



Doto South Africa (PTY) LTD

Registered Address: Atrium on 5th, 5th Street Sandhurst,
Johannesburg, Gauteng, 2196

Risk Disclosure

Doto South Africa (PTY) LTD

Licensed and regulated by the Financial Services Conduct Authority of South Africa (FSCA)

FSP Number: 50451 | **Email:** support-za@doto.com

Doto South Africa (PTY) LTD acts solely as an intermediary in terms of the FAIS Act, rendering only an intermediary service (no market making) in relation to derivative products (CFD's) offered by Doto Global LTD.

1. Introduction

Doto South Africa (PTY) LTD (hereinafter, the “FSP” or “Doto SA”), is authorised by the Financial Sector Conduct Authority (FSCA) in South Africa as a Financial Service Provider (FSP) with authorisation number 50451. Doto SA license is limited to providing solely intermediary services in terms of the Financial Advisory and Intermediary Services Act 32 of 2002 (the “FAIS Act”) in connection with derivative instruments. This Risk Disclosure (the “Document”) is provided to you in accordance with the provisions of the FAIS Act and contains important information in relation to the risks that arise when dealing with Contracts for Difference (CFDs) or other financial derivative products. Although this Document does provide a detailed explanation of the various risks, it does not disclose exhaustively all risks and/or other significant aspects involved in trading in CFDs or other financial derivative products. It is therefore recommended that you seek independent advice on the investment viability and risk associated with such products and services prior to proceeding to participate in trading activities.

As explicitly emphasised in the FAIS Disclosure and Transparency Document available under the section “Legal Documents” on the FSP’s website, namely www.doto.com/za, the FSP does not conduct market making, nor will it be the counterparty to any trades in CFDs. Should you decide to proceed to open an account for trading, this account will be opened with **Doto Global Ltd** (the “Product Supplier”), which a licensed Investment Dealer registered in the Republic of Mauritius with company registration number C162994 and authorised by the Financial Services Commission (FSC) with license number C119023978. As such, Doto Global Ltd will be the counterparty and act as a principal to your trades. The FSP’s website merely provides a website through which you may visit the Product Supplier’s website so as to decide on whether you wish to open a trading account. The Product Supplier falls outside the South African regulatory framework and in this respect the laws and regulations of the Product Supplier (i.e. the laws and regulations applicable in the Republic of Mauritius) will apply in relation to your account. In this respect, you are advised to carefully read and understand the Product Supplier’s Risk Disclosure Statement and any other relevant disclosures and documents available at the Product Supplier’s website, namely doto.com.

2. General Risk statements

Please read carefully the below content and ensure that you understand all risks associated with trading prior to opening an account with the Product Supplier:

- a. You should not engage in any form of trading, whether directly or indirectly in Financial Instruments unless you know and understand the risks involved for each one of the Financial Instruments, and you undertake to familiarise yourself with the product and/or service prior to any trading.
- b. You should be aware that you may benefit and/or lose all or part of your funds when engaging in trading activities. Online trading involves substantial risks, as indicated hereunder.
- c. Prior to opening an account with the Product Supplier, and/or placing an order, you should consider carefully whether investing in a specific instrument is suitable to your circumstances and financial resources. The Product Supplier makes no form of guarantee on any returns and/or profits at any stage during the business relationship.
- d. In making a decision to trade products as offered and provided by and/or through the Product Supplier you must rely on your own examination of the products and services, including the merits and risks involved.
- e. Neither the FSP nor the Product Supplier provide advice of any kind, including tax, investment or legal advice, other than general information provided to its clients.
- f. You should not risk more than what you are prepared to lose. You acknowledge that you

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possess a clear understanding of the risks involved and take into consideration the level of experience and knowledge that you should hold in respect of any financial instrument, product and/or service, before deciding to trade, and to seek for independent advice or consultation at your discretion, prior to any trading and/or activity.

