PRIME DESK

MULTI-ASSET INSTITUTIONAL-GRADE BROKERAGE

Risk Disclosure

The Risks of Trading Leveraged Products
with Prime Desk Ltd.

Company Registration Number 2026-00429
Saint Lucia International Business Company
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YOU SHOULD NOT OPEN AN ACCOUNT UNTIL YOU HAVE READ THIS DOCUMENT IN FULL

1 — Purpose of This Document

READ THIS FIRST

Trading foreign exchange and contracts for difference is highly speculative, carries a high level of risk, and is not suitable for all investors. **You may lose some or all of your invested capital.** You should not speculate with capital you cannot afford to lose. If you do not fully understand the risks described in this document, you should not open an account with us.

1.1 Why We Publish This

This Risk Disclosure forms part of the Client Agreement. It describes the principal risks of the products and services offered by Prime Desk Ltd. It cannot describe every risk, and it is not a substitute for your own judgement or for independent advice.

1.2 No Advice

The Company provides an execution-only service. We do not give investment advice, make personal recommendations, or assess whether a particular trade or strategy is suitable for you. Market commentary, educational material, analysis, webinars, and content published by the Company or its staff are for information only and must not be relied on as advice.

1.3 What You Are Trading

You are trading **contracts for difference** and **rolling spot foreign exchange**. These are leveraged derivative contracts settled in cash. You do not own, and you do not acquire any right to, the underlying currency, metal, commodity, index, share, or digital asset. You cannot take delivery of it.

CHARACTERISTIC	WHAT IT MEANS FOR YOU
Leveraged	A small deposit controls a much larger position. Gains and losses are magnified equally.
Cash settled	Profit or loss is the difference between opening and closing price. There is no physical asset.
Over the counter	Contracts are entered into with the Company, not on a regulated exchange. There is no central clearing.
Open ended	Positions have no fixed maturity and may be held while margin is sufficient.
Short as well as long	You may lose whether the market rises or falls, depending on your position.

1.4 Suitability

These products are generally not suitable for investors who cannot monitor positions, who require capital certainty, who are investing borrowed money, or whose objective is income or long-term capital preservation.

2 — Leverage, Margin & Loss

2.1 Leverage Magnifies Loss

Leverage is not an advantage in itself. It is a multiplier applied to both directions. A position opened at high leverage can be wiped out by a movement in the underlying market that would be unremarkable in an unleveraged investment.

WORKED ILLUSTRATION

A client deposits USD 5,000 and opens one standard lot of gold at 1:400 leverage. With gold at USD 4,400 per ounce, the position is worth USD 440,000 and the margin required is approximately USD 1,100.

A move of one per cent against the client — USD 44 per ounce, an ordinary day in gold — produces a loss of USD 4,400, which is **eighty-eight per cent of the entire deposit**. The same move in the client's favour produces the same gain. This is the whole of what leverage does.

2.2 Margin Is Your Responsibility

You must maintain sufficient margin at all times. The Company is under no obligation to warn you that your margin level is falling, and a margin call, where sent, is a courtesy and not a condition of the Company's right to close your positions.

2.3 Stop-Out Does Not Guarantee a Price

A stop-out is an automated process that begins closing positions when your margin level falls below the level published for your account type. It closes at the price available at that moment. In a gapping, illiquid, or fast-moving market, that price may be materially worse than the stop-out level, and your loss may exceed the balance shown at the instant the stop-out was triggered.

2.4 Changes to Leverage and Margin

The Company may reduce leverage or increase margin requirements at any time, including before scheduled economic announcements, at weekends, during rollover, or where your exposure warrants it. Such a change increases the margin your open positions require and may itself trigger a stop-out.

2.5 Negative Balance

Extreme market movements can leave an account with a negative balance. Where the Company exercises its discretion to reset a negative balance to zero, it does so voluntarily. It is not a right, it may be withdrawn, and it does not apply where the negative balance arises from abusive trading.

2.6 Stop and Limit Orders Are Not Guarantees

A stop-loss order is not a guaranteed stop. It becomes a market order when triggered and is filled at the next available price, which in a gap may be far from the level you set. A limit order may not be filled at all, even if the market trades at your price.

