




EMKAP SSA

Investment Risk Disclosure Statement

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1. Purpose of Disclosure

This Investment Risk Disclosure Statement (“Disclosure”) is provided to clients of EMKAP SSA Ltd in compliance with applicable regulatory requirements, including those of the Securities and Exchange Commission (SEC Nigeria). The purpose of this Disclosure is to inform institutional and professional clients of the risks associated with trading financial instruments through an interdealer broker in the Nigerian financial markets.

2. Nature of Services

EMKAP SSA Ltd is an interdealer broker. We act solely as an intermediary, facilitating transactions between institutional and wholesale market participants. We do not act as principal, do not take proprietary positions, and do not provide investment advisory services. All clients of EMKAP SSA Ltd are expected to be professional or institutional counterparties capable of independently evaluating the merits and risks of their investment and trading decisions.

3. Key Investment Risks

A. Market Risk

Prices of financial instruments, including fixed income securities, money market instruments, foreign exchange, and derivatives—can fluctuate due to economic, political, or market developments. This can result in significant losses.

B. Credit Risk

There is a risk that a counterparty in a transaction may fail to meet its financial obligations, leading to loss. Clients should ensure they evaluate the creditworthiness of all trading counterparties.

C. Liquidity Risk

Some financial instruments may be thinly traded or illiquid, making it difficult to enter or exit positions without incurring significant costs or delays.

D. Operational Risk

There is a risk of loss arising from inadequate or failed internal processes, people, systems, or external events. This includes trade errors, settlement failures, and system outages.

E. Regulatory and Legal Risk

Changes in laws, regulations, or regulatory interpretations in Nigeria or globally may impact the viability, pricing, or legal enforceability of transactions.

F. Currency Risk

For instruments denominated in foreign currencies, fluctuations in exchange rates can affect the value of investments and settlement amounts.

G. Counterparty Risk

As EMKAP SSA Ltd does not act as a central counterparty, clients bear full responsibility for the financial soundness of their counterparties in bilateral transactions.

4. Client Responsibilities

By engaging in transactions through EMKAP SSA Ltd, clients confirm that:

- They are professional or institutional counterparties with the requisite knowledge and experience to understand and manage the risks involved.
- They have performed their own due diligence on counterparties, instruments, and transactions.
- They have sought independent legal, tax, or investment advice where necessary.
- They accept responsibility for the consequences of their trading decisions.

5. No Fiduciary Duty or Investment Advice

EMKAP SSA Ltd does not provide investment advice or assume a fiduciary duty to any client. Any market data, commentary, or indicative pricing is provided for informational purposes only and should not be construed as an offer or recommendation.

6. Limitation of Liability

To the maximum extent permitted by Nigerian law, EMKAP SSA Ltd shall not be liable for any direct, indirect, or consequential loss or damage arising out of or in connection with the use of our interdealer brokerage services, including losses caused by market movements, counterparty defaults, or execution delays.

7. Compliance with Regulatory Requirements

All transactions facilitated by EMKAP SSA Ltd are subject to applicable Nigerian laws and regulatory frameworks, including but not limited to the Investment and Securities Act (ISA), SEC Rules and Regulations, and market conduct standards issued by relevant authorities such as the FMDQ, Central Bank of Nigeria (CBN), and Nigerian Exchange Group (NGX) (as applicable).