- g. You should not fund your account with the Product Supplier with funds that you are not willing to risk partly and/or in whole. You acknowledge that any funds used to trade your account with the Product Supplier, including funds obtained from any credit facility, credit institution, loan(s), and/or otherwise, carry high risk, and the Product Supplier does not guarantee any profit and/or return on deposits and therefore, you should understand that your overall risk will be significantly increased. For instance, if you incur a loss on your trades, you acknowledge and understand and accept that you still have to repay any amount borrowed plus any interest and/or other costs, or charges related.
- h. The Client represents, warrants, and agrees that they understand the high degree of risk, and Client confirms that Client is willing and able, financially and/or otherwise, to assume the risk of trading in financial instruments and to bear the loss of Client's entire account, and any loss incurred that such balance will not affect the Client's lifestyle and in case of any loss that does affect the Client's lifestyle or situation, the Client understands that Client is fully responsible and liable for such risk(s) to the full extent, and holds harmless the FSP and the Product Supplier from any and all liability that may be incurred.
- i. With regards to Cash Settlement, the Client acknowledges and understands that financial instruments trading can only be settled in cash.
- j. The Client understands and agrees that there are no rights in respect of the underlying instruments and assets relating to Client's trading.

3. Effect of Leverage

Please ensure you understand leverage trading. We provide key (but not exhaustive) information in relation to leverage trading below:

- a. Margin trading which is also known as 'leverage' or 'leverage trading', which means that you can place trades that are greater than the initial funds of deposited margin, and allows investors access to greater sums of capital allowing them to leverage their positions and to amplify your market exposure to a level that passes such initial capital margin basically is the amount of deposit needed to ensure the running of positions in the market and to be kept active, whereas margin call is the assertion that an investor adds more funds to make up for probable loss.
- b. When executing trade under margin trading, even small market movements may have a great impact on a Client's trading account with the Product Supplier due to the effect of leverage.
- c. With margin trading you can make significant gains if the price moves in your favor however, you must take into consideration that if the trend on the market is against, you, you may sustain a total loss of your Initial Margin and you may be required to deposit additional margin with the Product Supplier to maintain Open Positions, these is referred as a 'Margin Call'.
- d. You shall be held fully responsible for ensuring that you always deposit enough margins promptly, and you confirm that you are liable for all risks, financial resources used and the chosen trading strategy.
- e. Many Financial Instruments are traded within wide ranges of intraday price movements.

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Consequently, you must carefully consider the fact that there is not only a high probability of profit, but also one of loss.

- f. Margin Trading carries a high degree of risk to your capital and as such, it is not suited to all investors.
- g. As there is no limit to the losses that you may incur, you should ensure that you have sufficient resources available to you to cover any adverse movement in the price of the margined product and/or volatility in the market, which may be related to any financial instrument that is being traded.
- h. In order to manage exposure and limit risk, you may employ risk reducing strategies including, but not limited to:
 - Using “stop loss” or “limit” orders to mitigate potential losses when utilizing leverage. Stop Loss or limit orders are not guaranteed, and gaps in market pricing may cause your Stop Loss orders to be filled at a less advantageous price and you can incur losses which can exceed your invested capital.
 - Using a lower leverage so you can impose a higher margin requirement on yourself. This way, you will be less tempted to enter into positions beyond your comfortable leverage level. You will also be aware of a potential margin closeout sooner.
 - Monitor the status of your account(s) and open positions continuously.
 - Use of “Expert Advisors”.

4. Exchange risks

Please ensure you understand exchange risks. We provide key (but not exhaustive) information in relation to exchange risks below:

- a. Financial Instruments products, especially CFDs are exposed to ‘exchange risk’.
- b. Exchange risk also known as “currency risk”, and is the risk of loss (or gain) from unforeseen changes in exchange rates (the prices at which currencies are traded in exchange).
- c. There is a risk that you will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rates.

