

FreeForex

SAFETY OF FUNDS STATEMENT

A crucial issue for every investor is the safety of their funds. You need to be sure that your financial services provider will pay you your money and profits in full and in a timely manner.

No regulation can protect you from dealing manipulation, misuse of client money, or company bankruptcy. There is only one adequate way to minimize your risks: to investigate and evaluate a broker's business model and to decide whether or not the broker will be willing and able to pay you your money.

Consider the various ways in which you can lose your money and the different methods you can use to protect yourself against such loss:

1) The company goes bankrupt and has insufficient capital to repay client deposits. This means that the company had been spending client money for its own business activity. You can check if this is the case simply by having a look at that company's offers. If they are unbelievably attractive, e.g. huge bonuses, big commissions for partners, rebates and cashbacks, it means that the company is funding all these perks with client money to attract greater numbers of clients – a typical Ponzi scheme.

2) The client wins a lot of money and the company cannot pay it. This means that all orders are executed within the company but the company doesn't have an appropriate policy and mechanisms to effectively manage its risks. If a company has DMA/ECN access, it means that it already has the instruments necessary for risk management. Only experienced management can develop and correctly apply an effective risk management policy. Try to work out the levels of knowledge and expertise of the company's management before you get involved.

3) The client loses money because of dealing manipulation. If you see tricks such as order-hunting, enormous spread-widening, slippage always against you, or lagging execution then you should stay away from this broker. However, keep in mind that a given spread can widen if the market spread widens due to low liquidity (usually between sessions) or the cautiousness of market participants (usually at the time of some important releases). And slippage is normal for market execution but it should be not biased, which means that it can be both in your favor and against you.

How FreeForex protects you:

We have an optimized and effective business model with a high factor of sustainability in various market conditions;

Our team has extensive knowledge of and a great deal of expertise in Forex and CFD markets, in trading and in the brokerage business;

We have an extensive range of internal policies and procedures to ensure high standards in relation to our business processes and staff activity;

We employ strict AML and KYC policies to support international efforts against money laundering and inappropriate usage of funds;

We pay close attention to the security of our clients' data, funds, trading activity and monetary transactions. We use and comply with the highest standards of security in both financial and IT industries;

We have an extremely conservative risk management policy based on many years of work and in-depth knowledge of the market;

We keep client funds and company money separate. Our cash flows are organized in such a way that company expenditure cannot even be processed from accounts with client money;

We deploy a full-NDD model that ensures you will never experience any dealing manipulation;

We offer only brokerage services. We do not provide our clients with signals, trading recommendations, asset management or any other service that can result in a conflict of interests;

We offer only reasonable promos, bonuses and IB commissions that are fully covered by our own money;

We provide our clients with different leverage levels that are reasonable and which we can cover for different accounts, account balances and trading instruments.

We provide maximum transparency and security when it comes to our clients' activities and our own activities. We encourage and practice the highest international standards of safety and security. And last but not least, we believe that only a fair and decent relationship with clients, partners and other parties can result in a long-lasting and profitable business. We utilize this approach in all our policies, procedures and day-to-day activities.