



**ALVAFORCE**  
WEALTH FINTECH

RISK DISCLOSURE

# RISK NOTIFICATION

## Introduction

Pipnest LLC, hereinafter referred to as the “Company” or “ALVAFORCE” is incorporated in the Saint Vincent and Grenadines with number 365 LLC 2020.

## Document Context

The notice is intended to explain in general terms the nature of the risks involved in trading Financial Instruments in a fair and non-misleading manner, but does not fully disclose or explain all risks and all aspects involved in trading Financial Instruments. This Notice forms an integral part of the Service Agreement between the Customer and the Company.

## 1. Risk Notification

1.1. All potential Customers should carefully read the following risk warnings contained in this document. However, please note that this document cannot and does not disclose or explain all risks and other significant aspects involved in trading Financial Instruments (including derivative financial instruments such as CFDs). The notice is designed to explain in general terms the nature of the risks involved in trading Financial Instruments in a fair and non-misleading manner.

The Client must not make any investment directly or indirectly in Financial Instruments unless he knows and understands the risks involved for each of the Financial Instruments. The Company will not provide the Client with any investment advice relating to investments or possible transactions in investments or in Financial Instruments or make investment recommendations of any kind. Thus, before applying for a trading account with the Company, or placing an order, the Client should carefully consider whether investing in a specific Financial Instrument is suitable for him in light of his circumstances and financial resources. If the Client does not understand the risks involved, he should seek the advice and consultation of an independent financial advisor. If the Client still does not understand the risks involved in trading any Financial Instruments, he should not trade. The Client must acknowledge that he is at great risk of incurring loss and damage as a result of the purchase and/or sale of any Financial Instrument and accepts that he is willing to assume that risk. All words and expressions defined in the Operating Agreements shall, unless the context requires otherwise, have the same meaning in this document.

**Alvaforce is a brand of PIPNEST LLC**, incorporated in the Saint Vincent and Grenadines under number 365 LLC 2020.

**Risk Notification** : Please note that trading forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before entering into such transactions, you must ensure that you fully understand the risks involved and seek independent advice if necessary.

## **2. Recognition**

### **Technical Risk**

2.1. The Client will be responsible for the risks of financial losses caused by the failure of information, communication, electronic and other systems. The result of any system failure could be that your order is not executed as per your instructions or not executed at all. The Company does not accept any liability in the event of such failure.

2.2. When trading through the Client Terminal, the Client will be responsible for the risks of financial losses caused by:

- a) Failure, malfunction or misuse of Customer's or Company's hardware or software;
- b) Poor Internet connection, either on the Client's or the Company's side or both, or transmission interruptions or blackouts or failures in the public electricity grid or hacker attacks, connection overload;
- c) Wrong settings in the Client Terminal;
- d) Delayed Client Terminal updates;
- e) Customer's disregard for the applicable rules described in the User's Guide of the Customer's Terminal and the Company's

2.3. The Customer acknowledges that in times of excessive business flow, the Customer may have some difficulties connecting by telephone with a Dealer, especially in a Fast Market (eg when key macroeconomic indicators are released).

### **Abnormal market conditions**

2.4. The Client acknowledges that, in Abnormal Market Conditions, the period during which Instructions and Orders are executed may be extended.

### **Trading platform**

2.5. Customer acknowledges that only one Request or Instruction may be queued at a time. Once the Customer has submitted a Request or Instruction, any additional Requests or Instructions submitted by the Customer are ignored and the message "Order blocked" appears until the first Request or Instruction is executed.

2.6. Customer acknowledges that the only reliable source of Quote Flow information is the real/live Server Quote Base. The Quote Base in the Client Terminal is not a reliable source of information from the Quote Flow because the connection between the Client Terminal and the Server may be interrupted at some point and some of the Quotes may simply not reach the Client Terminal.

Alvaforce is a brand of PIPNEST LLC, incorporated in the Saint Vincent and Grenadines under number 365 LLC 2020.

**Risk Notification** : Please note that trading forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before entering into such transactions, you must ensure that you fully understand the risks involved and seek independent advice if necessary.

2.7. The Client acknowledges that by closing the order placement/modification/deletion window or the position opening/closing window, the Instruction or Request sent to the Server will not be cancelled.

2.8. If the Customer has not received the result of executing the Instruction sent previously, but decides to repeat the Instruction, the Customer will assume the risk of carrying out two Transactions instead of one.

2.9. The Client acknowledges that if the Pending Order has already been executed, but the Client sends the Instruction to modify its level and the levels of If-Done Orders at the same time, the only Instruction that will be executed is the Instruction to modify the Stop Loss Levels and/or profit on the position opened when the pending order was triggered.