3 — Market Risk

Volatility	Prices can move sharply and without warning, particularly around economic releases, central bank decisions, geopolitical events, and market openings.
Gapping	A market may reopen at a price far from where it closed. Positions held over a weekend or a market holiday are exposed to this risk with no ability to act.
Liquidity	In thin markets, spreads widen, order sizes that normally fill may not, and closing a position may be expensive or temporarily impossible.
Spread widening	Spreads are variable. Published or typical spreads are indicative and are not guaranteed at any moment.
Correlation	Positions that appear diversified may move together under stress, concentrating rather than spreading risk.
Overnight financing	Where swap applies to your account type, holding positions over rollover carries an ongoing cost that accumulates over time.

4 — Execution & Technology Risk

a) **Slippage.** Orders are filled at the next available price, which may be better or worse than requested. Slippage is a normal feature of an over-the-counter market and is not an error.

b) **Latency.** Time passes between your instruction and its execution. In fast markets the price can move within that interval.

c) **Rejection.** An order may be rejected where it breaches a limit, where the price is no longer available, or where the Company cannot obtain a corresponding fill.

d) **Platform failure.** Software, hardware, internet, and power failures may prevent you from opening, modifying, or closing a position. The Company does not warrant uninterrupted access.

e) **Automated strategies.** Expert Advisors and algorithms execute without judgement, can compound an error rapidly, and remain entirely your responsibility.

f) **Erroneous prices.** Where a price is materially wrong by reference to the underlying market, the Company may void or adjust the affected trade under the Client Agreement.

g) **Cyber risk.** Unauthorised access to your credentials may result in trading you did not authorise. Protecting your credentials is your responsibility.

5 — Risks Specific to Instruments

5.1 Foreign Exchange

Currency markets trade continuously across time zones and react to interest rate decisions, inflation data, political events, and central bank intervention. A currency can be devalued, pegged, or repegged without notice, and a pair can become untradeable where a central bank suspends convertibility.

5.2 Gold and Metals

Gold is our most heavily traded instrument and among the most volatile we offer. Contract sizes are large — one standard lot is one hundred ounces — so a small move in the price produces a large change in position value. Because commissions on some account types are charged against notional value, the cost of trading gold rises as the gold price rises.

5.3 Energies

Oil and gas are exposed to supply decisions, inventory data, weather, and geopolitical disruption. Prices can move violently within minutes and, in exceptional circumstances, can trade at or below zero in the underlying market.

5.4 Indices

Index CFDs track a basket and are exposed to gapping between sessions, to adjustments in the underlying index composition, and to circuit breakers in the reference market that halt pricing.

5.5 Shares (CFD)

Single-share CFDs are exposed to company-specific events — results, guidance, suspension, delisting, insolvency — and to corporate actions such as dividends, splits, and rights issues, which may require the Company to adjust your position or close it.

5.6 Cryptocurrencies

HIGHEST RISK CATEGORY

Cryptocurrency CFDs are exceptionally volatile. Double-digit percentage moves within a single day are common, liquidity can disappear without warning, and the underlying markets trade continuously including at weekends when your ability to react may be limited. Spreads on these instruments are typically far wider than on other asset classes. These instruments are not appropriate for most clients.

6 — Risks Specific to Account Types

Each account type carries the general risks described above. The following are additional and specific to the type you hold.

6.1 Standard, Pro & Prime

These accounts apply high leverage to modest deposits. The lower the minimum deposit, the smaller the buffer between an ordinary market move and a stop-out. On the Prime account, commission is charged in addition to the spread, so the total cost of a trade is higher than the quoted spread alone suggests.

6.2 DMA

The DMA account provides direct connectivity to liquidity provider pricing with full market depth and no dealing-desk intervention. Spreads are variable and are not capped: in stressed conditions they can widen materially and without warning, and there is no fixed maximum. Leverage is deliberately lower than on other account types. Where you connect through FIX API, the integrity, testing, and behaviour of your own systems are entirely your responsibility, and a fault in them can generate orders you did not intend at a speed you cannot intervene in.

6.3 ZERO — Challenge Account

a) Deposits are capped, and no withdrawal is possible until profit reaches the published threshold.

b) **Total profit payable is capped.** Profit generated above that ceiling is not payable to you, however large the account balance becomes.

c) Leverage on this account is uncapped. On a small balance, a single adverse move can consume the entire account before any stop-out is effective.

d) Where the account is awarded as a gift, the same terms apply in full.

