

Introduction

Starlight Wave Ltd (hereinafter referred to as the “**Company**”), is a Company incorporated and registered in Saint Lucia, with registration no. 2023-00491. The Company’s registered address is at P.B. 1257 Bonovo Road, Fomboni, Comoros, KM. The Company is authorised and regulated by the Mwali International Services Authority as an International Brokerage and Clearing House, with license no. T2023397.

The Company owns and operates under the domain www.emarlado.com.

This Risk Disclosure and Warning Notice (the “**Notice**”) is provided to you, our current and potential clients (our Client and prospective Client), by the Company.

Before applying for a Trading Account or starting to trade with us, all clients and prospective clients should thoroughly read this Notice. It is important to understand that this document does not cover all risks or significant aspects of dealing with the Financial Instruments offered by the Company. This Notice aims to provide a general overview of the risks involved in trading Financial Instruments, presented in a clear and non-misleading manner.

The Company handles Client Orders for various Financial Instruments, including Contracts for Differences (CFDs) on stocks, commodities, indices, and currency pairs (FX), among others.

Charges and Taxes

The Company’s provision of services to the Client may involve various fees, which can be found on the Company’s website. Before starting to trade, the Client should review all applicable fees, commissions, and charges they may incur. It is the Client’s responsibility to stay informed about any updates or changes to these charges.

If any fees are stated as percentages or formulas rather than fixed monetary amounts, the Client should ensure they understand the potential financial impact of such charges.

The Company reserves the right to adjust its fees and charges at any time, in accordance with the Client Agreement available on the Company’s website.

The Client should be aware that their trades may be subject to taxes or other duties due to changes in legislation or personal circumstances. The Company does not guarantee that no taxes or duties will apply and does not provide tax advice. Clients are encouraged to consult a qualified tax professional for any tax-related questions.

The Client is responsible for any taxes or duties that may arise from their trades.

Please note that tax rates and regulations may change without prior notice.

If required by law, the Company will withhold any necessary amounts from payments due to the Client as mandated by tax authorities.

Additional costs, including taxes related to Transactions on the Trading Platform, may also apply. While the Client is responsible for accounting for these taxes, the Company may deduct taxes as required by law from the Client’s Trading Account. The Client acknowledges that the Company has the right to offset any such tax deductions against the amounts in their Trading Account.

The Company's CFD trading prices are determined according to the Company's Execution Policy and may differ from prices reported elsewhere. Prices displayed on the Trading Platform reflect the most recent available price before an Order is placed. However, the actual execution price may vary according to the Company's Execution Policy and Client Agreement. Therefore, the price at which the Client opens or closes a position may not precisely match real-time market levels or the prices offered by third-party brokers/providers.

Third Party Risks

It is understood that the Company will promptly place any Client money it receives into one or more segregated account(s) (denoted as 'clients' accounts') with financial institutions such as a credit institution or a bank. Although the Company shall exercise due skill, care and diligence in the selection of the financial institution according to Applicable Regulations, it is understood that there are circumstances beyond the control of the Company and hence the Company does not accept any liability or responsibility for any resulting losses to the Client as a result of the insolvency or any other analogous proceedings or failure of the financial institution where Client money will be held.

It is understood that the legal and regulatory regime applying to any such financial institution will be different from the regulatory regime of your home country. Hence, in the event of the insolvency or any other equivalent failure or preceding of that person, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in his home country.

The financial institution to which the Company will pass Client money (as per paragraph above) may hold it in an omnibus account. Hence, in the event of the insolvency or any other analogous proceedings in relation to that financial institution, the Company may only have an unsecured claim against the financial institution on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the financial institution is insufficient to satisfy the claims of the Client.

Insolvency

In the event of the Company's insolvency or default, Client Open positions may be closed out without the Client's consent, potentially resulting in financial losses for the Client.

