

# Product Disclosure Statement

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Company: Gleneagle Securities (Aust) Pty Limited trading as FXTRADING.com  
ACN: 136 930 526  
AFSL: 337985

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## 1. Important Information

### 1.1 This PDS

This Product Disclosure Statement (PDS) was prepared by Gleneagle Securities (Aust) Pty Limited trading as FXTRADING.com, ABN 58 136 930 526; AFSL 337985 ("FXTRADING.com"), as the issuer of the following over the counter (OTC) Products:

- Spot foreign exchange currency pairs (Spot FX OTC Contract);
- Spot metals (Spot Metals OTC Contract);
- Indices (Indices OTC Contract);
- Commodity OTC Contract;
- Cryptocurrency OTC Contract; and
- Equity Contract For Difference (Equity CFD).

collectively referred to as FXTRADING.com Products.

All of the FXTRADING.com Products are over-the-counter-derivative financial products and are not exchange-traded financial products.

FXTRADING.com is an Australian owned investment company. Further information about FXTRADING.com is available on its website at [www.fxtrading.com](http://www.fxtrading.com)

This PDS describes everything you need to know about the FXTRADING.com Products. It is designed to:

- provide you with the information you need to determine whether the FXTRADING.com Products are appropriate for your needs; and
- explain the terms and conditions, rights and obligations associated with the FXTRADING.com Products.

You may also use this PDS to compare the FXTRADING.com Products with similar financial products offered by other issuers.

Some expressions used in this PDS have definitions given in the Glossary at the end of this PDS (see Section 7).

When you open an Account, you will be provided with a separate document titled Financial Product Service Terms. It contains the terms and conditions that govern our relationship with you.

You can obtain a free copy of the Financial Product Service Terms by contacting us or visiting our website by using the details in section 1.6 of this PDS.

We recommend that you contact us if you have any questions arising from this PDS, the Financial Services Guide (FSG) or the Financial Product Service Terms prior to entering into any Transactions with us.

This PDS is not an offer to sell or an invitation to treat in relation to the FXTRADING.com Products in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed and therefore persons into whose possession this document comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws.

### Warning

#### 1.2

Trading in FXTRADING.com Products involves the potential for profit as well as the risk of loss and is not suitable for all investors. Movements in the price of the underlying instrument are influenced by a variety of unpredictable factors of global origin. Significant movements in the price of the underlying instrument may occur in the market as a result of which you may be unable to settle adverse trades. We are unable to guarantee a maximum loss that you may suffer from your trading beyond that provided by negative balance protection.

#### 1.3 Retail Clients

This PDS is only required to be provided to Retail Clients. If you are a Wholesale Client or a Sophisticated Investor, then providing you with this PDS does not mean that we wish to treat you as a Retail Client.

#### 1.4 Your Suitability to Trade FXTRADING.com Products

If we ask you for your personal information to assess your suitability to trade FXTRADING.com Products and we accept your application to trade FXTRADING.com Products, this is not personal advice or any other advice to you. You must not rely on our assessment of your suitability since it is based on the information you provide, and the assessment is only for our purposes of deciding whether to open an Account for you and is separate from your decision to trade FXTRADING.com Products. You remain solely responsible for your own assessments of the features and risks and seeking your own advice on whether these FXTRADING.com Products are suitable for you.

## 1.5 Currency of PDS

A copy of this PDS, the FSG and the Financial Product Service Terms can be downloaded from the FXTRADING.com website ([www.fxtrading.com](http://www.fxtrading.com)).

The information in this PDS is up to date at the time it was prepared.

Any information that is not materially adverse information is subject to change from time to time and may be updated by inclusion on the FXTRADING.com website. A paper copy of any updated information will be given, or an electronic copy made available to you, without charge, on request.

If the new information is information which is materially adverse to you, we will issue either a new PDS or a supplementary PDS containing the new information.

Where this PDS includes a reference to content on the FXTRADING.com website, the relevant contents of the website referred to forms part of this PDS. If you cannot find that information on our website, you can contact us and/or ask for a copy of the statement or information without charge.

## 1.6 Contact

Further information is available on our website.

Alternatively, FXTRADING.com can be contacted at:

Telephone: + 61(2) 8039 7366

Email: [service@fxtrading.com](mailto:service@fxtrading.com)

Website: [www.fxtrading.com](http://www.fxtrading.com)

Level 27, 25 Bligh Street,  
Sydney NSW 2000

## 1.7 Benchmark Disclosure

ASIC is the government regulator that issued FXTRADING.com' licence and that monitors financial markets in Australia. It has developed benchmarks for over-the-counter derivatives. These benchmarks are set out in Regulatory Guide 227 (RG 227) and operate as minimum standards that ASIC expects businesses like ours to comply with. If a business departs from a benchmark, it must explain why. FXTRADING.com applies the benchmarks to all of the FXTRADING.com Products.

The following table summarises the benchmarks as FXTRADING.com applies them to FXTRADING.com Products, whether FXTRADING.com meets them and, if not, why not.

The table also refers you to other Sections of this PDS for more information on relevant topics (to avoid duplicating the information in this PDS).

ASIC RG 227 Benchmark	FXTRADING.com Disclosure
<p><b>1. Client qualification</b></p> <p>Maintain and apply a written client qualification policy that sets out the minimum qualification criteria that prospective investors will need to demonstrate they meet before opening an account; outlines the processes we have in place to ensure that prospective investors who do not meet the qualification criteria are not able to open an account and trade in CFDs and that requires us to keep written records of client assessments.</p>	<p>FXTRADING.com meets this benchmark.</p> <p>For more information about this benchmark, please see Section 2 of this PDS under "Your Suitability".</p>
<p><b>2. Opening collateral</b></p> <p>An issuer should generally only accept cash or cash equivalents from investors as opening collateral when establishing an account to trade in CFDs. If credit cards are used to open accounts, an issuer should accept no more than \$1,000 via credit card to fund the account.</p>	<p>FXTRADING.com does not meet this benchmark because it accepts opening collateral of more than \$1,000 via credit card in order to provide flexible payment options to clients.</p> <p>For more information about this benchmark, please see Section 3.9 of this PDS under "Payments of your monies into the FXTRADING.com Trust Account".</p> <p>FXTRADING.com otherwise meets this benchmark and only accepts cash or cash equivalents as opening collateral. No other opening collateral (such as securities) are accepted.</p>
<p><b>3. Counterparty risk - Hedging</b></p> <p>An issuer should maintain and apply a written policy to manage its exposure to market risk from client positions, which includes the factors it takes into</p>	<p>FXTRADING.com meets this benchmark. For more information about this benchmark, please see Section 4.2 of this PDS.</p>

ASIC RG 227 Benchmark	FXTRADING.com Disclosure
account when determining if hedging counterparties are of sufficient financial standing; and sets out the names of those hedging counterparties (as they stand from time to time). Policies should be displayed in an up-to-date form on the issuer's website.	
<b>4. Counterparty risk— Financial resources</b>  An issuer should maintain and apply a written policy to maintain adequate financial resources, which details how the issuer monitors its compliance with Australian financial services licence financial requirements; and conducts stress testing to ensure it holds sufficient liquid funds to withstand significant adverse market movements.	FXTRADING.com meets this benchmark.  For more information about this Benchmark, please see Section 4.2 of this PDS.
<b>5. Client money</b>  An issuer should maintain and apply a clear policy on its use of client money, including whether it uses money deposited by one investor to meet the margin or settlement requirements of another.	FXTRADING.com meets this benchmark For more information about this Benchmark, please see Section 3.9 of this PDS.
<b>6. Suspended or halted underlying assets</b>  An issuer should not allow new CFD positions to be opened when there is a trading halt over the underlying instrument, or trading in the underlying instrument has otherwise been suspended in accordance with the rules of the relevant market.	FXTRADING.com meets this benchmark  For more information about this Benchmark, please see Section 4.2 of this PDS.

ASIC RG 227 Benchmark	FXTRADING.com Disclosure
<b>7. Margin calls</b>  An issuer should maintain and apply a written policy about its margining practices which details: (a) how the issuer will monitor client accounts to ensure that it receives early notice of accounts likely to enter into Margin Call  (b) what rights the issuer may exercise in relation to client accounts, including the right to make a Margin Call or close out positions; and  (c) when the issuer will exercise these rights, and what factors it will take into account in deciding whether to do so.	FXTRADING.com meets this benchmark  For more information about this Benchmark, please see Section 3.9 of this PDS.

## 2. Features

### 2.1 What we are authorised to do

FXTRADING.com is authorised to give general financial product advice in relation to derivatives and foreign exchange contracts. We are also authorised to deal in relation to those same products.

This means FXTRADING.com will not give you personal financial advice. This PDS does not constitute a recommendation or opinion that FXTRADING.com Products are appropriate for you.

Potential investors should understand and accept the risks of investing in FXTRADING.com Products.

The information in this PDS is general only and does not take into account your personal objectives, financial situation and needs. This PDS does not constitute advice to you on whether FXTRADING.com Products are appropriate for you.

You should read all of this PDS, FSG and the Financial Product Service Terms and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand



the possible outcomes of trades and strategies that can be employed using the Online Platform.

We also recommend that you obtain independent legal, financial and tax advice before trading to ensure that a particular product is suited to your financial situation and requirements.

FXTRADING.com is also authorised to "make a market" for foreign exchange and derivative contracts. This means that FXTRADING.com sets its own prices for the FXTRADING.com Products, including buy and sell prices.

FXTRADING.com does not provide a market amongst or between clients for investments or speculations. Each product purchased (or sold) by you is an individual agreement made between you and FXTRADING.com as principal and is not transferable, negotiable or assignable to or with any third party.

