BAYOCEAN

Risk Disclosure

Leveraged Forex, CFD and crypto-linked CFD risk statement

PRE-LAUNCH FINAL DRAFT - SUBJECT TO FINAL COUNSEL AND PRODUCTION APPROVAL

Entity	Bayocean Limited
Company number	2026-00312
Registered office	Ground Floor, Rodney Court Building, Rodney Bay, Gros Islet, Saint Lucia
Draft date	12 August 2026

Status note. This document is drafted for pre-launch approval and is not effective until formally approved and published by Bayocean. Any unresolved item is stated expressly rather than inferred.

Important Risk Warning

CFDs and leveraged trading products are complex and carry a high risk of rapid loss. Leverage can magnify both gains and losses. You should trade only if you understand the products, margin requirements, execution risks and the possibility that positions may be closed automatically when margin is insufficient.

1. Leverage risk

A relatively small movement in the underlying market can cause a disproportionately large change in account equity. Higher leverage increases exposure relative to deposited margin and can accelerate losses.

2. Margin Call and Stop Out

Current pre-launch MT5 group settings are Margin Call 50% and Stop Out 30%. These are operational thresholds and do not guarantee that a warning will be received before positions are closed. In fast or gapping markets, liquidation may occur at prices materially different from the last quoted level. Production settings must be reconfirmed before publication.

3. Negative balance risk

A trading account can become negative in fast or gapping markets. For eligible retail Standard and Cent accounts, Bayocean intends to provide Negative Balance Protection once the production workflow and final policy have been approved. Where effective, NBP is applied after all open positions are closed and final account adjustments are completed, so that a genuine negative balance caused by normal trading losses is reset to zero. It does not prevent margin close-out, slippage, temporary negative equity or loss of the funds allocated to the trading account. Fraud, unauthorised activity, manifest errors or deliberate abuse may be excluded only under the final Client Agreement and policy. This protection must not be marketed until the release gate has been passed.

4. Variable spreads and liquidity

Spreads are variable and may widen materially during volatility, news releases, market openings, rollover, reduced liquidity or abnormal conditions. Raw or variable pricing does not mean the spread will always be zero or near zero.

5. Market execution and slippage

Representative Bayocean symbols are configured for Market Execution. The requested price is not guaranteed. Slippage may be positive or negative and may be material in fast markets. Some orders may be partially filled, rejected or otherwise handled according to the actual symbol settings and available liquidity.

6. Gap and stop-order risk

Markets can gap between available prices. Stop Loss, Take Profit and pending orders are not guaranteed to execute at the requested level. A stop order generally becomes an execution instruction when its trigger is reached and remains subject to available market prices and liquidity.

7. Overnight financing and swap

Positions held across the applicable rollover may incur swap or financing adjustments. Rates vary by instrument and direction and can change. Triple-swap or multi-day adjustments may apply according to the live symbol specification.

8. Trading-hours risk

Not all instruments trade continuously. Market closure, session breaks and maintenance windows can expose positions to price gaps. Trading hours should be read together with the current Product Specification and the stated server-time convention.

9. Crypto-linked CFD risk

Crypto-linked CFDs can experience extreme volatility, rapid price gaps, sharp liquidity changes and weekend or 24/7 market dynamics. These products may produce particularly large gains or losses over short periods and should not be treated as equivalent to holding the underlying crypto asset.

10. Technology and third-party infrastructure

Internet, device, platform, hosting, data-feed, bridge, wallet, blockchain, communication or third-party provider failures can delay or prevent account access, order submission, modification, execution, funding or withdrawal processing. Bayocean does not guarantee uninterrupted service.

11. USDT funding risks

USDT transfers are blockchain transactions. Incorrect networks or addresses can cause irreversible loss. Bayocean currently supports TRC20 and BEP20; clients must use the network shown in the portal. Blockchain confirmations, congestion, receiving-platform policies and third-party network fees are outside Bayocean's full control.

12. Counterparty and operational risk

Trading a CFD does not give ownership of the underlying asset unless expressly stated. Clients are exposed to Bayocean's operational arrangements and relevant third-party infrastructure. Final execution/counterparty disclosures must match the production model.

13. No guarantee of profit

Past performance, research, market commentary, signals, examples, automated strategies or third-party content do not guarantee future results. Losses can exceed expectations even where a strategy has performed well historically.

14. Provider loss percentage

Bayocean does not publish a provider-specific percentage of losing retail accounts unless and until an approved calculation methodology, sufficient live data and any applicable legal requirement have been confirmed. FCA/ESMA risk-warning rules are used only as drafting benchmarks unless directly applicable to a particular client or entity.

Drafting references

These public sources informed the structure of this draft. A foreign rule cited as a benchmark is not represented as directly applicable to Bayocean unless expressly stated.

FCA COBS 22.5: https://handbook.fca.org.uk/handbook/cobs22/cobs22s5?date=01-07-2026&timeline=true

ESMA 2026 CFD reminder: https://www.esma.europa.eu/press-news/esma-news/esma-reminds-firms-their-obligations-under-cfd-product-intervention-measures

MetaTrader 5 Symbol Specification: https://www.metatrader5.com/en/terminal/help/trading/market_watch