### **Communication**

2.10. The Customer will accept the risk of any financial losses caused by the Customer having received late or not having received any notice from the Company.

2.11. Customer acknowledges that unencrypted information transmitted by email is not protected from any unauthorized access.

2.12. The Client is fully responsible for the risks in relation to undelivered internal Trading Platform mail messages sent to the Client by the Company, as they are automatically deleted within 3 (three) calendar days.

2.13. The Client is fully responsible for the privacy of information received from the Company and accepts the risk of any financial losses caused by unauthorized third party access to the Client's Trading Account.

2.14. The Company has no responsibility if authorized third parties have access to information, including electronic addresses, electronic communication and personal data, access data when the above data is transmitted between the Company or any other party, using the Internet or other network communication facilities. , telephone, or any other electronic means.

### **Force Majeure Event**

2.15. In the event of a Force Majeure Event, the Client will accept the risk of financial loss.

Alvaforce is a brand of PIPNEST LLC, incorporated in the Saint Vincent and Grenadines under number 365 LLC 2020.

**Risk Notification** : Please note that trading forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before entering into such transactions, you must ensure that you fully understand the risks involved and seek independent advice if necessary.

### **3. Risk Warning for Foreign Exchange and Derivatives Products**

3.1. This notice cannot describe all risks and other significant aspects of foreign exchange and derivative products such as futures, options and Contracts for Differences. You should not trade in these products unless you understand their nature and the extent of your risk exposure. You must also be satisfied that the product is right for you in light of your circumstances and financial situation. Certain strategies, such as a “spread” or “straddle” position, can be just as risky as a simple long or short position.

While Forex and derivative instruments can be used for investment risk management, some of these products are unsuitable for many investors. You must not engage in any dealings directly or indirectly in derivative products unless you know and understand the risks involved in them and that you may lose money or incur additional damages. Different instruments involve different levels of risk exposure and when deciding whether to trade in such instruments you should be aware of the following points:

#### **Leverage Effect**

3.2. Under Margin Trading conditions, even small market movements can have a big impact on the Client's Trading Account. It is important to note that all accounts are traded under the effect of Leverage. The Client should consider that if the market moves against the Client, the Client may suffer a loss of deposited funds. The Client is responsible for all risks, financial resources used and the chosen trading strategy.

It is highly recommended that the Client maintain a Margin Level (percentage of Equity to Required Margin which is calculated as  $\text{Equity} / \text{Required Margin} * 100\%$ ) of not less than 1,000%. It is also recommended to place Stop Loss to limit potential losses and Take Profit to collect profits when it is not possible for the Client to manage the Client's Open Positions.

The Client will be responsible for all financial losses caused by opening the position using the temporary excess of Free Margin on the Trading Account obtained as a result of a profitable position (canceled by the Company later) opened on an Error Quote (Spike) or on a Quote received as a result of a Manifest Error.

#### **High volatile instruments**

3.3. Some instruments trade in wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of loss and profit. The price of derivative financial instruments is derived from the price of the underlying asset to which the instruments refer (eg currency, stocks, metals, indices etc.). Derivative financial instruments and related markets can be highly volatile. The prices of instruments and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unpredictable events or changes in conditions, neither of which can be controlled by the Client or the Company. Under certain market conditions, it may be impossible for a

Alvaforce is a brand of PIPNEST LLC, incorporated in the Saint Vincent and Grenadines under number 365 LLC 2020.

**Risk Notification** : Please note that trading forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before entering into such transactions, you must ensure that you fully understand the risks involved and seek independent advice if necessary.

Client's order to be executed at the stated price, leading to losses. The prices of instruments and the underlying asset will be influenced, among other things, by changes in supply and demand relationships, governmental, agricultural, trade and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market. . Therefore, Stop Loss order cannot guarantee loss limit.

The Client acknowledges and accepts that, irrespective of any information that may be provided by the Company, the value of the Instruments may fluctuate downwards or upwards and it is even likely that the investment may lose value. This is due to the margin system applicable to these trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trading. If the underlying market movement is in favor of the Client, the Client can make a good profit, but an equally small adverse market movement can not only quickly result in the total loss of the Client's deposit, but can also expose the Client to a large additional loss.

### **Liquidity**

3.4. Some of the underlying assets may not immediately become liquid as a result of reduced demand for the underlying asset and the Client may not be able to obtain information about their value or the extent of the associated risks.