Technical Risks

The Client, and not the Company, is responsible for any financial losses resulting from failures, malfunctions, interruptions, disconnections, or malicious actions affecting information, communication, electricity, electronic, or other systems, provided these issues are not due to the Company's gross negligence or willful misconduct.

When engaging in transactions through an electronic system, the Client faces risks such as hardware failures, software issues, server outages, communication line problems, and internet disruptions. Such failures might lead to Orders not being executed as instructed or not being executed at all. The Company is not liable for losses arising from these issues unless they result from the Company's gross negligence or willful misconduct. The Company makes best efforts to ensure a secure and reliable online experience but acknowledges the risk of service disruptions caused by external threats, such as hacking. The Company is not responsible for losses resulting from such attacks, provided it has taken reasonable measures to prevent them.

The Client understands that information sent via unencrypted email is vulnerable to unauthorized access.

During periods of high trading activity, the Client might experience difficulties connecting via phone or the Company's Platform(s)/system(s), particularly in fast-moving markets (e.g., during significant economic announcements).

The Client also recognizes that internet-related issues, such as interruptions, transmission blackouts, software or hardware failures, disconnections, power outages, or hacker attacks, can affect access to the Company's Websites and/or Trading Platform(s)/system(s). The Company is not liable for any damages or losses resulting from such events beyond its control, including any loss of profit or other expenses arising from the Client's inability to access the Company's Website and/or Trading System or delays or failures in sending orders or Transactions, provided these issues are not due to the Company's gross negligence or willful misconduct.

Regarding the use of computer equipment and communication networks, the Client assumes the following risks, for which the Company is not liable:

1. Power outages affecting the Client's or their provider's equipment, or communication operator.
2. Physical damage or destruction of communication channels linking the Client and the provider, or the trading or information server.
3. Poor quality or outage of communication channels used by the Client, the provider, or the communication operator.
4. Incorrect or non-compliant settings of the Client Terminal, or untimely updates.
5. Risks associated with communication channels, hardware, and software that might lead to non-receipt of messages from the Company.
6. Malfunctions or non-operability of the Trading Platform, including the Client Terminal.

The Client is responsible for any financial losses resulting from these risks, and the Company accepts no liability for such losses, except in cases of the Company's gross negligence or willful misconduct.

Trading Platform

The Client is advised that trading via an electronic Trading Platform involves risks of financial loss due to various factors, including but not limited to:

- Failures of the Client's devices, software, or poor connection quality.
- Malfunctions, failures, or misuse of either the Company's or the Client's hardware or software.
- Inadequate performance of the Client's equipment.
- Incorrect configuration of the Client's Terminal.
- Delayed updates to the Client's Terminal.
- The Client acknowledges that only one Instruction can be in the queue at any given time. Any additional Instructions sent after the first will be ignored, and a "orders is locked" message will be displayed until the initial Instruction is processed.
- It is understood that there may be occasional disruptions in the connection between the Client Terminal and the Company's Server, which might result in some Quotes not reaching the Client Terminal.
- The Client recognizes that closing the order placement/deletion window or the position opening/closing window will not cancel any Instruction that has already been sent to the Server.
- Orders are executed sequentially while in the queue, and multiple orders from the same Trading Account cannot be executed simultaneously.

- The Client acknowledges that closing an Order will not cancel it.
- If the Client does not receive the outcome of an Order due to Force Majeure Events and decides to repeat the Order, they accept the risk of executing two Transactions instead of one.
- The Client also understands that if a Pending Order in a CFD has been executed and the Client subsequently sends an instruction to modify its level, only modifications to Stop Loss and/or Take Profit levels on the position opened when the Pending Order was triggered will be executed.

Force Majeure Events

In the event of a Force Majeure Event, the Company may be unable to execute Client Orders or fulfill its obligations under the Client Agreement. Consequently, the Client may incur financial losses.

As outlined in the Client Agreement, the Company will not be liable for any loss or damage resulting from failures, interruptions, or delays in fulfilling its obligations if these are caused by a Force Majeure Event.

