



GCC Brokers Limited

Risk Disclosure

If you have any questions, please email cs@gccbrokers.com.



Risk Disclosure

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GCC Brokers Limited is registered in Mauritius, and regulated by the Financial Services Commission, Mauritius (FSC Mauritius) under registration number: **C193243**.

Registered Address: 20, Edith Cavell Street, Level 6 Ken Lee Building, Port Louis 11302, Mauritius



Risk Disclosure

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Trading spot foreign exchange, spot metals, and other off-exchange derivative contracts involve significant risks and may not be suitable for all individuals. This brief statement does not cover all potential risks associated with such transactions. Before engaging in these financial markets and products, customers should thoroughly understand the nature of these instruments and the extent of their exposure to risk.

Trading in these financial instruments may not be suitable for many members of the public. It is essential for customers to carefully assess whether trading is appropriate for their specific situation, taking into consideration their experience, objectives, financial resources, and relevant circumstances.

Customers should be aware that the foreign exchange and derivative markets can be highly volatile and subject to rapid fluctuations in prices. Prices of financial instruments may move unpredictably and result in substantial financial losses. The use of leverage can amplify both potential profits and losses, and customers should fully comprehend the implications of trading with leverage.

Additionally, economic, political, and regulatory factors can influence financial markets, leading to sudden and significant price movements. Technical issues in trading platforms and communication systems may also impact the execution of trades.

Past performance is not indicative of future results, and historical trading results do not guarantee similar outcomes in the future. Therefore, customers should not solely rely on past performance when making trading decisions.

It is crucial for customers to seek independent financial advice if they have any doubts or concerns about their trading decisions or investment strategies. Customers should carefully assess their risk tolerance and financial situation before engaging in these trading activities.

By participating in trading spot foreign exchange, spot metals, and other off-exchange derivative contracts with GCC Brokers Limited, customers acknowledge that they have read, understood, and accepted the risks associated with these transactions. Trading should be conducted with caution and responsibility to protect capital and manage risk effectively.



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Effect of Leverage or Gearing

Transactions in spot foreign exchange, spot metals, and other off-exchange derivative contracts involve a high level of risk due to the concept of "leverage" or "gearing." In leveraged trading, the amount of initial margin required to open a position is relatively small compared to the total value of the contract. This means that transactions are conducted with borrowed funds, which can magnify both potential profits and losses.

The use of leverage allows traders to control larger positions with a smaller amount of capital. However, it also means that even a small market movement can have a significant impact on the funds deposited by the Customer. While leverage can work in favor of the Customer by amplifying profits, it can also work against the Customer, leading to substantial losses.

In leveraged trading, the risk of loss extends beyond the initial margin funds deposited. If the market moves against the Customer's position or if margin requirements increase, the Customer may be required to deposit additional funds on short notice to maintain the position. Failure to meet such margin calls within the prescribed time may result in the liquidation of the position at a loss, and the Customer will be responsible for any resulting deficit.

Customers should be fully aware of the risks associated with leveraged trading and carefully consider their risk tolerance and financial situation before engaging in such transactions. It is essential to manage risk effectively and be prepared for the possibility of incurring losses that may exceed the initial margin deposited. Customers are encouraged to seek professional financial advice if they have any uncertainties or concerns about trading with leverage.

Risk Reducing Orders or Strategies

While risk-reducing orders or strategies, such as 'stop-loss' or 'stop-limit' orders, are designed to limit potential losses, it is important to recognize that they may not always be fully effective. In certain situations, such as during periods of highly volatile market conditions or due to technological limitations, it may be challenging or even impossible to execute these orders at the desired price. Therefore, there is a risk that such orders may not provide the level of protection initially intended.

It is crucial for Customers to understand that no trading strategy, including the use of stop-loss or stop-limit orders, can guarantee complete protection against losses. The market's dynamics can change rapidly, leading to sudden and significant price fluctuations that may surpass the predetermined levels set by these orders.

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Furthermore, employing strategies that involve combinations of positions, such as hedging strategies, does not eliminate risk entirely. Hedging may be used to mitigate certain risks, but it can also expose the Customer to new risks and may not always yield the intended results.

Customers should exercise caution when using risk-reducing orders and strategies and should carefully assess their effectiveness and suitability for their specific trading objectives and risk tolerance. It is advisable to stay informed about market conditions and continuously monitor positions to make timely adjustments if necessary. Engaging in trading activities always involves a degree of risk, and Customers should be prepared for the possibility of losses, regardless of the strategies they employ. Seeking professional financial advice can be beneficial in understanding the risks associated with specific trading strategies and making well-informed decisions.