## 2.2 Your suitability

FXTRADING.com maintains and applies a written "Client Qualification" policy which:

- sets out the minimum qualification criteria that prospective clients will need to demonstrate before we will permit them to commence trading with us;
- outlines the processes FXTRADING.com has in place to ensure that prospective clients who do not meet the qualification criteria and are therefore assessed by us as "unsuitable" are not accepted as a client and able to trade in FXTRADING.com Products;
- requires that FXTRADING.com maintain records of its client assessments.

Trading in FXTRADING.com Products involves significant risks and is not suitable for all investors. Accordingly, prospective clients must complete a "suitability assessment" before they can begin trading with FXTRADING.com. The "suitability assessment" enables prospective clients to demonstrate to us that they have a sound understanding of the features and risks of the FXTRADING.com Products.

You will be required to complete the "suitability assessment" either at the time you open the Account or at the time you make a deposit into your Account, but always before you enter into any Transaction.

If you are unsuccessful in completing the "suitability assessment", the results of your assessment will be recorded. If you are unsuccessful, you will not be able to trade but you will be given another

opportunity to complete the test at your earliest convenience. However, if you fail again you will need to wait 14 days before reattempting.

Some key suitability considerations for you are:

whether you have experience in trading in the financial products which relate to the FXTRADING.com Products you choose;

whether you understand the terms of FXTRADING.com Products and how they work;

whether you understand the concepts of leverage, margins and volatile markets and prices;

whether you accept a degree of risk in trading in FXTRADING.com Products;

whether you understand that the nature of trading in CFDs such as FXTRADING.com Products do not provide investors with interests or rights in the underlying financial products;

whether you understand the processes and technologies used in trading FXTRADING.com Products;

whether you can monitor your investments in FXTRADING.com Products and manage them in a volatile market;

whether you can manage the risks of trading in FXTRADING.com Products;

whether you have the financial resources to provide more Margin, especially on little or no notice; and

whether you can accept substantial losses that might arise from trading in FXTRADING.com Products.

Our assessment of your suitability is based on the information you provide to us and any other information we ask for and you give us. Our policy includes assessing the information you give us by your online responses, the information you give us and any responses you give us by email, telephone or in meetings.

You should refer to our Privacy Policy (available on our website) which sets out how we collect, use and disclose personal information.

If you are successful in completing the "suitability assessment", we may, nonetheless, limit some features for your Account.

Our assessment of your suitability to trade in FXTRADING.com Products and any limits we set for your Account (or later change to those limits) should not be taken as personal advice to you to trade in FXTRADING.com Products. Nor does it imply that we are responsible for any of your losses from trading in FXTRADING.com Products.

To the extent permitted by law, we do not accept liability for your decision to invest in any FXTRADING.com Products so you should read all of this PDS carefully, consider your own financial situation, needs and objectives for investing in these FXTRADING.com Products and obtain independent financial advice.

Even if we assess you as suitable to commence trading FXTRADING.com Products with us, we urge you to use our demonstration accounts for a while to ensure you are familiar with the terminology of FXTRADING.com Products and the Online Platform and how they work.

## 2.3 Types of FXTRADING.com Products

This PDS describes products that are:

- derivatives, because they derive their value from an underlying instrument;
- OTC because they are an agreement between you and us, and there is no central counterparty (like an exchange);
- a legally binding contract. The Financial Product Service Terms refer to a Contract when referring to the FXTRADING.com Products;
- are "synthetic" in that they do not result in the physical delivery of the underlying instrument but are cash adjusted or closed by you taking an offsetting, opposite position. Positions will always be closed, and your account will be either credited or debited according to the profit or loss of the deal.

The money you will receive or pay will depend on whether the value of the Underlying Instrument you choose moves in your favour. If it does, then you will make a gain and your account will be credited. If it does not, then you will make a loss and your account will be debited. The products only require a deposit which is much smaller than the deal size (this is why the deal is "margin'd" or "leveraged").

Essentially, the amount of any realised profit or loss made on FXTRADING.com Products will be equal to the net of:

- the difference between the Transaction Price of

the FXTRADING.com Products when the Transaction is opened and the Transaction Price of the FXTRADING.com Products when the Transaction is Closed Out, multiplied by the units or Lots traded and the standard volume size per (1.00 Lot);

- for all FXTRADING.com Products any Finance Charge Adjustment / Finance Credit Adjustment on the position held overnight (also known as swaps);
- any Transaction Fees payable in respect of the FXTRADING.com Products and any other charges (for more information on Fees and Charges see Section 5 of this PDS).

Your Equity will also be affected by other amounts you must pay in respect of your Account such as Finance Charges on your Account and conversion costs (for more information on costs, fees and charges in respect of your Account, see Section 5 of this PDS).

### 2.3.1 Spot FX OTC Contracts

A Spot FX OTC Contract is an OTC contract to exchange an amount in one currency for an amount in another currency at an Exchange Rate agreed on the day of the trade.

When you trade Spot FX OTC Contracts, you trade a combination of two currencies (known as a currency pair). A Spot FX OTC Contract is opened by buying a FXTRADING.com Product which is based on either buying or selling the currency pair. The buying or selling is in reference to the buying or selling of the Base Currency (but remember no physical delivery of the Base Currency ever takes place). For example, if you were buying USDJPY, you would be buying USD by selling JPY, whereas if you were selling JPYUSD you would be selling JPY and buying USD.

Trades cannot be executed below set minimum trade sizes expressed as a portion of a Lot or unit, and varies depending on the FXTRADING.com Products traded on the Online Platform. For example, the minimum Lot size traded on the Online Platform is 0.01 Lot (step 0.01 Lot(s)), with 1 Lot being equivalent to 100,000 units of Base Currency.

Spot FX OTC Contracts cannot be settled by the physical or deliverable settlement of the currencies on their Value Date. Rather, Spot FX OTC Contracts can be rolled or swapped indefinitely until you decide to Close Out the Transaction. That is, Spot FX OTC Contracts do not have set expiry dates and will remain open until Closed Out. Refer to Section 3.14 under "Rolling over or swapping" for more details and for the relating fees and charges refer to



the Section 5.

### Example: Buying USD/JPY

This example assumes that:

- the Trading Account base currency selected is USD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for major Spot FX Product is 1:30 i.e. Initial Margin is set at 3.3% of the Contract Value;
- 1 Lot of FX Product is equivalent to 100,000; and
- the price of the FXTRADING.com Spot FX Product moves in line with the market price of the Spot FX currencies.

### Opening the position

You decide to go long on the US Dollar against the Japanese Yen, and ask for a quote for 5 lots, the equivalent of USD 500,000. We quote you 73.41/73.43 and you buy 5 lots at 73.43.

### Initial Margin

The Initial Margin required to open your position was

$$3.33\% \times \$100,000 \times 5 = \text{USD}16,650$$

### Finance Charge Adjustment

If the applicable Swap Rate is negative 0.03 points for 'long' positions and the Point Value for 1 Lot is USD13.09, then the Finance Charge Adjustment for a particular day would be USD1.96.

### Closing the position

Later, the USD/JPY has risen to 76.87/76.89, and you take your profit by selling 5 lots at 76.87. Your gross profit on the trade is calculated as follows:

Closing transaction:  
 $\text{USD}500,000 \text{ (5 Lots)} \times 76.87 = \text{¥}38,435,000$

Opening transaction:  
 $\text{USD}500,000 \text{ (5 Lots)} \times 73.43 = \text{¥}36,715,000$

Gross profit on trade:  
 $\text{¥}1,720,000$  equivalent to USD22,375.44

### Calculating the overall result

To calculate the overall or net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 20 days, incurring a total a Finance Charge Adjustment debit of USD39.20

Gross profit on trade: USD22,375.44

Finance Charge Adjustment: (USD 39.20)

Net profit: USD22,336.24

### Example: Selling AUD/USD

This example assumes that:

- the Trading Account base currency selected is AUD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for major Spot FX Product is 1:30 i.e. Initial Margin is set at 3.3% of the Contract Value;
- 1 Lot of FX Product is equivalent to 100,000; and
- the price of the FXTRADING.com Spot FX Product moves in line with the market price of the FX Product.

### Opening the position

You decide to sell the Australian dollar against the US Dollar, and ask for a quote for 3 lots, the equivalent of AUD 300,000. We quote you 0.73005/0.73008 and you sell all 3 lots at 0.73005.

### Initial Margin

The Initial Margin required to open your position was  $3.33\% \times \$100,000 \times 3 = \text{AUD}10,000$

### Finance Charge Adjustment

If the applicable Swap Rate is positive 0.05 points for 'short' positions and the Point Value for 1 lot is USD13.69, then the Finance Charge Adjustment part a particular day would be credit USD2.05.

### Closing the position

Later, the AUDUSD position has risen to 0.73018/0.73021, and you close your trade by buying 3 lots at 0.73021. Your gross loss on the trade is calculated as follows:

losing the transaction:  
 $AUD300,000 (3 \text{ lots}) \times 0.73021 = USD219,063$

Opening the transaction:  
 $AUD300,000 (3 \text{ lots}) \times 0.73005 = USD219,015$

Gross Loss on trade USD48 equivalent to  
 AUD65.73

### Calculating the overall result

To calculate the overall net loss, you also have to take account of the Finance Credit Adjustment. In this example, you might have rolled the position for 3 days, providing a Finance Credit Adjustment of credit AUD6.15.

Gross Loss on trade: AUD65.73

Finance Credit Adjustment: (AUD 6.15)

Net Loss: AUD59.58

### 2.3.2 Spot Metal OTC Contracts

A Spot Metal OTC Contract is an OTC contract settled in cash by reference to buying or selling spot gold and silver at the Spot price agreed on the day traded against the US dollar.