5. Liquidity risks

Please ensure you understand liquidity risks. We provide key (but not exhaustive) information in relation to liquidity risks below:

- a. Financial Instruments products especially CFDs and foreign exchange trading are exposed to ‘liquidity risk’.
- b. Liquidity risk arises from situations in which an investor interested in trading a security cannot do so because no one in the market wants to trade that security. It is the inability to find buyers on the terms desired. It is also the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.
- c. Non-highly traded securities bear higher liquidity risk since there is a risk of having difficulty in liquidating an investment position without taking a significant discount from the current market value. The liquidity risk is usually reflected in a wide bid-ask spread and large price movements and can take the following three forms:

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- Bid-ask spread: how much a trader can lose by selling an asset and buying it back right away.
- Market depth: how many units traders can sell or buy at the current bid or ask price without moving the price.
- Market resiliency: how long it takes for prices that are temporarily incorrect to return to normal.

6. Past Performance

Please ensure you understand past performance indications and how you should utilise such information. We provide key (but not exhaustive) information in relation to past performance below:

- a. Past performance, simulation or prediction of financial instruments, including but not limited to derivatives, foreign exchange and CFDs does not constitute an indication of future results.
- b. You should note that the value of your investment can decrease as well as increase, as the market price of the underlying asset may fluctuate.
- c. There are various types of investments with varying degrees of risk, and therefore there can be no assurance that the future performance of any specific investment, investment strategy, or product may be profitable, equal or corresponding to any historical performance level(s) or suitable for your trading.
- d. There are various factors, including the changing market conditions, which may no longer be reflective of any current opinion, information or positions.
- e. You should not assume that any discussion or information contained or provided by the FSP and/or the Product Supplier, its directors, officers, employees or third-party providers serves as the receipt of, or as a substitute for any investment advice, and as such the Client is reminded to consult with independent professional advisor of Client's choice.

7. Market Volatility

Please ensure you understand the particulars of market volatility. We provide key (but not exhaustive) information in relation to market volatility below:

- a. Financial markets may fluctuate rapidly and the prices of the Product Suppliers' products will reflect this. Spreads fluctuate just like exchange rates. You may face increased periods of price volatility during market events such as economic and political news announcements, elections, force majeure events, and so forth. During this period, there may be times where spreads are considerably wider than usual, which may impact your account(s). Generally speaking, wide spreads will mean the cost of closing your position will be greater. This will reflect as a loss to your equity and raises the chance of you breaching your margin requirement.
- b. Under extreme volatility you will see your profit and loss fluctuate far more than normal. This means you may enter margin close out quicker and also significantly raises the possibility of your account entering negative equity. If the market were to spike, crash or gap, it could result in significant losses especially for a highly leveraged trading account(s).
- c. Gapping is a risk that arises as a result of market volatility. Gapping occurs when the prices of the products suddenly shift from one price to another, as a consequence of market volatility. Gapping is usually when a trading instrument opens above or below the

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previous day's close with no trading activity in between. There may not always be an opportunity for you to place an order or for the platform to execute an order between the two price levels. One of the effects of this may be that stop-loss orders are executed at unfavorable prices, either higher or lower than you may have anticipated, depending on the direction of your trades.

8. Technical risks/ Internet Trading

Please ensure you understand technical risks associated with online/internet trading. We provide key (but not exhaustive) information in relation to technical risks below:

- a. Trading in CFDs and other derivative products through the Product Supplier's platform may differ from trading on other electronic trading systems, as well as from trading in a conventional or open market.
- b. The risk of financial loss may be caused by the failure of information, communication, electronic and/or any other systems.
- c. You acknowledge that the internet may be subject to events which may affect access to the Product Supplier's system(s) including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures, force majeure event, and/ or hacking attacks with respect to the Product Supplier's trading platform, your own systems and the communications infrastructure (for example, the internet) connecting the platform of the Product Supplier with you. You are warned that while trading on an electronic platform, you shall assume the risk of financial loss, which can be caused by a range of reasons associated with the failure of equipment, hardware, software, delayed terminal updates, down time, with respect to the Product Supplier's trading platform, your own systems, and the communications infrastructure connecting the platform with you.
- d. When you trade online (via the internet), the FSP and the Product Supplier shall not be liable for any claims, losses, damages, costs or expenses, caused directly or indirectly by any malfunction, disruption or failure of any transmission, communication, system, computer facility or trading software, whether belonging to the FSP, the Product Supplier, you, any exchange or any settlement clearing system.
- e. The FSP and the Product Supplier also have no responsibility if unauthorized third person gains access to your information, including electronic addresses, password, login, electronic communication and personal data. In the event where you become aware of any unauthorized use of your account with the Product Supplier, password, login, it is your responsibility to inform the Product Supplier promptly by telephone call and immediately in written form.
- f. You also acknowledge that the unencrypted information transmitted by email is not protected from any unauthorized access.
- g. You further understand that at times of peak load there may be some difficulties in getting telephone communication with a company representative, especially in the fast market (for example, when key economic indicators are released).
- h. You also understand that under abnormal market conditions, the execution time in connection with any trading instructions may increase.

