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Risk Disclosure Statement**

**Introduction** This Risk Disclosure Statement provides essential information regarding the risks associated with financial instruments offered by Elitefunds -broker (UK) ("we" or "the Firm"). This document applies to you ("Customer" or "you") when trading through our services. Elitefunds -broker is authorized and regulated by the Securities and Exchange Commission ("SEC") with its registered office at 25 Dowgate Hill, London EC4R 2YA, United Kingdom.

This Risk Disclosure Statement forms part of the Agreement between the Firm and the Customer, as outlined in the Firm’s Terms and Conditions. Defined terms in the Terms and Conditions apply to this document unless otherwise specified.

The Firm provides the following investment services under the Agreement:

* **Contract for Difference (CFD) trading**
* **Spread Betting services**
* **Share Dealing services**

All services are provided on an execution-only basis. The Firm does not offer financial, legal, or investment advice concerning CFDs, Spread Bets, or Share Dealing services.

**Section 1: CFDs and Spread Bets**

CFDs and Spread Bets are complex instruments carrying a high risk of losing money rapidly due to leverage. You should assess whether you fully understand these instruments and can afford the associated risks before trading.

**Description of CFDs and Spread Bets**

* A **CFD** is a financial contract that allows speculation on price movements without ownership of the underlying asset (e.g., shares, indices, commodities, or foreign exchange).
* **Spread Bets** operate similarly to CFDs, with different pricing and trade size structures. Spread Bets involve betting on price movements per point, while CFDs are traded in contract units.

**Risk Factors:**

* **High Risk & Speculative Nature:** CFDs and Spread Bets involve leverage, which amplifies both profits and losses. A small market movement can significantly impact your trade.
* **Suitability:** These instruments are suitable only for customers who understand the risks, have relevant experience, and can bear potential losses.
* **Loss of Investment:** It is possible to lose the entire amount invested, and additional funds may be required to maintain open positions.
* **Regulatory Requirements:** The Firm is required to assess the appropriateness of CFDs and Spread Bets for you before opening an account. However, this does not exempt you from evaluating the risks independently.
* **Leverage Risks:** While leverage increases potential returns, it also increases potential losses, making CFDs and Spread Bets riskier than direct asset investments.
* **Market Liquidity:** Under certain conditions, you may not be able to execute trades at your desired price, leading to increased risk exposure.

More detailed information about these products is available on our website, including Key Information Documents (KIDs) outlining costs, risks, and product features.

**Section 2: Share Dealing Services**

All financial investments involve risk. The value of your investments may fluctuate, and past performance does not guarantee future returns. The Firm does not provide investment advice, and all Share Dealing transactions are executed on an execution-only basis.

**Key Risks:**

* **Market Risk:** Share prices fluctuate based on supply and demand, economic events, and company performance.
* **Liquidity Risk:** Selling shares in smaller companies or illiquid markets may be difficult, leading to price gaps and unexpected losses.
* **Insolvency Risk:** If a company becomes insolvent, shareholders are last in line for repayment.
* **Nominee Registration:** Shares purchased on your behalf may be registered under a nominee or sub-custodian, limiting direct ownership rights.

**Section 3: General Trading Risks**

**No Investment Advice:** The Firm does not provide investment, legal, tax, or financial advice. You are solely responsible for assessing the suitability of any trade or investment decision.

**Technical and System Risks:**

* **Platform Failures:** Trading via electronic platforms is subject to risks, including system failures, connectivity issues, and execution delays.
* **Margin Requirements:** You must maintain sufficient margin in your account. Failure to meet margin requirements may lead to position liquidation.
* **Stop Loss Limitations:** While Stop Loss Orders aim to limit potential losses, they do not guarantee execution at the specified price during market volatility.

**Currency Risk:** If trading instruments denominated in a currency different from your account’s base currency, exchange rate fluctuations may impact your profits and losses.

**Taxation:** Tax obligations depend on individual circumstances and are subject to change. The Firm does not provide tax advice. You are responsible for ensuring compliance with applicable tax regulations.

**Legal and Regulatory Risks:** Changes in laws or regulations may impact your trading activities and associated costs. You should remain informed about relevant legal requirements.

**Section 4: Additional Risks for Professional Customers**

Professional customers are subject to additional risks, including:

* **Loss of Negative Balance Protection:** Professional traders may be liable for losses exceeding their account balance.
* **Cryptocurrency CFDs:** Cryptocurrency-linked CFDs are highly volatile and speculative, carrying an increased risk of loss.
* **Additional Service Limitations:** During periods of high demand or market disruption, access to customer support or trading execution may be limited.

**Final Considerations**

By using our services, you acknowledge and accept the risks outlined in this document. You should carefully consider your financial situation, experience, and risk tolerance before trading. If in doubt, seek independent financial advice.

For further details, please refer to our Terms and Conditions and Key Information Documents available on our website.