A Spot Metal OTC Contract is opened by either buying or selling by reference to the Spot metal traded against USD. For example, if you were buying Spot Gold, you would be buying gold by selling a reference amount of USD, whereas if you were selling Spot Mini Silver, you would be selling silver by buying a reference amount of USD.

Trades cannot be executed below set minimum trade sizes expressed as a portion of a Lot or unit, and varies depending on the FXTRADING.com Products traded on the Online Platform. For example, the minimum contract size traded is 0.01 Lot (step 0.01 Lot) with 1 Lot of Gold being equivalent to 100 ounces and 1 Lot of Mini Silver being equivalent to 500 ounces.

Spot Metal OTC Contracts cannot be settled by the physical or deliverable settlement of the metals on their Value Date. Rather, these products can be rolled or swapped indefinitely until you decide to Close Out the Transaction. That is, Spot Metal OTC Contracts do not have set expiry dates and will remain open until Closed Out. Refer to Section 3.14 under "Rolling over or swapping" for more details and for the relating fees and charges refer to the Section 5.

The swap or rollover rate that is applied will be

tripled for positions held over the Wednesday to Thursday rollover period.

### Example: Buying spot gold:

This example assumes that:

- the Trading Account base currency selected is USD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for gold is 1:20 i.e. Initial Margin is set at 5% of the Contract Value;
- 1 Lot of gold is equivalent to 100 ounces; and
- the price of the FXTRADING.com Spot Metal Product moves in line with the market price of the spot gold.

### Opening the position

You consider that gold is undervalued and wish to speculate the price will go higher. You decide to buy gold, and ask for a quote for 1 lots, the equivalent of 100 ounces. We quote you USD1,724.65/1725.15 and you buy 1 lots at USD1725.15.

### Initial Margin

The Initial Margin required to open your position is  $5\% \times USD1,725.15 \times 100 = USD8,625.75$

### Finance Charge Adjustment

While the position remains open, the daily swap is USD5.70.

### Closing the position

Later, gold has risen to 1,750.00/1,750.05, and you take your profit by selling 1 Lot at 1,750. Your gross profit on the trade is calculated as follows:

Closing level: USD1,750.00

Opening level: USD1,725.15

Difference: USD24.85

Gross profit on Transaction:  
 $USD24.85 \times 100 = USD2,485$

### Calculating the overall result

To calculate the overall net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 10 days, incurring a total Finance Charge Adjustment of USD57:

Gross profit on trade: USD2,485.00

Finance Charge Adjustment: (USD 57.00)

Net profit: USD2,428.00

#### Example: Selling spot silver:

This example assumes that:

- the Trading Account base currency selected is USD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for a commodity derivative (other than gold) is 1:10 i.e. Initial Margin is set at 10% of the Contract Value;
- 1 Lot of silver is equivalent to 5000 ounces; and
- the price of the FXTRADING.com Spot Metal Product moves in line with the market price of the spot silver.

### Opening the position

You consider that silver is overvalued and wish to speculate the price will go lower. You decide to sell silver, and ask for a quote for 1 lot, the equivalent of 5000 ounces. We quote you USD14.441/1444 and you buy 1 lot at USD14.441.

#### Initial Margin

The Initial Margin required to open your position is  $10\% \times \text{USD}14.441 \times 5,000 = \text{USD}7,200$

#### Finance Charge Adjustment

While the position remains open, the daily swap is USD 3.10.

### Closing the position

Later, silver has decreased to USD14.214/14.218, and you take your profit by buying 1 Lot at USD14.218. Your gross profit on the trade is calculated as follows:

Closing level: USD14.218

Opening level: USD14.441

Difference: USD0.223

Gross profit on Transaction:  
 $\text{USD}0.223 \times 5,000 = \text{USD}1,115$

### Calculating the overall result

To calculate the overall net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 5 days, incurring a total Finance Charge Adjustment of USD15.5:

Gross profit on trade: USD1,115.00

Finance Charge Adjustment: (USD 15.50)

Net profit: USD1,099.50

### 2.3.3 Indices / Index (cash) OTC Contracts

Trading in respect of movements in Indices OTC Contracts allows you to gain indirect exposure to a large number of different shares in one single transaction. They can also be used to take positions on the direction of a whole market without taking a view on the prospects for any particular company's shares.

Indices OTC Contracts derive their price from the real time fluctuations in the value of the index which makes up the underlying instrument for the FXTRADING.com Product, as calculated by the relevant Exchange or index sponsor, as the case may be for each particular index or, if that is not available, FXTRADING.com's determination of the index level.

Similar to Equity CFD's, prices are normally only quoted for Indices OTC Contracts and can only be traded during the open market hours of the relevant futures Exchange (or within any more limited hours set from time to time by FXTRADING.com).

When trading on a futures Exchange, it is important to remember that the current price of the underlying futures contract will not normally be the same as the price of the underlying index.

Indices OTC Contracts allow you to trade anticipated market trends rather than individual shares or other financial products. In addition, Margin requirements for Indices OTC Contracts are typically lower than for Equity CFD's.

Indices OTC Contracts do not have set expiry dates and will remain open until Closed Out - refer to the Section 5 for the fees and charges relating to keeping the position open.

The swap or rollover rate that is applied will be tripled for positions held over the Friday to Saturday rollover period.

**Example: Buying AUS200:**

This example assumes that:

- the Trading Account base currency selected is AUD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for major stock market Index is 1:20 i.e. Initial Margin is set at 5% of the Contract Value

**Opening the position**

You consider that AUS200 is going to rise over the medium term due to a positive economic outlook and wish to speculate the price will go higher. You decide to buy AUS200, and ask for a quote for 2 lot, the equivalent of 2 units. We quote you AUD6,100/6,102 and you buy 2 lots at AUD6,102.

**Initial Margin**

The Initial Margin required to open your position is  $5\% \times \text{AUD}6,102 \times 2 = \text{AUD}610.20$

**Finance Charge Adjustment**

While the position remains open, the daily swap is AUD2.20.

**Closing the position**

Closing the position  
 Later, AUS200 has increased to AUD6,210/6,212, and you take your profit by selling 2 Lots at AUD6,210. Your gross profit on the trade is calculated as follows:

Closing level: AUD6,210

Opening level: AUD6,102

Difference: AUD 108

Gross profit on Transaction:  
 $\text{AUD } 108 \times 2 = \text{AUD}216$

**Calculating the overall result**

To calculate the overall net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 8 days, incurring a total Finance Charge Adjustment of AUD17.6:

Gross profit on trade: AUD216.00

Finance Charge Adjustment: (AUD 17.60)

Net profit: AUD198.40

**Example: Selling AUS200:**

This example assumes that:

- the Trading Account base currency selected is AUD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for major stock market index is 1:20 i.e. Initial Margin is set at 5% of the Contract Value

**Opening the position**

You consider that AUS200 is going to drop over the medium term due to rising interest rates and wish to speculate that this drop will occur. You decide to sell AUS200, and ask for a quote for 4 lots, the equivalent of 4 units. We quote you AUD6,100/6,102 and you sell 4 lots at AUD6,100.

**Initial Margin**

The Initial Margin required to open your position is  $5\% \times \text{AUD}6,100 \times 4 = \text{AUD}1,220$

**Finance Charge Adjustment**

While the position remains open, the daily swap is AUD2.20.

**Closing the position**

Later, AUS200 has increased to AUD6,210/6,212, and you take cut your loss by buying 4 Lots at \$6212. Your gross profit on the trade is calculated as follows:

Closing level: AUD6,212

Opening level: AUD6,100

Difference: AUD 112

Gross loss on Transaction: AUD 112 x 4 = AUD448

### Calculating the overall result

To calculate the overall net loss, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 20 days, incurring a total Finance Charge Adjustment of AUD44:

Gross loss on trade: AUD448

Finance Charge Adjustment: AUD 44

Net loss: AUD492

- the Leverage Rate for the Commodity OTC Contract (other than gold) is 1:10, i.e. Initial Margin is set at 10% of the Contract Value

- 1 lot is equivalent to 1,000 pounds; and

- cotton spot contracts are priced in US dollar cents per pound.

### Opening the position

You think that cotton is currently overpriced and expect the price to fall in the short term. You buy cotton Product for selling 1.0 Lots i.e. 1,000 pounds of cotton to benefit from the price fall you expect in the market, You sell 1.0 Lots i.e. 1,000 pounds of cotton at USD Cents 80.100, the bid price at the time.

### Initial Margin

The Initial Margin required to open your position was calculated as 10% x USD Cents 80.100 x 1000 lbs = USD Cents 8,010 = USD80.10

### Finance Charge Adjustment

Since you have taken a short position, in this example your Finance Rate is negative 5.35%, then the Finance Charge Adjustment for a particular day would be of USD0.12.

### Closing the position

The price of cotton falls to USD cents 78.625 a pound after 14 days. You buy 1.0 Lots i.e. 1,000 lbs of cotton at USD cents 78.625 the Close price. Your gross profit on the trade is calculated as follows:

Closing level: USD Cents 78.625

Opening level: USD Cents 80.100

Difference: USD Cents 1.475

### Calculating the overall result

To calculate the overall net loss, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 14 days, incurring a total Finance Charge Adjustment of USD1.68:

Gross profit on trade: USD14.75

Finance Charge Adjustment: (USD1.68)

Net Profit on trade: USD13.07

## 2.3.4 Commodity OTC Contracts

Commodity OTC Contracts are an easy way to indirectly access commodities markets, such as oil. Commodity OTC Contracts give traders and investors indirect exposure to the underlying commodity without taking physical delivery of it, with the trading features of FXTRADING.com Products being a simple alternative to directly trading in the exchange traded Futures contract for those commodities.