Communication between the Client and the Company

The Client assumes the risk of any financial losses that may occur due to delays or non-receipt of notices from the Company.

The Client acknowledges that unencrypted information sent via email is vulnerable to unauthorized access. The Company is not responsible for any unauthorized access to information, including electronic addresses, communication, and personal data, that occurs during transmission between the Company and the Client or while using the internet, network communication facilities, telephone, or other electronic means.

The Client is entirely responsible for any risks related to undelivered internal mail messages from the Company's Online Trading System, as these messages are automatically deleted after 3 (three) calendar days.

Abnormal Market Conditions

The Client acknowledges that during Abnormal Market Conditions, the execution of Orders may be delayed, executed at different prices than declared, or not executed at all.

Abnormal Market Conditions include, but are not limited to, instances of rapid price fluctuations, significant price increases or decreases within a single trading session leading to trading suspensions or restrictions by the relevant exchange, lack of liquidity, or disruptions at the start of trading sessions.

Foreign Currency

When a Financial Instrument is traded in a currency different from the currency of the Client's country of residence or Trading Account, fluctuations in exchange rates can negatively impact its value, price, and performance, potentially resulting in losses for the Client.

INFORMATION ON RISKS ASSOCIATED WITH COMPLEX FINANCIAL INSTRUMENTS (CFDS)

INTRODUCTION

Trading CFDs involves significant risk and can jeopardize the Client's capital, particularly when used for speculative purposes. CFDs are high-risk, complex Financial Instruments, and Clients may lose the entire amount invested. They are not suitable for all investors.

Clients' investment decisions are influenced by various factors, including market conditions, currency fluctuations, economic changes, political events, and business risks, and do not guarantee profitability.

The Client acknowledges and accepts without reservation that, despite any general information provided by the Company, the value of investments in Financial Instruments can fluctuate both upwards and downwards. The Client recognizes and accepts the substantial risk of incurring losses and damages from buying or selling any Financial Instrument and is willing to assume such risks.

Below is an overview of the major risks and significant aspects of trading CFDs:

i. CFD Trading Risks

Trading in CFDs is highly speculative and carries substantial risk, making it unsuitable for the general public. It is intended only for investors who:

- Understand and are willing to accept the economic, legal, and other risks involved.
- Are financially capable of bearing the potential loss of their entire investment, considering their personal financial situation, resources, lifestyle, and obligations.
- Possess the knowledge to comprehend CFDs trading and the underlying assets and markets.

ii. No Advisory Services Provided

The Company does not offer advice or investment recommendations regarding CFDs, underlying assets, or markets, even if requested by the Client. While the Company may provide information and tools from third parties on an "as is" basis (without endorsement or approval), these may indicate trading trends or opportunities. The Client acknowledges that using such third-party information or tools may result in losses or a decrease in asset value. The Company accepts no liability for any losses incurred due to actions taken based on third-party information or tools.

iii. Understanding Derivative Instruments

CFDs are derivative instruments whose value depends on the prices of underlying assets or markets (such as currencies, equity indices, stocks, metals, futures, forwards, etc.). It is crucial for the Client to understand the risks associated with the relevant underlying asset or market, as fluctuations in these prices will impact the profitability of their trades.

iv. Historical Performance Not Indicative

Past performance of CFDs, underlying assets, or markets does not guarantee future performance. Historical data should not be relied upon as a reliable forecast for future performance of CFDs or related assets.

v. Volatility:

Financial Instruments can experience significant intraday price fluctuations and volatile movements. The Client should be aware of the high risk of losses associated with such volatility. The price of a Financial Instrument is linked to the price of the underlying asset, which can be highly volatile. Prices may change rapidly and unpredictably due to unforeseen events or shifting market conditions that neither the Client nor the Company can control. In certain market conditions, it might be impossible to execute a Client Order at the declared price, potentially leading to losses. Prices can be influenced by changing supply and demand, governmental and trade policies, political and economic events, and market sentiment.

vi. Liquidity:

Liquidity risk involves the ability to quickly convert assets into cash without significantly impacting their price. The Client acknowledges that some underlying instruments offered by the Company may be inherently illiquid or face liquidity challenges due to adverse market conditions. Illiquid assets often exhibit high price volatility and larger gaps between ASK and BID prices compared to more liquid markets. This can affect the pricing of derivative products offered by the Company.