Restriction of Trading and Pricing Relationships

Customers should be aware that certain market conditions, such as illiquid markets, changes in government regulations, or trading restrictions in specific markets, can significantly increase the risk of loss and may affect their ability to execute transactions or liquidate/offset positions. Illiquid market conditions, for example, can make it difficult or even impossible to find counterparties to execute trades at desired prices. In such circumstances, Customers may experience delays in executing their trades or may be unable to execute them at all, which can lead to potential losses.

Moreover, changes in government regulations or trading restrictions can have an impact on the accessibility and availability of certain markets, assets, or trading instruments. These changes may affect the trading environment and could limit the types of transactions that can be executed.

It is essential for Customers to understand that off-exchange transactions, also known as over-the-counter transactions, may be less regulated or subject to a separate regulatory regime compared to exchange-traded instruments. Off-exchange transactions might not offer the same level of transparency, protection, or oversight as exchange-traded instruments.

GCC Brokers Limited will not be held liable for any failure to execute transactions or for any losses incurred due to illiquid market conditions, changes in government regulations, or trading restrictions. Customers must be aware that these factors can impact their trading activities and risk exposure.



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Before engaging in off-exchange transactions, Customers are strongly advised to familiarize themselves with the applicable rules and regulations governing such transactions. Understanding the attendant risks associated with off-exchange trading and being informed about market conditions and regulatory changes can help Customers make well-informed decisions and effectively manage their trading risks.

GCC Brokers Limited encourages Customers to seek professional advice and conduct thorough research to assess the risks associated with off-exchange transactions and ensure compliance with relevant regulations. Being proactive in understanding the risks and regulatory aspects can contribute to more informed and responsible trading practices.

Week-End Risk

Weekend risk is a concern as markets are closed for trading during weekends, and significant news events can cause them to open at substantially different prices on Monday. Customers cannot use the GCC Brokers Limited trading software to place orders during this time. Holding open positions without stop-loss orders over weekends poses a substantial risk, especially if markets open at significantly worse levels than expected.

Electronic Trading Risk

Electronic trading carries the risk of system failure or interruptions, which may result in orders not being executed as instructed or the inability to place or modify orders. GCC Brokers Limited will not be held liable for hardware or software failures, system downtime, or communication interruptions. Additionally, there is no guarantee that customers will maintain a continuous and uninterrupted internet connection, and GCC Brokers Limited bears no liability for any such failures.

OTC and Off-Exchange Transactions

When engaging in OTC (Over-the-Counter) and off-exchange transactions, it's essential to be aware that these trades involve direct trading between two parties without the involvement of a regulated exchange. Unlike on regulated exchanges, OTC instruments and other off-exchange derivatives do not have limits on daily price movements.

As a result, certain customer protections that are typically present in regulated exchange markets may not be available in OTC and off-exchange transactions. These types of

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trades may be subject to a different regulatory regime or may have fewer regulations compared to transactions on regulated exchanges.

Before participating in OTC and off-exchange transactions, customers should take the time to familiarize themselves with the applicable rules and understand the risks involved. The absence of daily price limits and potential differences in regulation can increase the level of risk, so customers are advised to exercise caution and conduct thorough research before engaging in such transactions.

Counterparty Risk

Customer enters a trade and opens a position with GCC Brokers Limited in its capacity as a counterparty. GCC Brokers Limited online trading software is not a marketplace or an exchange. There are no guarantees to the credit worthiness of GCC Brokers Limited.

GCC Brokers Limited has the right, in its sole discretion, to cease trading in any OTC and off-exchange derivative instrument at any time, and in such event Customer will be prevented from liquidating an adverse position. Such actions may result in a substantial loss to Customer.

Introducing Brokers and Other Affiliations

GCC Brokers Limited may work with Introducing Brokers who may introduce you to our services. However, it's essential to understand that GCC Brokers Limited and Introducing Brokers operate as separate and independent entities. They do not have an employee, agency, or partner relationship with each other.

As a Customer, you can rest assured that any arrangements made with an Introducing Broker are distinct from your relationship with GCC Brokers Limited. We value transparency and strive to ensure that you have a clear understanding of all parties involved in your trading experience. Should you have any questions or require further information, our team is here to assist you.