All Commodity OTC Contracts will be cash settled.

Instead of directly trading on the futures Exchanges, investors can access leveraged commodity trading with reduced initial investment through Commodity OTC Contracts.

Trades cannot be executed below set minimum trade sizes expressed as a portion of a Lot or unit. For instance, trading on the Online Platform, the Commodity OTC Contracts minimum quantity of US Crude Oil is equivalent to 100 barrels of the underlying commodity, compared with the relevant Exchange's minimum Futures Contract trade size of 1 contract being the equivalent to 1,000 barrels of the underlying commodity.

Commodity OTC Contracts do not have set expiry dates and will remain open until Closed Out - refer to the Section 5 for the fees and charges relating to keeping the position open.

### Example: Buying a 'short' Agricultural Commodity Derivative Product

- the Trading Account Currency is United states dollars

- no brokerage, commission or Transaction Fee is charged



### 2.3.5 Cryptocurrency OTC Contracts

We offer the following major Cryptocurrency OTC Contracts being Bitcoin, Bitcoin Cash, Ethereum, Litecoin and Ripple.

Cryptocurrency OTC Contracts gives you indirect exposure to cryptocurrency markets whose prices are derived from cryptocurrency exchanges or the cryptocurrency Hedge Counterparties that we deal with. For an updated list of the Cryptocurrency OTC Contracts that are available, refer to the Online Platform.

All Cryptocurrency OTC Contracts will be cash settled.

A Cryptocurrency OTC Contract is opened by either buying or selling by reference to the USD. For example, if you were buying Bitcoin (BTCUSD), you would be buying Bitcoin by selling a reference amount of USD, whereas if you were selling Bitcoin, you would be selling Bitcoin by buying a reference amount of USD.

Trades cannot be executed below set minimum trade sizes expressed as a portion of a Lot or unit, for instance the minimum contract size traded is 0.01 Lot (step 0.01 Lot) with 1 Lot of Bitcoin being equivalent to 1 Bitcoin contract and 1 Lot of Ripple being equivalent to 100 Ripple contracts.

Cryptocurrency OTC Contracts cannot be settled by the physical or deliverable settlement of the cryptocurrency on their Value Date. Rather these products can be rolled or swapped indefinitely until you decide to Close Out the Transaction. That is, Cryptocurrency OTC Contracts do not have set expiry dates and will remain open until Closed Out. Refer to Section 3.14 under "Rolling over or swapping" for more details and for the relating fees and charges refer to the Section 5.

The swap or rollover rate that is applied will be tripled for positions held over the Thursday to Friday rollover period.

#### Example - Buying BTC/USD

This example assumes that:

- the Trading Account base currency selected is USD;
- no brokerage, commission or Transaction Fee is charged;
- the Leverage Rate for CFD referencing crypto assets is 1:2 i.e Initial Margin is set at 50% of the

Contract Value; and

- 1 Lot is equivalent to 1 Cryptocurrency OTC Contract.

#### Opening the position

You decide to go long on BitCoin (BTC) against the US Dollar (USD) BTC/USD, and ask for a quote for 5 lots, the equivalent of 5 BitCoins. We quote you USD4,500/4,540 and you buy 5 lots at USD4,540.

#### Initial Margin

The Initial Margin required to open your position is  $50\% \times \text{USD}4,540 \times 5 = \text{USD}11,350$

#### Finance Charge Adjustment

Interest costs (imposed by way of the Finance Charge Adjustment) are calculated daily on positions held Overnight by applying the applicable interest rate (Finance Rate) to the Contract Value of the Cryptocurrency Derivative Positions. For example, if the applicable Finance Rate is negative 20% p.a. and the Contract Value of the Cryptocurrency Derivative Positions is USD22,700 being the Closing Price on a particular day for the 5 lots, then the Finance Charge Adjustment for a particular day would be USD12.43. Finance Charge Adjustments are calculated and reflected on your FXTRADING.com Account on a daily basis which is taking into account in your Equity amount.

#### Closing the position

Later, BTC/USD has risen to USD5,000/5,040 and you take your profit by selling 5 lots at USD5,000. Your gross profit on the trade is calculated as follows:

Closing transaction:  
 $5 \text{ Lots} \times \text{USD}5,000 = \text{USD}25,000$

Opening transaction:  
 $5 \text{ Lots} \times \text{USD}4,540 = \text{USD}22,700$

Gross profit on Transaction: USD2,300 equivalent to USD1,667.50 using an AUD/USD exchange rate of 0.725.

#### Calculating the overall result

To calculate the overall net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have held the position for 20 days, charging a total Finance Charge Adjustment debit of USD248.60.

Gross profit on trade USD2,300.00

Finance Charge Adjustment: (USD 248.60)

Net profit: USD2,051.14

### Example - Selling ETH/USD

This example assumes that:

- the Trading Account base currency selected is USD;
- no brokerage, commission or Transaction Fee is charged;
- the Leverage Rate for CFD referencing crypto assets is 1:20 i.e Initial Margin is set at 50% of the Contract Value; and
- 1 Lot is equivalent to 1 Cryptocurrency OTC Contract.

### Opening the position

You decide to go short on Ethereum (ETH) against the US Dollar (USD) due to the recent instability in the price of cryptocurrencies. You wish to open a position of 5 lots, the equivalent of 5 Ethereum. We quote you USD246.26/250.55 and you sell 5 lots at USD246.26

### Initial Margin

The Initial Margin required to open your position is  $50\% \times \text{USD}246.26 \times 5 = \text{USD}615.65$

### Finance Charge Adjustment

Interest costs (imposed by way of the Finance Charge Adjustment) are calculated daily on positions held Overnight by applying the applicable interest rate (Finance Rate) to the Contract Value of the Cryptocurrency Derivative Positions. For example, if the applicable Finance Rate is negative 20% p.a. and the Contract Value of the Cryptocurrency Derivative Positions is USD1,231.3 being the Closing Price on a particular day for the 5 lots, then the Finance Charge Adjustment for a particular day would be USD0.67. Finance Charge Adjustments are calculated and reflected on your FXTRADING.com Account on a daily basis which is taking into account in your Equity amount.

### Closing the position

Later, ETH/USD has decreased to USD227.25/232.55 and you take your profit by buying 5 lots at USD232.55.

Your gross profit on the trade is calculated as

follows:

Closing transaction:  
 $5 \text{ Lots} \times \text{USD}232.55 = \text{USD}1,162.75$

Opening transaction:  
 $5 \text{ Lots} \times \text{USD}246.23 = \text{USD}1,231.15$

Gross profit on Transaction: USD68.4 equivalent to USD94.34 using an AUD/USD exchange rate of 0.725.

### Calculating the overall result

To calculate the overall net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have held the position for 20 days, charging a total Finance Charge Adjustment debit of USD13.40.

Gross profit on trade USD68.40

Finance Charge Adjustment: (USD13.40)

Net profit: USD55.00

### 2.3.6 Equity CFD

Equity CFD are OTC agreements which derive their price from the fluctuations of the spot price of the Underlying Instrument on the relevant Exchange or market.

Prices are only quoted for Equity CFD and can only be traded during the open market hours of the relevant Exchange on which the Underlying Instrument is traded or within any more limited hours set by FXTRADING.com from time to time.

FXTRADING.com might not quote for an Equity CFD for a particular Underlying Instrument if that Underlying Instrument is illiquid or is in suspension (for more information on potential external disruptions see Section 4 of this PDS).

Furthermore, FXTRADING.com might not quote Equity CFD if the Equity CFD is over shares in a company which becomes externally administered. These features may occasionally raise significant risks to you so please see Section 4 of this PDS.

Equity CFD allow you to receive economic benefits similar to those from directly owning the Underlying Instrument on which the Equity CFD is based without physically or legally owning it (for more information on benefits of trading in FXTRADING.com Products refer to Section 2 under "Key Benefits of FXTRADING.com Products" of this PDS).

For more information on which Equity CFD are offered depending on the Trading Account established and FXTRADING.com provides quotes, please download a demonstration trading platform located on the FXTRADING.com website <https://FXTRADING.com>. or obtain the information on the website or contact FXTRADING.com. The available Equity CFD may change at times due to market conditions, Exchange rules and any limits set by FXTRADING.com.

Equity CFD do not have set expiry dates and will remain open until Closed Out- refer to the Section 5 under " Finance Charge Adjustment / Finance Credit Adjustment" for the fees and charges relating to keeping the position open.

Example: Opening and closing a 'long' Equity CFD traded on IRESS Trading Platform

This example assumes that:

- the Trading Account base currency selected is AUD;
- the Leverage Rate for CFD referencing shares is 1:5 i.e Initial Margin is set at 20% of the Contract Value; and
- 1 Lot is equivalent to 1 Equity CFD Contract.

### Opening the position

XYZ Limited shares are quoted at AUD2.85/2.86 on the Australian Securities Exchange, and you believe that their price will rise. You decide to 'buy' 1,000 Equity CFD contracts at AUD2.86, the offer price. While your XYZ Limited position remains open, your Trading Account is debited to reflect interest adjustments and credited to reflect any dividends. The Account Currency selected is United States dollars. Brokerage, commission or Transaction Fee is charged when the position is opened and closed at AUD0.10 per 1 Equity CFD contract. The Initial Margin is set at 20% of the Equity CFD. The Finance Rate for an Equity CFD held Overnight for an USD Equity CFD is negative 5.61% for 'long' positions. The price of the Equity CFD moves in line with the market price of the shares quoted on the exchange.