Off-Exchange Transactions:

CFDs provided by the Company are traded over-the-counter (OTC) rather than on an exchange. Trading conditions are set by the Company, which must adhere to its obligations for best execution, fairness, and compliance with the Client Agreement and Execution Policy. Orders placed through our Trading Platform are only executable with the Company and cannot be transferred.

Off-exchange markets, while sometimes liquid, can involve higher risks compared to on-exchange derivatives due to the lack of a centralized market for closing positions. It may be difficult to liquidate positions, assess their value, or determine fair prices, as prices are set by dealers and not quoted on an exchange.

The Company's Online Trading System does not operate as a recognized exchange or Multilateral Trading Facility and does not offer the same level of protection.

i. **No Clearing House Protection:**

Transactions involving the Financial Instruments offered by the Company are not subject to exchange or clearing house protections.

ii. **No Delivery:**

The Client has no rights or obligations regarding the underlying assets or instruments related to the CFDs being traded. There is no delivery of the underlying asset involved.

Suspensions of Trading:

Under certain conditions, it may be challenging or impossible to liquidate a position, especially during rapid price movements or when trading is suspended or restricted by exchange rules. A Stop Loss Order may not necessarily limit losses to the intended amount, as market conditions can prevent its execution at the specified price. In volatile markets, a Stop Loss Order may be executed at a worse price than intended, resulting in greater losses.

iii. **Slippage:**

Slippage refers to the difference between the expected price of a CFD transaction and the actual execution price. It often occurs during periods of high volatility (e.g., due to news events) or when large orders are placed without sufficient interest at the desired price level, making it difficult to execute the trade at the expected price.

INFORMATION ON RISKS SPECIFICALLY ASSOCIATED WITH CFDs:

CFDs offered by the Company are non-deliverable transactions that allow the Client to potentially profit from movements in the underlying assets (such as stocks, currencies, commodities, precious metals, or other assets as determined by the Company). While favorable movements in the underlying asset may result in substantial profits, adverse price movements can lead to significant losses, potentially depleting the entire deposit and incurring additional commissions and expenses. Therefore, the Client should only engage in CFD trading if they are prepared to accept the risk of losing their entire investment, along with any additional costs.

Investing in CFDs involves risks that the Client must understand. CFD transactions may also entail contingent liabilities, and the Client should be aware of the implications of this, as detailed in point iv below.

i. **Leverage and Gearing:**

To place a CFD Order, the Client must maintain a margin, which is typically a small fraction of the total contract value. This involves trading with "leverage" or "gearing," meaning that even minor market movements can lead to disproportionately large changes in the value of the Client's position, either amplifying gains or exacerbating losses.

The Client must always maintain sufficient equity, taking into account all current profits and losses, to meet margin requirements for open trades. If the market moves against the Client's position and/or margin requirements increase, the Client may be required to deposit additional funds on short notice to keep their position open. Failure to provide the requested additional funds may result in the Company closing the Client's positions on their behalf.

It is crucial to closely monitor your positions, as leverage and gearing can accelerate both profits and losses. The Client is responsible for actively managing their trades and ensuring they can monitor their positions while trades are open.

ii. **Margin:**

The Client acknowledges and accepts that, despite any information provided by the Company, the value of CFDs can fluctuate significantly, potentially rendering the investment worthless. This risk is inherent in the margining system, which requires only a modest deposit relative to the overall contract value. Consequently, even a small movement in the underlying market can have a disproportionately large impact on the Client's trade. While favorable market movements may yield significant profits, adverse movements can quickly lead to the loss of the entire deposit and may also expose the Client to substantial additional losses.

