



RISK DISCLOSURE POLICY



RISK DISCLOSURE AND WARNING NOTICE

1. INTRODUCTION

1.1 This **Risk Disclosure and Warning Notice** (hereinafter referred to as “*the Policy*”) forms an integral appendix to the Introductory and Marketing Agreement (hereinafter referred to as “*the Terms*”) and is issued in compliance with the Financial Advisory and Intermediary Services Act, 37 of 2002 (“*FAIS*”) and related regulations applicable to **VALOR MARKETS (PTY) LTD**, a licensed Financial Services Provider authorised by the Financial Sector Conduct Authority (“*FSCA*”) of South Africa under licence number **54447**.

1.2 For clarity:

- i. **VALOR MARKETS (PTY) LTD** acts solely in its capacity as an intermediary authorised under FAIS. It does not provide execution, custody, or discretionary services and does not hold client funds; and
- ii. **VALOR MARKETS LTD**, incorporated in the Union of the Comoros, is the contracting counterparty for all client onboarding, account opening, and trading activities. Clients’ trading relationships, funds, and positions are maintained with the Comoros entity.

1.3 This Policy therefore:

- i. Outlines the risks associated with trading financial instruments under the services provided by VALOR MARKETS LTD.
- ii. Explains the limits of FSCA-regulated protections which apply only to intermediary services rendered by VALOR MARKETS (PTY) LTD.
- iii. Warns clients that trading and custody risks remain with VALOR MARKETS LTD under the applicable laws of that jurisdiction.

1.4 All clients and prospective clients are strongly advised to read this Policy carefully before applying for a trading account or engaging in trading activities.



2. **GENERAL RISK WARNINGS**

2.1 Trading financial instruments carries a high degree of risk and is not suitable for all investors.

2.2 The risks include, but are not limited to, the following:

i. **Capital Loss:**

VALOR MARKETS LTD cannot and does not guarantee the return of capital. Investments in financial instruments may increase or decrease in value and may become worthless.

ii. **Market Volatility:**

The value of investments may fluctuate significantly due to economic events, market conditions, or political developments.

iii. **Past Performance:**

Past results of any financial instrument are not indicative of future performance.

iv. **Speculative Nature:**

Trading in leveraged products such as contracts for difference (“CFDs”), options, futures, or swaps is speculative and may result in substantial or total losses in a short time.

v. **Liquidity Risks:**

Certain instruments may not be liquid, preventing timely exit or valuation.

vi. **Derivative Risks:**

The value of derivative instruments is directly linked to underlying assets and may be affected by rapid price changes.

2.3 **Important:**



Clients acknowledge that the FSCA protections afforded under FAIS extend only to the intermediary services of VALOR MARKETS (PTY) LTD. The trading, custody, and operational risks described in this Policy are the responsibility of VALOR MARKETS LTD.

3. THIRD-PARTY RISKS

- 3.1 VALOR MARKETS LTD may transfer client money to third parties (e.g., liquidity providers or clearing houses) for the purpose of executing transactions or meeting margin requirements.
- 3.2 Client funds may be held in omnibus accounts, which may expose clients to insolvency risks of the third party.
- 3.3 VALOR MARKETS (PTY) LTD does not at any time receive, hold, or transfer client funds.

4. TAX RISKS

- 4.1 Client trades may be subject to taxes, duties, or other levies under applicable law.
- 4.2 Tax treatment depends on the client's personal circumstances and may change.
- 4.3 VALOR MARKETS (PTY) LTD does not provide tax advice.
- 4.4 Clients are solely responsible for tax compliance.

5. TECHNICAL RISKS

- 5.1 Trading via electronic platforms exposes clients to risks, including but not limited to:
 - i. System Failures:



Hardware or software malfunctions, internet disruptions, or power outages may prevent order execution.

ii. Connectivity Issues:

During periods of high market activity, clients may experience delays or disconnections.

iii. Unauthorized Access:

Communications over the internet, including email, may be vulnerable to interception or unauthorized access.

iv. Platform Risks:

Malfunctions or delays in the trading platform may result in losses.

5.2 VALOR MARKETS LTD bears responsibility for such risks. VALOR MARKETS (PTY) LTD, as intermediary, does not operate trading platforms and disclaims liability for technical failures.

6. **FORCE MAJEURE EVENTS**

Events beyond the control of VALOR MARKETS LTD (such as natural disasters, terrorism, strikes, or government actions) may prevent order execution or disrupt services. Clients bear the risk of losses arising from such events.

7. **INSOLVENCY RISKS**

7.1 The insolvency of VALOR MARKETS LTD may result in the closure of client positions and partial or total loss of funds.

7.2 VALOR MARKETS (PTY) LTD, as intermediary, does not hold client money or trading positions and therefore is not subject to client insolvency risk in this regard.



8. FOREIGN CURRENCY RISKS

Trading financial instruments denominated in foreign currencies exposes clients to exchange-rate fluctuations, which may cause additional gains or losses. Some currencies may be thinly traded, increasing execution and liquidity risk.

9. ABNORMAL MARKET CONDITIONS

- 9.1 Market volatility (e.g., after macroeconomic announcements or political events) may cause price gaps, delayed order execution, or execution at prices different from expected.
- 9.2 Clients must accept the possibility of losses due to such conditions, which are beyond the control of VALOR MARKETS LTD and VALOR MARKETS (PTY) LTD.

10. LIMITATION OF FSCA JURISDICTION

Clients must understand that:

- i. The FSCA and FAIS Ombud regulate only the intermediary services of Valor Markets (Pty) Ltd.
- ii. Complaints and claims regarding trading, deposits, withdrawals, custody, or platform operations fall under the jurisdiction of Valor Markets Ltd (Comoros) and the laws of the Union of the Comoros.
- iii. South African regulatory protections do not extend to these services.

11. CONCLUSION

- 11.1 This Risk Disclosure Policy is provided to ensure clients are aware of the significant risks associated with trading in financial instruments. Clients are encouraged to



seek independent financial, tax, and legal advice before engaging in trading activities.

11.2 By applying for and maintaining a trading account, clients acknowledge that they:

- i. Understand the risks described in this Policy.
- ii. Accept that Valor Markets (Pty) Ltd provides intermediary services only under its FSCA licence.
- iii. Recognize that trading and custody risks remain with Valor Markets Ltd (Comoros).

12. CORPORATE INFORMATION

VALOR MARKETS (PTY) LTD

Authorised Financial Services
Provider (FSP No. **54447**)

Incorporated in the Republic of South
Africa (Registration No.
2024/447619/07)

Regulated by the Financial Sector
Conduct Authority (“FSCA”).

VALOR MARKETS LTD

Incorporated under the laws of the
Union of the Comoros (Registration
No. **HY01223079** and license number
BFX2024002).

Provides client onboarding, account
opening, trading execution, and
custody of client funds.