### Initial Margin

The Initial Margin required to open your position was  $20\% \times \text{AUD}2.86 \times 1,000 = \text{AUD}572$ .

Closing the position

Some weeks later, XYZ Limited has risen to AUD3.20/3.21 on the exchange and you decide to take your profit. You sell 1,000 Equity CFD Contracts at AUD3.20, the bid price. Your profit on the Transaction is calculated as follows:

Closing level: AUD3.20

Opening level: AUD2.86

Difference: AUD0.34

Gross profit on Transaction:  
 $\text{AUD}0.34 \times 1000 = \text{AUD}340$

### Finance Charge Adjustment

Interest costs (imposed by way of the Finance Charge Adjustment) are calculated daily on positions held Overnight by applying the applicable interest rate (Finance Rate) to the Contract Value of the Equity CFD Positions, at the time the Equity CFD is established. For example, if the applicable Finance Rate is negative 5.61% p.a., then the Finance Charge Adjustment for a particular day would be AUD0.44. Finance Charge Adjustments are calculated and reflected on your FXTRADING.com Account on a daily basis which is taking into account in your Equity or Account Value amount.

### Transaction Fee

For Equity CFDs, a Transaction Fee is payable by way of the Transaction Fee on the opening and closing of the Transaction. In the above example the Transaction Fee payable would be:

# of Equity CFD contracts =  $1,000 \times \text{AUD}0.1 = \$100.00$

### Calculating the overall result

To calculate the overall or net profit on your Equity CFD Transaction you have to take into account the Transaction Fees you have paid and the Finance Charge Adjustment and dividend adjustments that have been credited or debited. In the above example, you might have held the position for 21 days, at a total interest cost of AUD9.24. During this time if XYZ Limited declared a cash dividend of 6 cents per equity your Trading Account would be posted with a credit for a dividend adjustment of AUD60 ( $1,000 \times \text{AUD}0.06$ ). Here is a summary (this and later summaries exclude the effect of tax on your financial situation):

Gross profit on Transaction: AUD340.00

Total Transaction Fees: (AUD100.00)

Finance Charge Adjustment: (AUD 9.24)

Dividend adjustment: AUD 60.00

Net profit on Transaction: AUD 290.76

Example: Opening and closing a 'short' or 'sold' Equity CFD Contract traded on IRESS Trading Platform

### Opening the position

It is July and you think ABC Limited shares are about to fall. The share is quoted on the Australian Securities Exchange at AUD3.71/3.72. You sell 1,000 Equity CFD contracts at \$3.71, which is the bid price at the time. The Transaction Fee payable would be AUD100.00 (1,000 x AUD0.10). Your Trading Account balance is currently AUD5,000 before this Transaction takes place. The Account Currency selected is Australian dollars. Brokerage, commission or Transaction Fee is charged when the position is opened and closed at 0.10 % of the Contract Value. The Initial Margin is set at 20% of the Equity CFD. The Finance Rate for an Equity CFD held Overnight for an Australian Equity CFD is positive 2.25% for 'short' positions.

### Initial Margin

The Initial Margin required to open your position was  $20\% \times \text{AUD}3.71 \times 1,000 = \text{AUD}371$ .

### Finance Charge Adjustment

Since you have taken a short position, in this example your Finance Rate is positive 2.25%, then the Finance Charge Adjustment for a particular day would be of AUD0.23 is calculated and reflected as a credit on your Trading Account on a daily basis which is taking into account in your Equity or Account Value amount.

### Dividend adjustment

At the end of August your position is still open at the time of the ABC Limited ex-dividend date. The amount of the declared cash dividend is 10 cents per share and this is debited from your Account. The adjustment is calculated as follows:  $1,000 \times \text{AUD}0.10 = \text{AUD}100$ .

### Closing the position

By early September, ABC Limited has risen to AUD3.97/3.98 on the exchange and you decide to cut your loss and close the position. You buy 1,000 Equity CFD contracts at AUD3.98, the ask price.

Your gross loss on the Transaction is calculated as follows:

Closing level: AUD3.98

Opening level: AUD3.71

Difference: AUD0.27

Gross loss on Transaction:  
 $\text{AUD}0.27 \times 1,000 = \text{AUD}270$

### Calculating the overall result

To calculate the overall or total loss on the Equity CFD Transaction you also have to take account the Transaction Fees you have paid and the Finance Charge Adjustments and dividend adjustments. In this example, you might have held the position for 65 days, charging a total Finance Charge Adjustment of AUD14.87. Your Account has been debited for a dividend adjustment of AUD100. The overall or total result of the Transaction is a loss, which is calculated as follows:

Gross loss on Transaction: (AUD270.00)

Total Transaction Fee: (AUD100.00)

Finance Charge adjustment: AUD 14.87

Dividend adjustment: (AUD100.00)

Overall or total loss: (AUD455.13)

### Features

#### 3. Your Account

##### 3.1

You need to establish your Account by completing FXTRADING.com' Account application form, which will be made available for you by contacting FXTRADING.com directly or online via the website [www.fxtrading.com](http://www.fxtrading.com)

You apply for an Account by returning to FXTRADING.com a completed application form which accompanies the booklet with the Financial Product Service Terms, available by contacting FXTRADING.com directly by registering online via the website [www.fxtrading.com](http://www.fxtrading.com)

Within your Account you may have one or more Trading Accounts. A Trading Account is a sub-account which is required to be established for a specific method of dealing, such as for dealings on an Online Platform or for dealings in a particular FXTRADING.com Product.



By opening an Account and a Trading Account(s), you agree to the Financial Product Service Terms. The Financial Product Service Terms set out the legal terms governing your Account and any Trading Account, and your dealing in FXTRADING.com Products.

Accounts can be funded by electronic transfer or credit/debit card. Further details are available by contacting FXTRADING.com or on its website at: [www.fxtrading.com](http://www.fxtrading.com)

All funds must be cleared funds before they are credited to your Account to be made available for you to use in acquiring FXTRADING.com Products.

**Please be reminded that funding your Account by credit card has additional risks and costs for you.**

By using these payment methods you effectively would be doubling your leverage by taking credit from your credit card account and trading with leverage on your FXTRADING.com Account. This can add to the risks and volatility of you positions as well as incurs higher interest costs on your credit card account.

If you lose on your FXTRADING.com Products, you might not have other financial resources to repay your credit card account, incurring higher interest costs and possibly defaulting on your credit card terms.

Although FXTRADING.com accepts payments of more than \$1,000 from credit card accounts to fund your Account and to meet later Margin payments, please carefully consider whether this payment method is suitable for your trading and limit it to what you can afford.

If your account is funded by credit/ debit card and you make a withdrawal request, this withdrawal amount may be refunded to your original credit/ debit card. However, the method we use to honour your withdrawal request is at our sole discretion.

We do not accept third party payments and we will only accept credit/debit card payments from you if the credit/debit card is in the same name as your Account.

FXTRADING.com Products are traded using the Online Platform.

### 3.2 **Opening FXTRADING.com Products**

The particular terms of each FXTRADING.com Product are agreed between you and FXTRADING.com before entering into the Transaction.

Before you enter into a Transaction with respect to a FXTRADING.com Product, FXTRADING.com will require you to have sufficient Equity to satisfy the Initial Margin requirement for the relevant Lots of FXTRADING.com Products you wish to acquire.

All of the payments which you make to FXTRADING.com are applied as Margin (and, if fees and charges are due, the actual Margin amount credited to your Account will be an amount net of those fees and charges). The fees and charges for transacting in FXTRADING.com Products are set out in the Financial Services Guide which is available via the website.

FXTRADING.com Products are opened with the specifications for either buying (going long) or selling (going short).

You go "long" when you buy FXTRADING.com Products in the expectation that the price of the underlying instrument to which the FXTRADING.com Product is referable will increase, which would have the effect that the price of the FXTRADING.com Product would increase.

You go "short" when you sell FXTRADING.com Products in the expectation that the price of the Underlying Instrument to which the FXTRADING.com Product is referable will decrease, which would have the effect that the FXTRADING.com Product will decline.

(References to "selling" FXTRADING.com Products are a short hand, common sense way of referring to buying FXTRADING.com Products opposite to the one you have in order to close it out.)

### 3.3 **Closing Out FXTRADING.com Products**

FXTRADING.com Products cannot be settled by the physical or deliverable settlement of the underlying instrument on the Value Date and will be continuously rolled or swapped until they are Closed Out.

FXTRADING.com Products must be Closed Out by you or rolled into the next contract prior to expiry otherwise the contract will be Closed Out by FXTRADING.com.

If you wish to Close Out FXTRADING.com Products before it expires and for the Open Positions to be 'netted out', you must select the Open Order with the view to closing the existing FXTRADING.com Product position (or part of it) at the Transaction Price quoted.

If, instead, you trade an equal and opposite FXTRADING.com



Product to the open FXTRADING.com Product, each position will generate a floating (unrealised) profit or loss and will not be 'netted out'. However, you should be aware that by not netting out positions additional fees and charges will be incurred and Margin requirements will increase since both positions would be treated as Open Positions.

Profits and/or losses are realised if positions have been Closed Out. Profits and/or losses are unrealised if only one side of the transaction has been completed i.e. it remains an Open Position.

The amount of any profit or loss you make on a FXTRADING.com Product will be based on the difference between the amount paid for the FXTRADING.com Product when it is issued (including fees and charges) and the amount credited to your Account when the FXTRADING.com Product is Closed Out (including allowance for any fees and charges).

Any profit or loss net of any fees and charges will be credited/ debited to your Equity in the Account Currency selected - refer to Section 6.1 under "Account Currency".

