

**Risk Warning**

If you have questions, please email [clientservices@icmcapital.co.uk](mailto:clientservices@icmcapital.co.uk)

# Risk Warning

## Risk Warning

This notice is provided to you in compliance with FCA requirements because you are proposing to undertake dealings in financial instruments in the form of CFDs or Spot FX with a firm which is carrying on investment business. This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in such products.

ICM Capital does not (will not) provide you with investment advice relating to investments or possible transactions in investments or from making investment recommendations of any kind. We can give you factual market information or information, in relation to a transaction about which you have enquired, as to transaction procedures, potential risks involved and how those risks may be minimised.

CFDs and Spot FX are complex instruments and come with a high risk of losing money rapidly due to leverage. Your profit and loss will vary according to the extent of the fluctuations in the price of the underlying markets on which the trade is based.

For many members of the public, these Transactions are not appropriate. You should, therefore, consider carefully whether they are appropriate for you in light of your knowledge/experience, financial resources and investment objectives. In considering whether to engage in this form of investing, you should be aware of the following:

The high degree of "gearing" or "leverage" (i.e. the funds required at the outset, compared with the size of the trade you can place) is a particular feature of this type of Transaction. Therefore, a relatively small movement in the underlying market can have a disproportionate effect on your Transaction. If the underlying market movement is in your favour, you may achieve a good profit, but an equally small adverse market movement can quickly result in the loss of your entire deposit.

You may be called upon to deposit substantial additional margin, at short notice, to maintain your position. If you do not provide such additional funds within the time required, your position may be closed at a loss and you will be liable for any resulting deficit.

### **If you are in any doubt, seek professional advice.**

The purpose of a CFD or Spot FX Transaction is to secure a profit or avoid a loss by reference to fluctuations in the price of underlying property or an index (the "Underlying Market"). In the context of our activities, the Underlying Market may be a single security, a basket of securities, a

securities Index, an exchange rate between two currencies, a treasury product, a bullion, a commodity or such other investment as we may from time to time agree in writing. It is an express term of each CFD or Spot FX Transaction that neither you nor us:

- acquire any interest in or right to acquire or is obliged to sell, purchase, hold, deliver or receive the Underlying Market; and
- that the rights and obligations of each party under the CFD or Spot FX Transaction are principally to make and receive such related payments.

Transactions with ICM Capital are not transacted on a recognised or designated investment exchange and, accordingly, they may expose you to greater risks than exchange transactions. The Transactions structure and rules will be established solely by ICM Capital in accordance with FCA Conduct of Business rules. For example, if you wish to close the position earlier than the time at which it would otherwise automatically expire, you will have to close it at ICM Capital's quotation which may reflect a premium or discount to the Underlying Market. When the Underlying Market is closed, ICM Capital's quotation can be influenced by the weight of other client's buying or selling with ICM Capital. You will have to close any position with the same provider with whom it was originally entered into.

Where entering into such Transactions, ICM Capital will do so under a two-way client agreement (i.e. ICM Capital Terms and Conditions and documents incorporated by reference therein in accordance with the FCA Conduct of Business rules unless exempted from doing so. You should satisfy yourself that dealing is conducted throughout in strict conformity with that client agreement. Asset out in the client agreement ICM Capital will automatically add a 'stop loss' to positions in respect of certain Transactions (unless agreed otherwise). All market prices quoted by ICM Capital include ICM Capital's spread.

Slippage occurs when a stop loss does not get filled at the exact order price, but slips to a higher or lower price. This may be because the particular Underlying Market has become unusually volatile for a period of time. Where this happens a Stop Loss may not be effective and the Position will be closed at the current ICM Capital Quote.

A gap is when the Market jumps overnight, resulting in your stop loss being missed and your trade closed at a much higher or lower price than intended.

Accordingly, where you have an open Position in a volatile market environment you must

understand the potential impact of these events.

Foreign markets will involve different risks from UK markets. In some cases risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign currency denominated markets will be affected by fluctuations in foreign exchange rates, and also, potentially, time differences.

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 is restricted or suspended.

No credit is extended to you. Neither a Variation Margin credit allocation, nor an Initial Margin credit allocation constitute a credit facility.

ICM Capital may maintain our financial stability by hedging against large trades or significant accumulations of trades.

ICM Capital is required to hold your money in segregated trust accounts in accordance with the regulations of FCA, but this may not afford complete protection. If you deposit collateral as security with ICM Capital, you should ascertain from ICM Capital how your collateral will be dealt with.

Your business with ICM Capital may be covered by the Financial Services Compensation Scheme ("FSCS" or the "Scheme"). Client money will be deposited into a client money bank account opened at an approved bank. In the event that ICM Capital were to become insolvent all client money held in the third party bank account would be protected. In the event that the third party bank was to become insolvent you may be entitled to compensation from the Scheme if the third party bank were unable to meet their obligations. This depends on the type of business you undertake, your status, and the circumstances of the claim.

Most types of investment business are covered for up to £85,000 (which is the maximum level of compensation). Further information about compensation arrangements is available from the FSCS. You can contact the FSCS by writing to them at 7th Floor, Lloyds Chambers, Portsoken Street, London, E1 8BN, or by emailing them at the email address provided on the Financial Services Compensation Scheme website at [www.fscs.org.uk](http://www.fscs.org.uk).

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If you have reason to believe that ICM Capital is not acting in accordance with representations that it has made to you, the terms of your client agreement or the rules of the FCA, you should report it to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR telephone number 020 7964 1482.