9. Price and Cost

Please ensure you understand how prices are generated in the course of trading. We provide key

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(but not exhaustive) information in relation to price and cost below:

- a. The prices generated by the Product Supplier's trading platforms are derived from the relevant underlying instruments, which the Product Supplier obtains from third party liquidity/price providers. The prices of CFDs and other derivative products that you trade with the Product Supplier may include a mark-up.
- b. All relevant costs and charges will be provided by the Product Supplier or set out on the Product Supplier's website. You should be aware of such costs and charges as they will influence your account's profitability.
- c. In addition to any profit or losses, there are different types of costs linked to transactions in derivative products. Costs will impact effective return. Costs related to derivative trading may include bid-offer spreads, daily and overnight financing costs, account management fees and taxes. The costs can be complex to calculate and may outweigh the gross profits from a trade.

Swap Values and Charges

- d. For trading derivatives, CFDs and other derivative products, you may be required to pay a commission and/ or other fees. The commission and financing/overnight fees are not incorporated into the Product Supplier's quoted prices and are instead charged explicitly to the client account(s). The swap values are clearly stated on the Product Supplier's website accepted by you during the online account opening process as they are described in the Product Supplier's Terms and Conditions of Business (i.e. the Client Agreement with the Product Supplier).
- e. The swap rate is mainly dependent on the level of interest rates as well as the Product Supplier's fee or having an open position overnight. The Product Supplier has the discretion to change the level of the swap rate on each financial instrument at any given time and you acknowledge that you will be informed of any such changes via the Product Supplier's website. You further acknowledge that you are responsible for reviewing the contracts specification located on the Product Supplier's website and for being updated on the level of swap value prior to placing any order with the Product Supplier.

10. Insolvency

Please ensure you understand the consequences which may arise in the event of the Product Supplier's insolvency. Key (but not exhaustive information), is provided below:

- a. The Product Supplier takes steps to ensure arrangement of the Clients' assets and ownership rights in the event of the Product Supplier's insolvency. However, the Product Supplier's insolvency or default, may lead to positions being liquidated or closed out without the Clients consent. In certain circumstances, a Client may not get back the actual assets which were lodged as collateral and may have to accept any available payments in cash, or by any other method deemed to be appropriate.
- b. The Client understands that the segregated funds will be subject to the protections applicable by the regulations, at any given time, in the relevant jurisdiction. The Product Supplier may hold segregated funds on the Client's behalf in a segregated account located anywhere in the world, or pass money held on the Client's behalf to an intermediate broker, settlement agent or over-the-counter (OTC) counterparty located anywhere in the world. The legal and regulatory regime applying to any such person will vary depending on the location and in the event of insolvency or any other equivalent failure of that person, the Client's money may be treated accordingly. The Product Supplier will not be liable for the solvency, acts or omissions of any third party referred to

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in this clause.

- c. All Client funds are held in segregated accounts, separated from Product Supplier's funds.

11. Third Party Risk

Please ensure you understand the risks that arise as a result of third parties' involvement in the course of a client's activity with the Product Supplier. We provide key (but not exhaustive) information in relation to third party risk below:

- a. The Product Supplier may pass money received from the Client to a third party (e.g. a bank, payment provider, a market, intermediate broker, OTC counterparty or clearing house) to hold or control in order to effect a transaction through or with that person, or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a transaction. The Product Supplier has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.
- b. The third party to whom the Product Supplier will pass money, may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of the insolvency or any other analogous proceedings in relation to that third party, the Product Supplier 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 Product Supplier from the third party, is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. The Product Supplier does not accept any liability or responsibility for any resulting losses.