At the time that the FXTRADING.com Product is Closed Out, FXTRADING.com will calculate the remaining payment rights and obligations. Since you are required to enter into FXTRADING.com Products to Close Out the Open Position, there may be a Transaction Fee on the FXTRADING.com Product used to close the position – see Section 5 under "Costs, Fees and Charges".

In volatile markets the Transaction Price quoted to you may not be available by the time that you chose to accept the price offered and you may require another quote.

In order to provide the FXTRADING.com Products to you in an efficient and low-cost manner, FXTRADING.com has discretion in determining Transaction Prices.

In general, without limiting FXT 'Markets' discretion, it should be expected that FXTRADING.com will act reasonably and have regard to a range of relevant factors at the time, such as the value of the hedge contract taken by FXTRADING.com to hedge the FXTRADING.com Product issued to you, the Closing Price of the FXTRADING.com Product and any foreign currency exchange rates which are relevant due to the denomination of your FXTRADING.com Products or Trading Accounts. FXTRADING.com also has the right to decide to make an adjustment in any

circumstance if FXTRADING.com considers an adjustment is appropriate. FXTRADING.com has a discretion to determine the extent of the adjustment so as to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

FXTRADING.com may elect to Close Out a position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment.

Although there are no specific limits on FXTRADING.com' discretions, FXTRADING.com must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly.

### 3.4 Dealing

Quotes for Transaction Prices for dealing in FXTRADING.com Products are indicative only and so are subject to the actual price at the time of execution of your Transaction. There is no guarantee that the FXTRADING.com Product will actually be traded at the indicative quote. There is a risk that the price will move before your trade is executed.

Quotes are normally only given, and transactions made on FXTRADING.com Products, excluding FX Products and Metals Products, during the open market hours of the relevant Exchange on which the underlying instruments are traded. The trading hours of the relevant FXTRADING.com Product are available on the FXTRADING.com website by selecting the relevant FXTRADING.com Trading Account and FXTRADING.com Product, or by contacting FXTRADING.com.

Occasionally, FXTRADING.com may, within its discretion, impose limited trading hours.

FXTRADING.com may at any time in its discretion without prior notice impose limits on FXTRADING.com Products in respect of particular underlying instruments. Ordinarily FXTRADING.com would only do this if the market for the particular underlying instrument has become illiquid or its trading status has been suspended or there is some significant disruption to the markets including trading facilities or the company (if applicable) has become externally administered.

You should be aware that the market prices and other market data which you can view through FXTRADING.com' Online Platforms or through other facilities which you arrange yourself may not be current or may not exactly correspond with the Transaction Prices for FXTRADING.com Products quoted or dealt by FXTRADING.com.

If you access your Accounts and the Online Platform outside of the hours when live Orders may be accepted on the relevant market, you should be aware that the Orders may not be accepted until the relevant market is open to trading, by which time the current prices might have changed significantly.

Trades cannot be executed below set minimum trade sizes expressed as a portion of a Lot or unit for example 0.01 Lot. The minimum trade size available for each FXTRADING.com Product traded on the Online Platform is displayed when the Order is placed for the FXTRADING.com Product selected on the order ticket on the Online Platform or the information is available on the FXTRADING.com website.

### 3.5 Spread

When requesting a price quote for FXTRADING.com

Products you will notice that there is a Bid Price and an Ask Price (collectively 'the quotes') being a lower and higher price at which you can place your Order. The difference between the Bid Price and Ask Price is termed the Spread.

At any time, this Bid Price (sell price) represents the best current price at which you can "sell" FXTRADING.com Products and the "offer" or Ask Price (buy price) represents the best current price at which you can "buy" FXTRADING.com Products at that time in a Transaction with FXTRADING.com, subject to price movements up to the time of actual execution.

FXTRADING.com may hedge its exposure to clients with FXTRADING.com Products at any time on or after the time it issues the FXTRADING.com Product.

The spread is displayed on the order ticket when your Order is placed on your Online Platform.

Generally, the spreads quoted for the FXTRADING.com Products on your Online Platform are competitive, but you should be aware that FXTRADING.com is responsible for setting the spread quoted for opening and closing FXTRADING.com Products and **FXTRADING.com does not act as your agent to find you the best prices.**

In order for you to break even, the price that you exit your trade would need to be at a level that covers the spread and any fees and charges.

FXTRADING.com earns income from the spread applied to the FXTRADING.com Products.

### 3.6 Valuation

FXTRADING.com will determine the value of your Trading Account(s), based on the current value of the FXTRADING.com Products in your Trading Account(s) defined as your Equity.

The current value of your FXTRADING.com Product positions is ordinarily marked to market on a continuous basis, using the Current Market Price being the price available to FXTRADING.com from its Hedge Counterparty.

Your Equity is used to assess your Free Margin against current positions and any potential new positions you may wish to take. (For a further explanation refer to this Section 3.9 under "Payments and Client Moneys" subheading "How are Margin requirements and Free Margin calculated?")

### 3.7 Online Platform

Your Trading Account is accessible via the Online Platform either on mobile or desktop.

You must carefully read and follow the operational rules for the Online Platform. The Online Platform may impose special operating rules regarding:

- paying Margin (such as when payment is posted as effective);

- how Margins are calculated
- or
- how Orders are managed.

**We strongly recommend that prior to engaging in live trading you open a "demo" account and conduct simulated trading.** This enables you to become familiar with the trading platform features and conditions.

There is also an Online Help menu or user guide available on the Online Platform which has a wealth of information relating to the operation of Online Platform or you can contact FXTRADING.com using the contact details in Section 1.6 of this PDS

### 3.8 Pricing Model

You may only trade in and out of FXTRADING.com Products by using FXTRADING.com's prices. FXTRADING.com offers prices based on a market making pricing model where the price available to FXTRADING.com is derived from its dealings with its Hedge Counterparties.

FXTRADING.com may hedge its exposure to clients

with FXTRADING.com Products at any time on or after the time it issues the FXTRADING.com Products. FXTRADING.com hedges with its Hedge Counterparty (not by placing orders directly into the market). FXTRADING.com's Hedge Counterparty takes the other side of the transaction it makes with FXTRADING.com and it in turn may choose not to place its hedge contacts directly in the market or it might hedge directly into the market.

FXTRADING.com's Bid and Ask prices to you are based on the corresponding prices offered by the Hedge Counterparty to FXTRADING.com, which generally (but is not limited to) is derived from the underlying markets. Generally, the prices of FXTRADING.com Products are set on the Online Platform to give competitive pricing, but you should be aware that FXTRADING.com is responsible for setting the prices of FXTRADING.com Products and FXTRADING.com does not act as your agent to find you the best prices.

### 3.9

#### **Equity CFD - Dividends**

If you hold a long Equity CFD, you will be credited with an amount equal to the gross unfranked dividend on the relevant number of the Equity CFD's Underlying Instruments on the Pay Date (Equity CFD do not confer rights to any dividend imputation credits).

Conversely, if you hold a short Equity CFD, your Trading Account will be debited an amount equal to the gross unfranked dividend on the Underlying Reference Instruments on the Pay Date.

### 3.10 **Equity CFD - Corporate Actions**

If there is a corporate action by the company which issues the Equity CFD's Underlying Reference Instrument to which the Equity CFD relates, FXTRADING.com may in its discretion make an adjustment to the terms of the Equity CFD in accordance with the terms of the Trading Account. For example, an adjustment will ordinarily be made for: subdivisions; consolidations; reclassifications of shares; bonus issues; other issues of shares for no consideration; rights issues; buy backs; in specie distributions; takeovers, schemes of arrangement or similar corporate actions; a corporate action event that has a dilutive or concentrative effect on the market value of the shares. You may not direct FXTRADING.com how to act on a corporate action or other shareholder benefit.

FXTRADING.com has a discretion to determine the extent of the adjustment and aims to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

FXTRADING.com may elect to close a position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment.

FXTRADING.com may also elect to close an Equity CFD if the Equity CFD's Underlying Instruments are the subject of a take-over offer, scheme of arrangement or other mechanism for change in control, prior to the closing date of the offer.

Equity CFDs do not entitle you to direct FXTRADING.com on how to exercise any voting rights in connection with the Equity CFD's Underlying Reference Instrument such as shares.

Clients should be aware that some Exchanges purge orders in securities that undergo corporate actions.

### 3.11 **Equity CFD - No shareholder benefits**

As a holder of an Equity CFD, if the Equity CFD relates to a security over listed equities, you do not have rights to vote, receive franking credits, attend meetings or receive the issuer's reports, nor can you direct FXTRADING.com to act on those rights.

Other benefits such as participation in shareholder purchase plans or discounts are unavailable.

### 3.12 **Payments and Client Moneys**

#### **ASIC Benchmark 5 – RG 227 – Client Money**

This section explains our client money policy, including how we deal with your money and when we make withdrawals from your Account. It also mentions the counterparty risk associated with the use of your money.

#### **A. Establishing FXTRADING.com Products Position**

##### **Payment of your moneys into the FXTRADING.com Trust Account**

You need to deposit Initial Margin into your Account before you start trading. You will be required to deposit an Initial Margin which is a percentage of the notional trade amount (typically between 0.01% and 5%).

FXTRADING.com will tell you what amount you need to deposit before you make the deposit.

You deposit funds by using the unique client reference number we give to you for your Trading Account.

If you do not use the client reference number when making your deposit, FXTRADING.com may ask you to confirm your instruction before we can credit your Account to enable you to enter into a Transaction.

## **ASIC Benchmark 2 – RG 227 – Opening Collateral**

FXTRADING.com only accepts deposits via electronic transfer or via credit card to meet all Margin requirements including as Initial Margin.

