Client with Investment Advice relating to investments or possible transactions in investments or make investment recommendations of any kind.
- (t) There may be situations, movements and/or conditions occurring at the weekend, at the beginning of the week or intra-day after the release of the significant macroeconomic figures, economic or political news that make currency markets to open with price levels that substantially differ from previous prices. In this case, there exists a significant risk that orders issued to protect open positions and open new positions may be executed at prices significantly different from those designated.

#### **4. Third Party Risks**

- 4.1 The Company may be required to hold Clients' money in an account that is segregated from other Clients and the Company's money in accordance with current regulations, but this may not afford complete protection.
- 4.2 The Company may pass money received from the Client to a third party (e.g., a bank) to hold or control in order to affect 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). The

Company has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.

4.3 The third party to whom the Company 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, the Company 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 the Company from the third party is insufficient to satisfy the claims in respect of the relevant account. The Company does not accept any liability or responsibility for any resulting losses.

4.4 A Company or Bank or Broker through whom the Company may deal with could give interests contrary to the Client's interests.

4.5 The insolvency of the Company or of a Bank or Broker used by the Company to affect its transactions may lead to the Client's positions being liquidated or closed against his/her wishes.

## **5. Conflicts of Interests**

The Company is the counterparty to all transactions entered into under the Client Agreement and, as such, the Company's interests may be in conflict with yours. For further details please read our Conflicts of Interest Policy which is available on the Company's website.

## **6. Prices are set by the Company and may be different from prices reported elsewhere**

The Company's prices in relation to CFDs trading are set/quoted in accordance with the Company's Best Interest and Order Execution Policy, which is available on the Company's website. It is noted that Company's prices may be different from prices reported elsewhere. The prices displayed on the Company's trading platform reflect the last known available price at the moment prior to placing any order, however, the actual execution price of the order may differ, in accordance with the Company's Best Interest and Order Execution Policy and Client Agreement. As such, the price that the Client receives when he opens or closes a position may not directly correspond to real time market levels at the point in time at which the sale of the CFD occurs or reflect the prices of third party brokers/providers.

## **7. Rights to underlying assets**

Clients have no rights or obligations in respect of the underlying assets relating to CFD trading.

## 8. Trading Platform Risks

8.1 Clients, who undertake transactions on an electronic trading system, will be exposed to risks associated with the system including the failure of hardware and software (Internet/Servers). The result of any system failure may be that an order is not executed according to the instructions provided for it or it is not executed at all. The Company does not accept any liability in the case of such failure. The use of wireless connections or dial-up connections, or any other form of unstable connection at the client's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the client and the Company, when using the Company's Electronic Trading Platform. Such delays or disturbances may result in the client sending out of date "Market Orders". In these circumstances, the Company will update the price and execute the order at the best available "market price".

8.2 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.

8.3 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.

8.4 The Client acknowledges that when an Order is closed or being executed, it may not be cancelled or modified.

8.5 The Client may lose all amounts (s)he has deposited with the Company as margin. The placing of certain orders available on the Trading Platform (e.g., "stop-loss" or "limit" orders) that are intended to limit losses to certain amounts may not always be effective because market conditions or technological limitations may make it impossible to execute such orders. Please also note that for all orders (including guaranteed stop loss orders) the Client may sustain the loss (which the Client's order is intended to limit) in a short period of time. In other cases, the execution of a "Stop-Loss" may not be effective, be impossible to execute the order or get the stop price or may be worse than its stipulated price and the realised losses can be larger than expected.

## 9. Technical Risks

9.1 The Company shall not be responsible for the risks of financial losses caused directly or indirectly by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems.

9.2 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 any other party, using the Internet or other network communication facilities, telephone, or any other electronic means.

- 9.3 The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.
- 9.4 At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Company's trading platform(s)/ system(s), especially in the fast Market (for example, when key macroeconomic indicators are released).
- 9.5 The Client acknowledges that the internet may be subject to events which may affect his/her access to the Company's Website and/or the Company's trading platform(s)/system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks. The Company is 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 the Company's Website and/or Trading System or delay or failure in sending orders or Transactions.
- 9.6 The Client is warned that when trading in an electronic platform (s)he assumes risk of financial loss which may be a consequence of amongst other things:
- (a) Failure of Client's devices, software and poor quality of connection.
  - (b) The Company's or Client's hardware or software failure, malfunction or misuse.
  - (c) Improper work of Client's equipment.
  - (d) Wrong setting of Client's Terminal.
  - (e) Delayed updates of Client's Terminal.
- 9.7 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 the Company has no liability of any resulting loss:
- (a) Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client.
  - (b) 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.
  - (c) Outage (unacceptably low quality) of communication via the channels used by the Client, or the channels used by the provider, or communication operator (including voice communication) that are used by the Client.
  - (d) Wrong or inconsistent with requirements settings of the Client Terminal.
  - (e) Untimely update of the Client Terminal.



