

ZUBR — RISK DISCLOSURE

WWW.ZUBR.IO

Last updated: 4 June 2020

This disclosure, together with our [Terms of Service](#), [Contracts Specification](#), [ZUBR Indices](#), [Funding Mechanism](#), [Liquidation Mechanism](#), [Margin Guide](#), [Order Types](#), [Insurance Fund](#), [Auto-Deleveraging Mechanism](#), [Withdrawal Schedule](#), [Cookie Policy](#), [Privacy Policy](#), [Fees](#) and any other documents referred to in those documents, is given by 4Step Inc., as sets out the risks to an Account Holder associated with using the Services.

All defined terms are as defined in the Terms of Service.

1. Compliance Notice

Please be aware that the usage of services provided by 4Step Inc. ("ZUBR") including deposits, trading and withdrawals are subject to its compliance requirements. Any of the activity may be blocked and suspended at any time to comply with the requirements.

2. What Are Virtual Assets and Bitcoin

A Virtual Asset is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Virtual Assets are managed by the network of computers running an open-source code.

Bitcoin is a digital asset / cryptocurrency firstly introduced on 31 October 2008 with a white paper describing how it would work. Later, in January 2009 the code was released, and the first bitcoins went into circulation.

Bitcoin is often referred to as digital gold because there is a limited supply. The maximum amount of bitcoins that will ever enter circulation is 21 million. Unlike gold, however, bitcoin is digital, making it far easier to divide, transfer, and store.

By becoming an Account Holder and/or using the Services you expressly acknowledge, accept and assume the following risks and agree that 4Step Inc. shall not be responsible for or otherwise liable for any direct or indirect loss or damage of any kind whatsoever arising directly or indirectly from the occurrence in full or in part of any of the following risk events:

3. Risks Associated with Virtual Assets

High Price Volatility. The value of Virtual Assets is entirely derived by market forces of supply and demand, and they are much more volatile than most of the traditional fiat currencies and commodities like silver and gold.

Limited Supervision. Most Virtual Assets markets are not regulated or supervised by any relevant authorities. There is no centralized authority or entity that can take measures to protect the value of a digital asset in a crisis or adjust its supply.

Increased Cyber-Attack and Fraud Risk. Virtual Assets are often targeted by hackers and criminals who commit fraud. The nature of Virtual Assets and DLT may lead to an increased risk of cyber-attack.

Irreversible Transactions and Self-Custody. Due to the decentralized nature, transfers of digital assets may be irreversible, and, therefore, losses due to fraudulent or accidental transactions may not be recoverable. The loss of private keys to your digital asset wallet created outside of regulated exchanges may result in losing access to your funds.

Risk of Software Weakness. Because the Services are based on Blockchains or other distributed ledgers, any malfunction, breakdown or abandonment of any Blockchain may have a material adverse effect on the Services. Moreover, advances in cryptography, or technology could present risks to the Services, by rendering ineffective the cryptographic consensus or other technological component mechanisms that underpins Blockchains.

Risk of Mining Attacks. Some blockchains are susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, “selfish-mining” attacks, and rare condition attacks. Any successful attacks present a risk to the Services, and the expected proper execution and sequencing of transaction carried out through the Services. You understand and accept that the network of miners will ultimately be in control of the delivery of Virtual Currency via the Blockchain, and that a majority of miners could agree at any point to make changes, updates, modifications to, or effect a deletion or destruction the Blockchain.

Risks Arising from Taxation. The tax characterization of Virtual Currency is uncertain. You must seek your own tax advice in connection with acquisition, storage, transfer and use of any Virtual Currency, which may result in adverse tax consequences to you, including, without limitation, withholding taxes, transfer taxes, value added taxes, income taxes and similar taxes, levies, duties or other charges and tax reporting requirements.

Unanticipated Risks. Virtual Currencies and blockchain technology are new technology. In addition to these risks, there are other risks associated with your acquisition, storage, transfer and use of any Virtual Currency via your Account, including those that we may not be able to anticipate. Such risks may further materialize as unanticipated variations or combinations of these risks.

4. Risks Associated with Trading of Digital Asset Derivatives on 4Step Inc.

4Step Inc. lists perpetual contracts on digital assets. Perpetual contracts are leveraged products which are difficult to understand and not suitable for inexperienced investors.

Market Risk. Given the high-volatile nature of digital assets prices, trading of the derivative products with leverage amplifies profit and losses related to this volatility and should be considered a high-risk transaction. In the case of extreme market circumstances, 4Step Inc. could partially or entirely close winning positions to be able to close losing positions. Inadequate assessment of derivative contracts features, for example, funding for perpetual contracts, may result in the loss of funds under certain market circumstances as well.

Liquidity Risk. Under certain extreme market conditions, it may be difficult or nearly impossible to liquidate a position. This can occur, for example, if there is insufficient liquidity in the market.

Auto-Deleverage Risk. Under extreme market circumstances, in an unlikely case of the Insurance Fund depletion, the Auto-Deleveraging might be triggered. If that happens, ZUBR could entirely or partially close winning positions to be able to close losing positions. For more details on Auto-Deleverage and ZUBR's Insurance Fund, please refer to the following web pages:

[Auto-Deleveraging Mechanism](#)

[Insurance Fund](#)

Operational Risk. Operational risk comes from possible malfunctions of ZUBR platform, for example, resulting from scheduled or unscheduled downtimes or internal systems failure.

Account Security Risk. Unauthorised access by third parties of your login credentials to gain access to your Account, including through carelessness or forgetfulness by the Account Holder, or the third party obtaining control over another device or account used by you in connection with any enhanced security measures enabled for your Account.

Regulatory risks. Distributed ledger technology allows new forms of interaction and it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing blockchain technology based applications, and which may, inter alia, result in substantial modifications to the Services, including its termination.

Risks associated with uncertain laws, regulations and enforcement actions. We may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulations, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. This may result in you losing access to your Account and may further result in the loss of any Virtual Currency stored or held in your Account.

Risk of dissolution of 4Step Inc. or its network. It is possible that, due to any number of reasons, including, but not limited to, the negative adoption of the Services, the failure of commercial relationships, or intellectual property ownership challenges, the Services may no longer be viable to operate and we may dissolve which may result in any Virtual Currency stored or held on your Account becoming irrecoverable and/or permanently lost.

5. Other Risks

The risks described herein are not nor are they intended to be a comprehensive or exhaustive list of risk factors. You remain responsible for taking care to understand the technology, economic and legal nature of Virtual Currencies and for carefully managing your exposure in accordance with that understanding and your risk appetite for innovative, volatile and speculative new technologies and Virtual Currencies.

You must carefully assess whether your trading experience, financial situation and risk tolerance are suitable for trading derivative contracts on 4Step Inc. Only speculate with funds you can afford to lose.