When establishing an account, we will accept an initial deposit via credit card in excess of \$1,000. We do this to enable more flexible and faster deposits. Therefore, FXTRADING.com will not be adopting the Opening Collateral Benchmark.

Opening Collateral in this PDS is Initial Margin.

You should exercise caution when using a credit card, as you will need to ensure that you have sufficient funds available to meet your repayment obligations.

The funds in your Account will be held in a trust account ("FXTRADING.com Trust Account") until you enter a trade, or withdraw your funds.

By using FXTRADING.com's services, you relinquish the right to any interest on funds deposited in FXTRADING.com Trust Account. Individual client accounts are not separated from each other but are pooled together. The money is held on trust for you until you withdraw the money or otherwise provide us with a legal right to that money because of Open Positions, outstanding fees owed to us or in such other circumstances as referred to in the Financial Product Service Terms, which are set out on our website.

If you are a Retail Client or a Sophisticated Investor, we cannot use your client money for our own capital purposes, or to hedge with our Hedge Counterparties. We use our own funds, and we may use Wholesale Client funds for these purposes, subject to the FXTRADING.com Product Terms. We typically hold the equity balance displayed in your Account in our FXTRADING.com Trust Account.

Client money typically includes:

- Initial Margin; plus
- Profits you have won but not withdrawn; plus
- Running profits in any Open Positions; minus
- Losses from past trades; minus
- Running losses accrued against any Open Positions; minus
- Any fees or other amounts we are entitled to.

Sometimes there is a discrepancy in the balance shown to you via the Online Platform, and the amount of client money we hold. That may be because of pricing feed error, uncleared funds, software malfunction, if we have extended credit to you, or if we otherwise take action under the Financial Product Service Terms which may include freezing your account if you, say, breach the Financial Product Service Terms.

You can ask us for records about money we have received from you, on your behalf, or for your benefit, where that money was client money. We will provide you with the records within 5 business days or such longer period as we may agree to in writing with you.

There is also counterparty risk that you may lose some or all of your money if there is a deficiency in the FXTRADING.com Trust Account.

Paying your moneys into the FXTRADING.com Trust Account is not payment to FXTRADING.com for your positions. Put another way, you do not satisfy your payment obligations to FXTRADING.com merely by having your moneys in the FXTRADING.com Trust Account.

For so long as your moneys remain in the FXTRADING.com Trust Account, they are held in trust for you and, pursuant to the Financial Product Service Terms, cannot be counted as payment for or credit for your Account (unless FXTRADING.com chooses to waive this) prior to withdrawing the funds (when permitted) from the FXTRADING.com Trust Account.

You are free to decide that it is more prudent for you to pay more than the required minimum Margin in respect of FXTRADING.com Products to reduce your risks from leveraging or to avoid any future time limits for meeting later Margin requirements that you cannot meet. Also, you need to pay FXTRADING.com before you trade (holding moneys in FXTRADING.com Trust Account is not payment to FXTRADING.com).

## **B. Margin Call payments**

### **ASIC Benchmark 7 – RG 227 – Margin Calls**

FXTRADING.com maintains and applies a written policy setting out its margining practices. This section sets out FXTRADING.com's policy on margin calls.



## Margin policy

FXTRADING.com applies the following main Margin principles:

Each Client is required to pay the Initial Margin before issuance of FXTRADING.com Products in order to minimise credit risk to FXTRADING.com.

The Initial Margin is determined by FXTRADING.com based on a number of factors, including the market price of the underlying market, the Margin required to hedge the underlying market, the margin which FXTRADING.com is required to pay its Hedge Counterparty, FXTRADING.com's risk assessment of the Client, and any unrealised loss on your Trading Account at any point in time.

Each Client is required to pay the Initial Margin even if FXTRADING.com pays less (or nothing) to its Hedge Counterparty. This is to minimise the risk of any one Client materially benefiting from other Clients.

Each Client's Account is promptly adjusted for Margin requirements according to market movement so that no Client is intentionally materially benefited from other Clients' trading. This could occur if, for example, the Client's Margin requirements are not adjusted in line with market changes or the credit risk on the Client.

Each Client is required to pay Margin calls promptly and that is managed within the requirements of the Margin policy, so that no Client receives any material benefit or waiver which imprudently jeopardises FXTRADING.com and therefore increases the risks of other Clients to FXTRADING.com.

Here are the key features of Margining which are explained further in this Section:

You will be subject to margin obligations. You will only be allowed to deal in and maintain positions on the basis of cleared funds being provided to meet your margin obligations.

Initial Margin means the initial deposit (an upfront payment) of funds required by us to cover the risk to FXTRADING.com, and as security for your obligations. You must be in a position to fund such requirements at all times or your positions may be closed by FXTRADING.com when your Margin Level falls below the Margin Closeout Level being 50%. E.g. If the initial margin is 100 dollars, when the equity value is \$50, the trades will attempt to be automatically closed.

Sometimes there is a discrepancy in the balance shown to you via the Online Platform, and the amount of client money we hold. That may be because of pricing feed error, uncleared funds, software malfunction, if we have extended credit to you, or if we otherwise take action under the Financial Product Service Terms which may include freezing your account if you, say, breach the Financial Product Service Terms.

You can ask us for records about money we have received from you, on your behalf, or for your benefit, where that money was client money. We will provide you with the records within 5 business days or such longer period as we may agree to in writing with you.

There is also counterparty risk that you may lose some or all of your money if there is a deficiency in the FXTRADING.com Trust Account.

Paying your moneys into the FXTRADING.com Trust Account is not payment to FXTRADING.com for your positions. Put another way, you do not satisfy your payment obligations to FXTRADING.com merely by having your moneys in the FXTRADING.com Trust Account.

For so long as your moneys remain in the FXTRADING.com Trust Account, they are held in trust for you and, pursuant to the Financial Product Service Terms, cannot be counted as payment for or credit for your Account (unless FXTRADING.com chooses to waive this) prior to withdrawing the funds (when permitted) from the FXTRADING.com Trust Account.

You are free to decide that it is more prudent for you to pay more than the required minimum Margin in respect of FXTRADING.com Products to reduce your risks from leveraging or to avoid any future time limits for meeting later Margin requirements that you cannot meet. Also, you need to pay FXTRADING.com before you trade (holding moneys in FXTRADING.com Trust Account is not payment to FXTRADING.com).

### Margin Call obligation

Additional margin may be payable in the event of adverse market movements to keep the position open. That is, you are also obliged to meet Margin calls by paying the required amount by the time stipulated in the Margin call.

if no time is stipulated, payment is required within 24 hours of the Margin call being made. Sometimes, however (such as in unusually volatile market conditions or rapidly falling market prices), little or no time may be stipulated for paying a Margin call



(that is, immediate payment is required) or more than one Margin call may be made on the one day including at weekends or outside of local business hours.

if you do not read the emailed Margin call which was sent to the email address or through any other communication channel you gave us, you remain liable to meet the Margin call. That is why you need to be aware of your positions or remain contactable 24 hours a day, 7 days a week.

FXTRADING.com monitors positions on a mark to market basis to account for market movements. If the value of a position moves against you, you will be required to “top up” the Initial Margin and, if so, you will be subject to a margin call i.e. to pay additional margin.

Margin calls can be made by email, SMS or electronically via the Online Platform. You are responsible for making sure margin calls are met.

The obligation to meet margin calls is in addition to your obligation to maintain positive Free Margin for your Trading Account.

Margin calls will be made on a ‘per transaction’ basis i.e. should you have several open positions, then margin calls are performed on each exposed position and not netted across the group of open transactions. In other words, the unrealised profits of one transaction cannot be used to offset the unrealised losses of another transaction.

### **Maintaining minimum Margin obligation**

In addition to your Margin call obligations, it is your obligation to monitor the minimum amount of Margin required for your Account.

It is always your obligation to maintain the minimum required Margin for so long as you have an Open Position in a FXTRADING.com Product. You must ensure that the Free Margin amount is positive at all times.

FXTRADING.com is not obliged to notify (outside of the Online Platform) you about the amount of your Free Margin, though we may do so by email, telephone call or otherwise, as a courtesy.

There is a risk that FXTRADING.com Products will be Closed Out if your Account does not have sufficient

Margin in it, regardless of whether you have checked your Account’s requirement for minimum Margin or whether you have tried to make a payment but it has not been credited to your Account.

### **Paying Margin**

As explained earlier in this PDS, you must pay the Initial Margin before the FXTRADING.com Product is issued to you. You must then maintain the minimum amount of Margin required by us. Separately, you must pay any further Margin when we require.

To pay Margin you must first deposit the funds into the FXTRADING.com Trust Account.

### **Leverage Rates**

The Leverage Rates are restricted to a maximum ratio depending on the FXTRADING.com Products offered consistent with ASIC Product Intervention Order – Contracts For Difference. From 29 March 2021, ASIC’s product intervention order restricts CFD leverage offered to retail clients to a maximum ratio of:

30:1 for CFDs referencing an exchange rate for a Major Spot foreign exchange currency pair

20:1 for CFDs referencing an exchange rate for a Minor Spot foreign exchange currency pair, gold or a Major Indices

10:1 for CFDs referencing a commodity (other than gold) or a Minor Indices

2:1 for CFDs referencing Cryptocurrencies

5:1 for CFDs referencing Equity CFD’s or other assets

The full list of Leverage Rates for the Online Platform applicable to the various FXTRADING.com Products is available on the Online Platform or by contacting FXTRADING.com.

### **How are Margin requirements and Free Margin calculated?**

As detailed above, FXTRADING.com sets the Leverage Rates used to calculate the amount of the Initial Margin requirements and, at any later time, may require more Margin to maintain the required amount of Free Margin.