- (f) When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialling, when trying to reach an employee of the broker service department of the Company due to communication quality issues and communication channel loads.
- (g) The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Client from the Company.
- (h) Trading over the phone might be impeded by overload connection.
- (i) Malfunction or non-operability of the trading system (platform), which also includes the Client Terminal.
- (j) Outage (unacceptably low quality) of communication via the channels used by the Company, in particular physical damage (destruction) of the communication channels by third parties.

## **10. Risks particularly associated with transactions in financial instruments (CFDs)**

11.1 Investing in some Financial Instruments entails the use of "gearing" or "leverage". In considering whether to engage in this form of investment, the Client should be aware that the high degree of "gearing" or "leverage" is a particular feature of Derivative Financial Instruments. This stems from the margin system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in the Client's favour, the client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Client's entire deposit, but also expose the Client to a large additional loss. In regard to transactions in derivative Financial Instruments, a derivative Financial Instrument is a non-deliverable spot transaction giving an opportunity to make profit or loss on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. The Client must not purchase a derivative Financial Instrument unless he/she is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred. For further details please read our Risk Disclaimer for Financial Instruments which is available on the Company's website.

11.2 Transactions may not be undertaken on a recognized or designated investment exchange and, accordingly, they may expose the Client to greater risks than exchange transactions. The terms and conditions and trading rules may be established solely by the Execution Venue. The Client may also have to close any position with the same counterparty with whom it was originally entered into. In regard to transactions in Financial Instruments with the Company, the Company is using a Trading Platform for transactions in Financial Instruments which does not fall into the definition of a recognized exchange or a Multilateral Trading Facility.

### **11. The Company is not an advisor or a fiduciary to the Client**

Where the Company provides generic market recommendations, such generic recommendations do not constitute a personal recommendation or investment advice and have not considered any of a specific Client's personal circumstances or investment objectives nor is it an offer to trade, or the solicitation of an offer to trade in any CFDs. Each decision made by the Client to trade in CFDs with the Company and each decision as to whether a transaction is appropriate or proper for the Client is an independent decision made by the Client himself. The Company does not act as an advisor or serving as a fiduciary to the Client. The Client agrees that the Company has no fiduciary duty to the Client and no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with the Client following the Company's generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided by the Company.

### **12. Recommendations are not guaranteed**

The generic market recommendations provided by the Company are based solely on the judgement of the Company's personnel and should be considered as such. The Client acknowledges that (s)he enters into any transactions relying on his/her own judgement. Any market recommendations provided are generic only and may or may not be consistent with the market positions or the intentions of the Company and/or its affiliates. The Company's generic recommendations are based upon information believed to be reliable, but the Company cannot and does not guarantee the accuracy or completeness thereof or represent that following such generic recommendations will eliminate or reduce the risk inherent in trading in CFDs.

### **13. No guarantees of profit**

There are no guarantees of profit or avoidance of losses when trading in CFDs. The Client has not and will not receive any such guarantees from the Company or from any of its representatives. The Client must become aware of the risks inherent in trading in CFDs and is financially able to bear such risks and withstand any losses incurred.

### **14. Expiry system errors**

For CFDs: In case the expiry system fails for any reason and the CFD does not close at the available market price when the instructed price has been met, the system will issue a notification to a Risk Manager or Compliance Officer, in order for the position to be resolved manually. The affected client will be placed in the same position had the CFD closed at the available market price when the instructed price has been met.

## 15. Compensation

The Company participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Clients will be entitled to compensation under the Investor Compensation Fund in case the company is rendered unable to meet its duties and obligations arising from possible client claims. Any compensation provided to the client by the Investor Compensation Fund shall not exceed the amount of twenty thousand Euros (€20.000) and it applies to clients' aggregated claims against the Company.

**Important Notice:** This document does not disclose, contain or explain all of the risks and other significant aspects involved in dealing in all Financial Instruments and Investment Services. This document 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 in accordance with the Law.