InteractiveBrokers

Interactive Brokers Hong Kong Ltd. Disclosure of Risks of Algorithmic Trading

Interactive Brokers ("IB") makes available to its clients a suite of various order types on its trading platform that may use computerized algorithms. These order types allow you to input various conditions as part of your order placed with IB. IB's computerized routing systems will attempt to place such orders into the market in accordance with the conditions set. Algorithmic order types range from standard limit orders to more complex strategies. For additional details and training materials on the order types available on the IB platform, please visit "Order Types and Algos" on our website.

There are special characteristics and risks associated with algorithmic trading. You should understand these risks and determine whether Algorithmic Trading is appropriate in light of your objectives and experience. Some risks associated with algorithmic trading are as follows:

1. Technical Errors: Algorithmic trading can be affected when IB HK's systems or exchanges' systems are experiencing technical difficulties. Risks include possible delays or failures in (i) availability of your connection to our services and of our services to the relevant exchange, including any authentication protocols and internet connectivity issues; (ii) the operation of databases and internal transfers of data; (iii) the provision of data feeds (accuracy of data and stability of data connections); (iv) possible hardware failures; (v) usage loads, bandwidth limitations, and other bottlenecks inherent in computerized and networked architectures; (vi) issues, disputes, or failures of third party vendors and other dependencies; and (vii) other general risks inherent in computer-based operations. Any of these could lead to delays or failures in order execution, incorrect order execution or other problems.

2. Software or Design Flaws: All software is subject to inadvertent programming errors and bugs embedded in the code comprising that software. Algorithmic order types may contain logical errors in the code to implement them. Errors may exist in the data used for testing the algorithm or the applicable model of the market. Despite testing and monitoring, inadvertent errors and bugs may still cause algorithmic order types to fail or behave incorrectly.

3. Market Impact and Events: Market conditions will impact the execution of algorithmic orders. Possible adverse market conditions include lack of liquidity, price swings, late market openings, early market closings, market chaos, and mid-day trading pauses, and other such disruptive events. The execution of an algorithm can itself have an impact on the market, including causing lack of liquidity or abrupt and unwarranted price swings.

4. Losses: Losses can happen more quickly with electronic and algorithmic trading compared to other forms of trading. Any or all of the above risk factors could cause more significant trading losses when using algorithmic trading compared to other forms of trading.

NEW CLIENTS:
I confirm and acknowledge that I understand the risks associated with algorithmic trading and I will review the relevant material on IBï¿½s website prior to using a particular order type or algorithmic order type.

EXISTING CLIENTS:
Your use of algorithmic order types constitutes your confirmation and acknowledgment of the risks associated

with algorithmic trading and your obligation to review the relevant material on IBï¿½s website prior to using a particular order type or algorithmic order type.