### **futures**

3.5. Futures transactions involve the obligation to deliver, or receive, the delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The leverage or leverage often gained in futures trading means that a small deposit or advance can lead to big losses and gains. It also means that a relatively small move can lead to a proportionately much larger move in the value of your investment, and this can work against you as well as you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margin requirements, which are set out below.

### **Options**

3.6. There are many different types of options with different characteristics, subject to the following conditions.

Alvaforce is a brand of PIPNEST LLC, incorporated in the Saint Vincent and Grenadines under number 365 LLC 2020.

**Risk Notification** : Please note that trading forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before entering into such transactions, you must ensure that you fully understand the risks involved and seek independent advice if necessary.

Purchase options:

Buying options involves less risk than selling options because if the price of the underlying asset moves against you, you can simply allow the option to expire. The maximum loss is limited to the prize plus any commission or other transaction charges. However, if you buy a call option on a futures contract and then exercise the option, you will buy the future.

This will expose you to the risks described in futures investment transactions and contingent liabilities.

Writing options:

If you write an option, the risk involved is considerably greater than buying options. You can be held accountable for the margin to maintain your position and a loss can be much greater than the premium received. By writing an option, you accept a legal obligation to buy or sell the underlying asset if the option is exercised against you, no matter how far the market price has drifted from the strike price. If you already own the underlying asset that you have contracted to sell (when options will be known as covered call options), your risk is reduced. If you do not own the underlying asset (unhedged call options), the risk can be unlimited. Only experienced persons should contemplate the possibility of underwriting unhedged options, and only after obtaining full details of applicable conditions and potential risk exposure.

### **Contracts for Differences**

3.7. CFDs available for trading with the Company are no-delivery spot transactions that give the opportunity to profit from changes in exchange rates, commodities, stock market indices or stock prices called the underlying instrument. If the movement of the underlying instrument is in the Client's favour, the Client may make a good profit, but an equally small adverse market movement may not only quickly result in the Client's loss of deposits, but also any additional commissions and other expenses incurred. . Therefore, the Client should not enter into CFDs unless he is willing to assume the risks of losing invested money and also any additional commissions and other expenses incurred.

Investing in a Contract for Differences carries the same risks as investing in futures or options and you should be aware of them as set out above. Contracts for Differences transactions may also have a contingent liability and you should be aware of the implications of this as set out below.

### **Off-exchange operations in derivatives**

3.8. CFDs, Forex and Precious Metals are off-exchange transactions. While some off-exchange markets are highly liquid, trading in off-exchange or non-transferable derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market to close an Open Position. It may be impossible to liquidate an existing position, assess the value of the position

Alvaforce is a brand of PIPNEST LLC, incorporated in the Saint Vincent and Grenadines under number 365 LLC 2020.

**Risk Notification** : Please note that trading forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before entering into such transactions, you must ensure that you fully understand the risks involved and seek independent advice if necessary.

resulting from an off-exchange transaction or assess risk exposure. Bid and Ask prices do not need to be quoted and even where they are they will be set by the traders of these instruments and consequently it can be difficult to establish what a fair price is.

With respect to CFD, Forex and Precious Metal transactions with the Company, the Company is using a Trading Platform for CFD transactions that do not fall under the definition of a recognized exchange as this is not a Multilateral Trading Facility and , therefore, does not have the same protection.

### **Foreign Markets**

3.9. Foreign markets involve different risks than Cyprus markets. In some cases, the risks will be greater. Upon request, the Company must provide an explanation of the relevant risks and protections (if any) that it will operate in any foreign markets, including the extent to which it will accept responsibility for any default by a foreign company through which it does business. The potential for profit or loss from transactions in foreign markets or contracts denominated abroad will be affected by fluctuations in exchange rates.

### **Contingent liability investment transactions**

3.10. Contingent liability investment transactions, which are marginalized, require you to make a series of payments against the purchase price, rather than paying the full purchase price immediately. The Margin requirement will depend on the underlying asset of the instrument. Margin requirements can be fixed or calculated from the current price of the underlying instrument, which can be found on the Company's website. If you trade futures, contracts for differences or sell options, you may incur a loss on the funds you deposited to open and maintain a position. If the market moves against you, you may be asked to pay substantial additional funds in the short term to maintain the position. If you do not do this within the required time, your position may be liquidated at a loss and you will be liable for the resulting shortfall. Note that the Company will have no duty to notify the Client for any Margin Call to sustain a loss-making position.

Even if a transaction has no margin, it may still have an obligation to make additional payments in certain circumstances on top of any amount paid when you signed the contract.

Contingent liability investment transactions that are not traded on or under the rules of a recognized or designated investment exchange may expose you to substantially greater risk.