The Company may adjust its margin requirements in accordance with the terms specified in the Client Agreement available on the Company's website.

Contingent Liability Investment Transactions:

Contingent liabilities are potential obligations that the Client may incur based on events beyond anyone's control or expectations. For instance, if extreme volatility in the underlying instrument results in losses that exceed the Client's account balance with the Company (i.e., a negative balance), the Client may be required to cover the amount of these losses.

iii. Risk-Reducing Orders or Strategies:

The Company offers certain orders, such as "stop-loss" orders (where permitted by local law) or "stop-limit" orders, designed to help limit potential losses. However, these orders may not always be effective, particularly under adverse market conditions such as low liquidity. While the Company strives to process these orders fairly and promptly, the execution time and price at which an order is filled depend on market conditions. In fast-moving markets, the price may change rapidly, and the market may move significantly from the stop level before the order is executed.

Additionally, strategies involving combinations of positions, such as "spreads" and "straddles," carry risks similar to those of taking simple "long" or "short" positions. Therefore, Stop-Limit and Stop-Loss orders cannot guarantee the prevention of losses.

iv. Swap Values

When a Client holds positions overnight, applicable swap charges will be incurred. The swap values are detailed on the Company's website and are accepted by the Client during the account registration process as outlined in the Company's Agreement.

Swap rates primarily depend on interest rate levels and the Company's fee for maintaining an open position overnight. The Company reserves the right to adjust swap rates for each CFD at any time, and the Client will be notified of such changes through the Company's website. The Client is responsible for regularly checking the CFD specifications on the Company's website to stay updated on swap values before placing any orders.

Advice and Recommendations

The Company does not provide advice on the merits of specific transactions or offer investment advice. The Services provided do not include investment advice related to CFDs or the underlying assets and markets. The Client is responsible for making independent decisions and assessments regarding any transactions based on their own judgment. By requesting the Company to execute a transaction, the Client confirms that they have conducted their own thorough appraisal and investigation into the associated risks. The Client also affirms they possess sufficient knowledge, market sophistication, and experience to evaluate the merits and risks of any transaction. The Company does not guarantee the suitability of the traded products and assumes no fiduciary duty toward the Client.

The Company is not obligated to provide legal, tax, or other advisory services related to any transaction. The Client should seek independent expert advice if there are any concerns about potential tax liabilities. The Client is cautioned that tax laws may change over time.

The Company may, at its discretion and from time to time, provide the Client with information, news, market commentary, or other relevant details through newsletters, its Website, the Trading Platform, or other means. However, such information is provided on a non-service basis. In such cases:

- (a) The Company assumes no responsibility for the information provided.
- (b) The Company makes no representations, warranties, or guarantees regarding the accuracy, correctness, or completeness of this information, nor regarding the tax or legal implications of any associated transactions.
- (c) This information is intended solely to assist the Client in making their own investment decisions and does not constitute investment advice or unsolicited financial promotions.
- (d) If the document specifies any restrictions on the intended audience or distribution, the Client agrees not to share it with any restricted persons or categories of persons.
- (e) The Client acknowledges that the Company may have acted on the information prior to its distribution and cannot guarantee that the Client will receive it simultaneously with other clients.

The Company's market commentary, news, and other information may be subject to change and may be withdrawn at any time without prior notice.

No Guarantees of Profit

The Company does not guarantee profits or protection against losses in trading Financial Instruments. It cannot assure future performance of the Client's Trading Account, promise specific performance levels, or ensure the success or profitability of the Client's investment decisions or strategies. The Client acknowledges that no such guarantees have been made by the Company or its representatives. The Client is aware of the inherent risks in trading Financial Instruments and is financially prepared to handle those risks and any potential losses. The Client understands and accepts that additional risks beyond those mentioned may also exist.