12. Local-related restrictions and differences

The content, services and/or products are not intended for use by or distribution to any individual or legal entity in any jurisdiction or country where such distribution, publication or use would be contrary to the law or regulatory provisions of that country. Individuals or legal entities in respect of whom such prohibitions apply, whether on grounds of their nationality, their place of residence or on other grounds, must not access or use the website of the Product Supplier (www.doto.com).

Additionally, certain services and products of the Product Supplier may not be registered or licensed under legal and regulatory provisions governing financial services or products and their providers in certain countries, and as such, all users are requested to enquire for additional specific information about products and services available in your country.

13. Liability

To the maximum extent permitted by current laws and/or regulations, the Product Supplier with whom you may open an account if you choose to trade via doto.com, including its directors, agents, employees, officers, sub-contractors, and its sales partners disclaim any and all liability for losses or damages (direct or indirect) of any kind whatsoever arising as a result of the content, accuracy, completeness or otherwise of the content of the website, or any links or any third party content, any errors in or omissions from the site, or use of/access to the site, or any inability to access or use the website for any reason.

To the full extent permitted by current laws and/or regulations, the Product Supplier shall not be liable for any loss of profits or revenue or savings or other economic loss, or loss of business or goodwill, or loss of damage to data, incidental or special loss, wasted or lost management time or indirect or consequential loss arising from use of or access to the Product Supplier's website, even if advised of the possibility of any such loss or damage or if such loss or damage was foreseeable.

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14. Communication between the Client and the Product Supplier

Upon account opening with the Product Supplier, at which point you become the Client of the Product Supplier, you understand that:

- a. You shall assume the risk of any financial loss caused by the Client either not receiving a notification from the Product Supplier or it being delayed.
- b. Unencrypted information transmitted by email is not protected from unauthorized access.
- c. You assume full responsibility for the safekeeping of information received from the Product Supplier and shall bear the risk of any financial loss caused by unauthorized access to the Client's trading account by any person. You must inform the Product Supplier in writing as soon as you become aware of any unauthorized access to client's account and/or information.
- d. You shall bear all risks of financial loss caused by a Force Majeure Event (as defined in the Product Supplier's Client Agreement).
- e. You bear all financial and other risks when completing operations (or actions connected with these operations) on financial markets that are statutorily prohibited or restricted by the legislation of the jurisdiction in which you as the Client are a resident.
- f. Any communications between the Product Supplier and you as the Client will be provided by way of proper, written notification to the last known address of either party, timeously and in good faith.

15. Acknowledgements

You hereby acknowledge and declare that you have read, understood and thus accept without any reservation all the information included herein, including the following:

- a. The value of the financial instrument (CFD or any other derivative product) may decrease, and you may receive less money than originally invested or the value of the financial instrument may present high fluctuations. It is possible that the invested capital may become of no value.
- b. Information on past performance of a financial instrument does not guarantee the present and/or future performance. The use of historic data does not constitute a binding or safe forecast as to the corresponding future return of the financial instruments to which such data refers.
- c. Some corresponding instruments may not become immediately liquid due to various reasons such as reduced demand and the Product Supplier may not be in a position to sell them or easily obtain information on the value of such financial instruments or the extent of any related or inherent risk concerning such financial instruments.
- d. When a financial instrument is negotiated in a currency other than the currency of your country of residence, any changes in an exchange rate may have a negative effect on the financial instrument's value, price and performance.

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- e. A financial instrument in foreign markets may entail risks different than the usual risks in the markets in your country of residence. The prospect of profit or loss from transactions in foreign markets is also influenced by the exchange rate fluctuations.
- f. Various situations, developments or events may arise over a weekend when the currency markets generally close for trading, that may cause the currency markets to open at a significantly different price from where they close on Friday afternoon. You will not be able to use the Product Supplier's trading platform to place or change orders over the weekend and at other times when the markets are generally closed. There is a substantial risk that stop-loss orders left to protect open positions held over the weekend will be executed at levels significantly worse than their specified price.

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