

DISCLOSURE OF RISKS OF TRADING BITCOIN FUTURES AND OPTIONS

TRADING IN BITCOIN FUTURES OR OPTIONS (“BITCOIN PRODUCTS”) IS ESPECIALLY RISKY AND IS ONLY FOR CLIENTS WITH A HIGH RISK TOLERANCE AND THE FINANCIAL ABILITY TO SUSTAIN LOSSES IF BITCOIN-RELATED POSITIONS BECOME UNPROFITABLE. YOU MAY LOSE MORE THAN YOU INVEST.

By applying to trade Bitcoin Products through Interactive Brokers, Client acknowledges and agrees to the following:

1. Client has reviewed the *Risk Disclosure for Futures and Options* provided on the IB website and understands that the risks described in that *Risk Disclosure* apply equally or to a greater degree with respect to trading in Bitcoin Products. Below is a list of some of the possible risks of trading Bitcoin Products, but there may be other risks that are not specifically mentioned. Client should consult Client’s financial advisor before trading Bitcoin Products.
2. Bitcoin Futures and Options are margin products. Therefore losses (or gains) are magnified. Client acknowledges that Client could lose Client’s entire investment and that possible losses are not limited to the funds and equity deposited in the account. Client may be required to pay additional funds to Interactive Brokers to cover losses in Bitcoin Products.
3. Bitcoins are a “virtual” currency that is not controlled by any sovereign country and the value of which is not based on any tangible commodity, security, economic measure or legal obligation of a company or government. Apart from the law of supply and demand, there may be no fundamental or economic basis for valuation of Bitcoins and their prices may move randomly.
4. The underlying “cash” markets for Bitcoins (the product from which Bitcoin Futures and Options are derived) are largely unregulated and many are offshore. Underlying Bitcoin markets may not be subject to registration, licensing or fitness requirements, audit trail or trade reporting rules, market integrity rules, wash sale, spoofing or other anti-fraud rules, disaster recovery or cybersecurity requirements, surveillance requirements, or anti-money laundering rules. Because of these factors, Bitcoin markets may be unusually susceptible to fraud and manipulation, which could adversely affect the price of Bitcoin Futures and Options.
5. Bitcoin prices have been highly volatile historically, with sudden and unexpected upward and downward price swings. This increases the risk of trading Bitcoin Futures or Options.
6. If you have a “short” position in Bitcoin Products and market prices for Bitcoin Products rise, your potential loss is not limited. Depending on how quickly Bitcoin prices rise, you may be unable to close your short position and therefore you may be unable to stop or limit the losses you are incurring. This is especially true if the exchanges for Bitcoin Products halt trading because of a sudden price move. You can suffer similar losses if you have a “long” position in Bitcoin Products and prices fall.