RIYADEX

# Risk Disclosure Statement



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# RISK DISCLOSURE STATEMENTDOCUMENT REF: V.01.2026

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**Risk Disclosure**

This Risk Disclosure Statement is issued by Riyadex Financials (Pty) Ltd (hereinafter designated as 'Riyadex' or 'the Company'). Riyadex Financials (Pty) Ltd is a registered corporate entity organized under the laws of South Africa under registration number K2021775225, having its registered physical address at 1 Edgemere Road, Elfindale, Cape Town, Western Cape, 7945, South Africa. The Company operates as an authorized Financial Services Provider ('FSP') and Over-the-Counter Derivatives Provider ('ODP') regulated by the Financial Sector Conduct Authority ('FSCA').

This disclosure statement is formally provided to you (our valued Client and prospective Client) pursuant to statutory rules and conduct guidelines established by the FSCA, in light of your intention to engage in trading activities involving complex derivative financial instruments, specifically Contracts for Difference ('CFDs'), supplied by Riyadex. The explicit objective of this document is to inform you of the technical nature, inherent volatility, and operational risks associated with our derivative products and execution facilities. Every Client and prospective Client is required to carefully review and comprehend the risk warnings set out within this disclosure statement prior to submitting an account opening application and before initiating active trading operations with the Company. However, please note that this statement does not and cannot exhaustively detail every potential risk factor or operational nuance connected to transactions in derivative Financial Instruments. This disclosure is structured to present a fair, clear, and balanced overview of the fundamental risks involved in derivative trading.

**General Risk Warning For Complex Financial Instruments (Derivative Financial Instruments such as CFDs)**

Trading Contracts for Difference ('CFDs') is an intrinsically speculative endeavor that entails severe risks of financial loss. Consequently, derivative trading is not suitable for all investors and should only be undertaken by clients who:

- fully comprehend and voluntarily accept the legal, economic, and operational risks involved in derivative markets;
- possess extensive practical experience and market sophistication regarding derivative instruments and underlying asset categories; and
- maintain the financial capability to absorb substantial losses that may significantly exceed initial margin deposits, acknowledging that total contract capital may be lost.

CFDs do not constitute appropriate investment vehicles for pension schemes or retirement funds. CFD transactions represent one of the highest-risk classes of financial instruments and can generate immediate, substantial capital losses. The Client represents, warrants, and agrees that they understand these operational risks, are financially and legally capable of assuming the risks of CFD execution, and that the total loss of their account balance will not alter their standard of living.

You should refrain from entering into derivative transactions unless you thoroughly grasp the specific contractual terms of the trade and the true extent of your financial exposure to potential capital losses.

Your financial gain or loss will fluctuate in direct alignment with market price movements occurring in the underlying benchmark asset. Your net losses may exceed your initial deposited funds. If you entertain any doubt regarding derivative trading suitability, you are strongly encouraged to consult an independent certified financial advisor.

The primary objective of these Transactions is to generate profit or mitigate potential financial loss by taking advantage of underlying market price movements. In the context of Riyadex's operational scope, underlying instruments may encompass single equities, equity indices, foreign exchange rates, treasury assets, precious metals, energy commodities, or other financial benchmark assets agreed upon in writing.

It is an explicit contractual term governing each CFD Transaction that:

- neither party acquires any ownership interest, right of acquisition, or obligation to purchase, deliver, hold, or receive the underlying benchmark asset; neither party obtains voting rights relative to the underlying security; and
- the rights and legal duties of each contracting party under the Transaction consist exclusively of executing and receiving cash settlement payments.


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You may be called upon to deposit substantial additional margin funds at short notice to keep open positions active. If required margin deposits are not supplied within the specified timeframe, your open trades may be liquidated automatically at a financial loss, leaving you fully accountable for any resulting account deficit. You must actively monitor your open positions at all times and maintain continuous access to our Trading Platform when managing active trades or pending orders.