### **Warranties**

3.11. If you deposit collateral with the Company, how they are handled will vary depending on the type of transaction and where it is transacted. There may be significant differences in the treatment of your collateral depending on whether you are trading on a recognized or designated investment exchange, with the rules of that exchange (and associated clearing house) applicable, or trading off-exchange. Collateral deposited may lose its identity as your property once transactions are carried out on your behalf. Even if your transactions are profitable, you may not recover the same assets you

Alvaforce is a brand of PIPNEST LLC, incorporated in the Saint Vincent and Grenadines under number 365 LLC 2020.

**Risk Notification** : Please note that trading forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before entering into such transactions, you must ensure that you fully understand the risks involved and seek independent advice if necessary.



deposited and may have to accept cash payment. You should check from your company how your warranty will be handled.

### **Commissions and Taxes**

3.12. Before you start trading, you should be aware of all commissions and other charges for which you will be responsible. If any charges are not expressed in monetary terms (but, for example, as a percentage of the contract value), you must ensure that you understand the likely amount of such charges.

3.13. There is a risk that the Client's trades in any Financial Instruments, including derivative instruments, will be or become subject to tax and/or any other tax, for example due to changes in legislation or in his personal circumstances. The Company does not guarantee that any tax and/or any other stamp duty will be due. The Customer is responsible for any taxes and/or any other duties that may affect its trades.

### **Trading suspensions**

3.14. Under certain trading conditions, it may be difficult or impossible to liquidate a position. This can occur, for example, at times of rapid price movement if the price rises or falls in a trading session to such an extent that, under the rules of the relevant exchange, trading is suspended or restricted. Placing a Stop Loss will not necessarily limit your losses to the intended amounts, as market conditions may make it impossible to execute such an Order at the stipulated price. Furthermore, under certain market conditions, the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses may be greater than expected.

### **Clearing house protections**

3.15. On many exchanges, the performance of a transaction by your company (or a third party with whom you are trading on your behalf) is guaranteed by the exchange or clearing house. However, this warranty is unlikely, in most circumstances, to cover you, the Customer, and may not protect you if your company or another party fails to fulfill its obligations to you. Upon request, the Company must explain any protection provided to you under the guarantee of compensation applicable to any exchange derivatives on which you are trading. There is no clearing house for traditional options, nor normally for off-exchange instruments that are not traded under the rules of a recognized or designated investment exchange.

### **Insolvency**

3.16. The Company's insolvency or default may lead to the liquidation or closure of positions without its consent. In certain circumstances, you may not recover the real assets you have pledged and may be required to accept any available cash payments.

3.17. Segregated Funds will be subject to the protections afforded by Applicable Regulations.

Alvaforce is a brand of PIPNEST LLC, incorporated in the Saint Vincent and Grenadines under number 365 LLC 2020.

**Risk Notification** : Please note that trading forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before entering into such transactions, you must ensure that you fully understand the risks involved and seek independent advice if necessary.

3.18. Unsegregated Funds will not be subject to the protections afforded by Applicable Regulations. No segregated Fund will not be segregated from the Company's money and will be used in the course of the Company's business and in the event of the Company's insolvency you will be classified as a general creditor.

#### **4. Third Party Risk**

4.1. The Company may transfer money received from the Customer to a third party (e.g. a bank, a market, an intermediary broker, OTC counterparty or clearing house) to maintain or control in order to affect a Transaction through or with that person or to satisfy the needs Customer's obligation to provide collateral (eg initial margin requirement) in connection with a Transaction. The Company is not responsible for any acts or omissions of third parties to whom the money received from the Client will be passed.

4.2. The third party to whom the Company will pass money may hold it in a collective account and it may not be possible to separate it from the Client's money or from the third party's money. In the event of insolvency or any other similar proceedings in relation to that third party, the Company may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the third party is insufficient to satisfy the Customer's claims with claims in relation to the relevant account. The Company accepts no liability for any resulting losses.

4.3. The Company may deposit Customer's money with a depositary which may have a guarantee, pledge or right of set-off with respect to such money.

4.4. A Bank or Broker through which the Company trades may have interests contrary to those of the Client.

**Version : July 26 2023**

**Copyright © 2023 ALVAFORCE, All rights reserved**

Alvaforce is a brand of PIPNEST LLC, incorporated in the Saint Vincent and Grenadines under number 365 LLC 2020.

**Risk Notification** : Please note that trading forex and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before entering into such transactions, you must ensure that you fully understand the risks involved and seek independent advice if necessary.