6.4 Risk Management Account

The daily band disables the account on reaching the agreed percentage **in profit as well as in loss**. You should expect to be locked out on a profitable day. While the account is disabled, access to trading is suspended, but open positions, margin obligations, and the stop-out level continue to apply — meaning a position can move against you during the lock period. A daily band limits the size of a day; it does not prevent loss and does not guarantee any outcome.

6.5 Bonuses, Rebates & Loss Coverage

Any promotional credit, rebate, or loss-coverage arrangement is discretionary, is subject to its own written terms, and may be withdrawn or cancelled. Loss coverage applies only within the percentage, period, and conditions stated in writing when it is granted. **No promotion is a guarantee against loss.** A promotional credit may be removed on withdrawal or account closure, which can reduce your margin and trigger a stop-out.

7 — Counterparty & Regulatory Risk

7.1 You Contract With Us

Every trade you place is a contract with Prime Desk Ltd., not an order sent to an exchange. You are therefore exposed to the Company as your counterparty. If the Company were unable to meet its obligations, you would rank as a creditor in respect of amounts owed to you.

REGULATORY STANDING — READ CAREFULLY

Prime Desk Ltd. is incorporated in Saint Lucia and is **not authorised or regulated by a Tier-1 financial regulator**. As a result, the statutory investor compensation schemes, ombudsman services, and regulatory protections available in jurisdictions such as the United Kingdom, Cyprus, or Australia **do not apply to your account**. You have no recourse to such a scheme in the event of a dispute or of the Company's failure.

The Company maintains an internal compliance and governance framework modelled on the requirements of those jurisdictions, segregates client funds from its own operating funds, and publishes the policies listed in the Client Agreement. These are contractual and operational commitments made by the Company. They are not a regulatory guarantee, and they are not equivalent to one.

7.2 Liquidity Providers

The Company relies on third-party liquidity providers for pricing and execution. The failure, withdrawal, or restriction of a provider may cause wider spreads, rejected orders, or suspension of trading in an instrument.

7.3 Payment Providers and Banks

Deposits and withdrawals depend on third-party payment providers and banks. Their delays, charges, restrictions, or failures are outside the Company's control.

8 — Other Risks

Currency conversion	Where you deposit, trade, or withdraw in a currency other than your account currency, exchange rate movements and conversion costs affect the amount you receive.
Tax	The tax treatment of your trading depends on your personal circumstances and jurisdiction and may change. The Company does not provide tax advice and does not withhold tax on your behalf.
Legal and jurisdictional	Trading with an overseas firm may limit the remedies available to you and the forum in which you may pursue them.
Force majeure	Market disruption, regulatory action, war, natural disaster, pandemic, and infrastructure failure may cause the Company to widen spreads, raise margin, close positions, or suspend trading.
Third-party information	Analysis, signals, and commentary from any source, including third parties introduced to you, may be inaccurate or unsuitable. Acting on it is your decision and your risk.
Introducing brokers	An introducing broker is not an agent of the Company and is not authorised to advise you, manage your account, or make promises on the Company's behalf.

9 — Your Acknowledgement

By opening an account, funding it, or placing a trade, you confirm each of the following.

a) You have read and understood this Risk Disclosure in full, in a language you understand.

b) You understand that you may lose some or all of the capital you deposit, and you are trading only with capital you can afford to lose.

c) You understand that leverage magnifies loss as much as gain, and that a stop-out does not guarantee a closing price.

d) You understand that Prime Desk Ltd. is your counterparty and is not regulated by a Tier-1 financial regulator, and that no statutory compensation scheme applies to your account.

e) You understand the additional risks specific to the account type you have chosen, as set out at Section 6.

f) You understand that the Company does not provide investment advice and that all trading decisions are your own.

g) You are not relying on any statement, forecast, or assurance made by any employee, introducing broker, partner, or representative that is not contained in the Client Agreement and the documents published with it.

IF YOU ARE IN ANY DOUBT

Do not open an account. Seek advice from an independent financial adviser, or begin with the smallest position size available so that the cost of learning is one you can afford. Nothing in this document is intended to discourage informed participation — only uninformed participation.

RISK WARNING

Trading foreign exchange and contracts for difference is highly speculative, carries a high level of risk, and is not suitable for all investors. You may sustain a loss of some or all of your invested capital and should not speculate with capital that you cannot afford to lose. You should be aware of all the risks associated with trading on margin and seek advice from an independent financial adviser if you have any doubts.

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