**Risks related to long CFD positions, i.e. for purchasers of CFDs**

Holding a long position in a CFD means purchasing a contract under the expectation that the underlying asset's market quote will appreciate between trade opening and trade closure. As the holder of a long CFD position, you will generally realize a financial profit if the underlying market price increases while your trade remains open. Conversely, you will sustain a financial loss if the underlying asset price depreciates during the trade duration. Consequently, your potential loss can exceed your initial deposited margin. Furthermore, positions may suffer automated close-out losses if account liquidity falls below mandatory maintenance margin levels needed to sustain open trades.

**Risks related to short CFD positions, i.e. for sellers of CFDs**

Holding a short position in a CFD means selling a contract under the expectation that the underlying asset's market quote will depreciate between trade opening and trade closure. As the holder of a short CFD position, you will generally realize a financial profit if the underlying market price falls while your trade remains open. Conversely, you will sustain a financial loss if the underlying asset price appreciates during the trade duration. Consequently, your potential loss can exceed your initial deposited margin. Furthermore, positions may suffer automated close-out losses if account liquidity falls below mandatory maintenance margin levels needed to sustain open trades.

**Cash Settlement**

The Client acknowledges and agrees that CFD transactions are settled exclusively in cash, where the net financial outcome is determined by the numerical variance between the entry price and exit price of the trade.

**Not Advice**

Riyadex operates strictly on an execution-only basis. We do not provide financial, legal, tax, investment, or regulatory advisory services. Any market data or communication provided by the Company is purely factual and does not account for your individual financial circumstances, investment objectives, or personal risk tolerance. We may supply objective market information or administrative execution details concerning potential risks and risk-mitigation tools. Any decision to utilize our trading facilities rests solely with you; therefore, you are encouraged to seek independent expert advice from a qualified professional regarding legal, financial, tax, or regulatory matters before entering into transactions with Riyadex.

**Currency Risk**

Executing CFD trades on underlying instruments denominated in a currency other than your primary Account Currency introduces exchange rate risk. Because trade settlement values are converted into your primary Account Currency, exchange rate fluctuations can adversely impact your total investment returns.

**Gapping**

Gapping (or Slippage) describes a sudden market movement where quotes jump past designated Stop Loss levels without trading at intermediate prices. This typically occurs during periods of extreme market volatility or sudden illiquidity. In such circumstances, underlying exchange trading may pause and resume at prices significantly past your Stop Loss threshold. Where gapping occurs, Stop Loss orders cannot execute at the requested price and will be filled at the prevailing Riyadex quote. Clients holding active positions in volatile market conditions must understand and prepare for the financial impact of market gapping.


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**Advice and Recommendations**

The Company will not advise the Client regarding the merits of any specific Transaction or offer investment recommendations. The Client acknowledges that Riyadex services exclude investment advisory facilities for CFDs or underlying benchmark markets. All trades are executed independently by the Client based on their own judgment. By instructing the Company to execute any order, the Client affirms that they bear sole responsibility for conducting an independent appraisal into trade risks. The Client confirms possessing adequate market knowledge, professional advice, and trading experience to evaluate transaction risks. Riyadex makes no warranties regarding product suitability and assumes no fiduciary duty toward the Client. The Company maintains no obligation to supply legal, tax, or statutory advice. Clients should consult tax specialists regarding potential tax liabilities, noting that tax legislation remains subject to ongoing statutory revision.
The Company may, from time to time at its discretion, provide general market news, analytical commentary, or technical updates via its website, terminal messages, or client portals. Where such informational materials are distributed:

- the Company disclaims legal responsibility for the content or completeness of such materials;
- Riyadex provides no warranty or guarantee regarding accuracy, legal correctness, or tax implications of referenced transactions;
- such materials are provided solely to facilitate independent client evaluation and do not constitute investment advice or financial promotions;
- where distribution restrictions apply, the Client covenants not to forward materials to unauthorized recipients; and
- the Client accepts that Riyadex may have acted upon underlying analytical data prior to public release, and simultaneous client delivery cannot be guaranteed.

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