

## Option Trading in Individual Retirement Accounts (IRAs) - April 2023

Option trading is a risky endeavor and is not suitable for all investors. Investors can lose their entire investment rapidly in a short period of time. In order to trade options in your IRA account, your account must be approved for option trading. Please read the [Characteristics and Risks of Standardized Options](#), and [Option Spread Risk Disclosure](#) before trading options in your IRA account. By certifying that you have read the OCC Options Disclosure Document when applying for options you acknowledge that you understand the risks of option trading in your IRA account.

Options can be traded in Webull Traditional IRA accounts, Webull ROTH IRA, and Webull IRA Rollover accounts. Such IRA accounts are eligible to write covered calls, cash secured puts, purchase calls and puts.

You must determine whether option trading in an IRA account is appropriate based upon a variety of factors, including your financial circumstances, investment objectives, risk tolerance, options trading experience, and the number of years until your retirement. By applying for option trading in your IRA account, you acknowledge that your decision to trade options in your Webull IRA account is solely your decision and that Webull has not directly or indirectly solicited you or recommended that you trade options. In addition, you agree that Webull has not and will not recommend any option trades. You understand that Webull is not responsible for determining the appropriateness of any options you purchase or sell in your Webull IRA account.

You should consult your financial and tax advisors to determine if option trading in your IRA account is consistent with your financial goals. IRAs are retirement accounts, intended for retirement savings and option trading may not be consistent with your long term goals. You must closely monitor your account and trading activity to avoid adverse tax consequences. The Internal Revenue Code places restrictions/limits on the amount of funds that can be deposited into an IRA account. Deposits to the account in excess of such limits may cause adverse tax consequences, including but not limited to forfeiture of tax advantages and/or the risk of penalties imposed by the IRS. In addition, any obligation in excess of an IRA balance may result in a taxable IRA distribution and excise tax.

Not all options trading strategies are permitted in an IRA account. Borrowing funds or carrying a debit balance is not permitted in your IRA account. IRA accounts with option trading privileges must maintain sufficient funds to fulfill all cash requirements associated with options trading. Webull reserves the right to liquidate all or a portion of the positions in your account if you cannot or are not able to deposit sufficient funds to satisfy these requirements. In the event of an option assignment resulting in a long or short stock position in your account, Webull Financial reserves the right to liquidate or cover the stock position.

Webull reminds you that IRAs are meant for retirement savings. This is most likely money that you don't want to lose, so do not take excessive risks. Understand that you can permanently lose your capital quickly in a short amount of time. Educate yourself before risking any money trading options.

This statement does not disclose all the risks and other significant aspects of trading options in your IRA account. You should initiate option transactions only if you understand the nature and the risks associated with such transactions. You must carefully consider whether option trading is appropriate for you given your experience, investment objectives, financial resources, and other relevant circumstances.