The Initial Margin requirements will be set by FXTRADING.com and calculated by applying the Leverage Rates expressed as a percentage of the Contract Value of the relevant FXTRADING.com Product at the time the FXTRADING.com Product is established or a fixed dollar amount.

The Margin requirements if expressed as a percentage may be adjusted based on the Contract Value of the relevant FXTRADING.com Product at the Current Market Price.

Ordinarily the Initial Margin requirements are calculated to cover the maximum expected movement in the market at any time, but the Margin requirement will change when the market changes and so might not be sufficient in all circumstances. Owing to the volatility of the market, the amount of minimum Free Margin required to maintain your Open Positions may change after a position has been opened. You need to ensure the Free Margin is positive at all times.

Therefore, you should be aware that you can reach the stage of not having enough Equity (because the FXTRADING.com Products are marked to market) to the extent that your Account's Free Margin is or becomes negative. In this case you have not satisfied your obligation to maintain the minimum Margin requirements. The change in valuation of your FXTRADING.com Products by marking to market is automatic so your Free Margin can become negative quickly, reflecting the rapid changes in the market values.

In order to return your Free Margin to positive, i.e., to satisfy the minimum Margin requirements, you may:

- Close Out existing positions to reduce your Margin requirements; or
- pay additional funds as Margin for your Account; or
- a combination of the above.

If these actions taken are not sufficient to return your Free Margin to positive, then you risk all or some of your positions being automatically Closed Out.

Under the Financial Product Service Terms, your obligation to pay Margin arises from the time you have an Open Position. If the market moves so the Free Margin is negative, or FXTRADING.com increases the Initial Margin requirement, you immediately owe the required Margin, regardless of if or when we contact you to pay more Margin.

Your obligation to maintain the minimum required Margin i.e. ensuring the Free Margin amount is positive remains at all times, whether or not we contact you and whether or not you log into your Account.

You will be required to provide the required Margin whether or not you receive a Margin call. In other words, you are responsible for monitoring your positions and providing the required level of Margin. As set out above, you might receive notice about Margin requirements by email, SMS or electronically via the Online Platform, but you need to provide the Margin whether or not you receive notice.

The value of your FXTRADING.com Product positions is ordinarily marked to market on a continuous basis, which automatically leads to corresponding changes in Free Margin requirements for your Account. (Note, of course, that if the underlying market is not trading then the value might not change until the market re-opens and there might be a gap in prices/values at the time of re-opening.)

#### **Example - calculating Free Margin:**

You deposit \$8,000 and you pay FXTRADING.com in order for your Trading Account to be credited with \$8,000. You enter into FXTRADING.com Products and FXTRADING.com requires you to deposit Initial Margin of \$7,000. A short time later, there are fluctuations in the market and your unrealised loss on your Account is \$2,000. As a result, your Free Margin is negative \$1,000. In this case, you will need to make a Margin payment to FXTRADING.com for \$1,000 (or adjust your open positions).

#### **Negative Account Balance Policy**

Where you or FXTRADING.com have closed out a position(s) and the net balance of your Accounts with FXTRADING.com has fallen below zero, you will have a negative balance. FXTRADING.com will relieve you of your obligations by returning your negative balance back to 0.

#### **Your Margin defaults – Forced Liquidation**

If you do not ensure that you maintain the required level of Margin or meet your obligation to pay Margin calls (even those requiring immediate payment), all of your positions may be Closed Out and the resulting realised loss deducted from any proceeds. Any losses resulting from Closing Out your Open Positions will be debited to your Trading Account(s) and you may be required to provide additional funds to FXTRADING.com to cover any shortfall. If you are trading through the Online

Platform, you must read the rules of the platform particularly carefully. If you do not comply with your obligations, all of your Open Positions can be Closed Out automatically.

It is your responsibility to pay your Margin and meet Margin call payments on time and in cleared funds, so please keep in mind the possibility of delays in the banking and payments systems. If your payment is not credited by FXTRADING.com by the time you are required to have the necessary Margin or meet the Margin call, you could lose some or all of your positions. FXTRADING.com may but need not give you any grace period. You should maintain a prudent level of Margin and make payments in sufficient time to be credited to your Account.

### C. Free Margin

If you (as our Client) have excess Margin, i.e., the Free Margin amount is positive, you can request payment of an amount not exceeding the balance on your Trading Account.

## 3.13 FXTRADING.com Product Order Types

FXTRADING.com offers features on the Online Platform that help you control trading losses. You can find out information about these features on the Online Platform when you log in. This information is also available in the "Help" section of the Online Platform.

The following are examples of Order types that may be available to you. If you have any questions, please contact FXTRADING.com.

### Important notice about this Section

When you submit a request to place one of the types of orders described in this Section, FXTRADING.com has discretion as to whether or not to accept and execute any such Order. We will, at our discretion, accept or reject placement of any Orders.

### Limit Order

Limit Orders are commonly used to enter and exit a market at predefined levels.

The limit levels for each FXTRADING.com Product are displayed on the Online Platform.

- **Buy Limit Orders:** Buy Limit Orders are placed below the current price and are executed when the "ask" price hits or breaches the price level specified. This is used when the price is falling and you believe it will reach a price and increase.

- **Sell Limit Orders:** Sell Limit Orders are placed above the current price and are executed when the Bid price breaches the price level specified. This is used when you believe the price, after increasing, will reach a level and then reverse and drop.

When a Limit Order is triggered, it is filled as soon as possible at the price obtainable on the market. Note that the price at which your Order is filled may differ from the price you set for the Order if the opening price of the market is better than your limit price. In the case of FXTRADING.com Products, the Order will be filled if possible, and any remaining volume will remain in the market as a Limit Order.

### Market Order

A market order is an Order to buy or sell at the current price as soon as possible i.e., if the market is closed, the Order may not be entered into the market until the market opens.

### Stop-Loss Order

FXTRADING.com may, in its discretion, accept an Order from you to enter or exit FXTRADING.com Products if the price moves to or beyond a level specified by you. This is known as a "Stop-Loss Order".

You would generally choose to place a Stop-Loss Order to provide some risk protection or to enter a moving market. Stop-Loss Orders are commonly used to exit positions and to protect investments in the event that the market moves against an Open Position. That is, a Stop-Loss Order is designed to limit your loss on a position.

For example, if your Open Position moves towards making a loss based on a level chosen by you, the Stop-Loss Order would be triggered in order to try to close your Open Position or to open a position, depending on the Transaction you have.

- **Sell Stop-Loss Order:** Sell Stop-Loss Orders are placed below the current market level and your Stop-Loss Order would be executed i.e., triggered if the market trades against you to a point that is beyond the Stop-Loss level specified by you (and accepted by us).

- **Buy Stop-loss Order:** Conversely, Buy Stop-Loss Orders to buy are placed above the current market level and your Stop-Loss Order would be executed i.e., triggered, if the market trades against you to a point that is beyond the Stop-Loss level specified by you (and accepted by us).

Note that Stop-Loss Orders may not be executed at all, and the execution of the Stop-Loss Order is subject to market volatility and slippage.

All Stop-Loss Orders are subject to agreement by us, so you cannot be assured that you will always be able to have a Stop-Loss Order. While FXTRADING.com has absolute discretion whether to accept a Stop-Loss Order, it will generally try to do so, subject to market conditions and the reasonableness of your Stop-Loss Order. Your Stop-Loss Order may be unreasonable if, for example, the level you have specified is beyond the level allowed for Orders for the underlying currency and metals market.

Even if we accept your Stop-Loss Order, market conditions may move against you in a way that prevents execution of your Stop-Loss Order. For example, in volatile markets, our quoted prices might gap though your Stop-Loss Order level, so that the closing level of quotes may be beyond the exact level specified by you. A gap in market prices reflects the market for the currencies and metals market, so can occur for any reason, without any apparent reason or at any time. Additionally, it may be that not all of the Stop-Loss Order can be fulfilled because the underlying market does not have enough buyers and sellers in the volume of the underlying currencies or metals market to allow FXTRADING.com to hedge its transactions which it makes in order to completely fulfil your Stop-Loss Order. If the opening price of the underlying currencies and metals market is beyond the level of your Stop-Loss Order, your Order will be filled at the opening level, not at your Stop-Loss Order level.

### Trailing Stop Order

A Sell Trailing Stop Order sets the stop price below the market price with an attached trailing amount. As the market price rises, the stop price rises by the trail amount, but if the price falls, the stop-loss price does not change, and a market order is submitted when the stop price is hit. This technique is designed to allow an investor to specify a limit on the maximum possible loss, without setting a limit on the maximum possible gain.

Buy Trailing Stop Orders are the mirror image of Sell Trailing Stop Orders, and are most appropriate for use in falling markets.

When setting the trailing stop price you should be careful not to set it too close to the current market price being the price available to FXTRADING.com from its Hedge Counterparty, especially in a volatile market. This is because the stop price might be hit before the price starts to go up/down as you expect.

On the other hand, you should carefully consider how much you can afford to lose, if your prediction does not hold.

In any case, the Stop-Loss Order of any kind is not a guarantee that it will actually be made. This is the case with any Order you place (and which is accepted by FXTRADING.com) as long as it is made in accordance with the Financial Product Service Terms.

It is important to note that any Trailing Stop Loss is not actioned on the back end i.e. on the MT4 servers. This means that your Online Platform will need to be open and connected constantly to the internet for them to be triggered. FXTRADING.com accepts no responsibility for any Trailing Stop not being triggered.

### 3.14 Risk Limits

FXTRADING.com has the discretion to automatically close positions at the Current Market Price being the value available to FXTRADING.com from its Hedge Counterparty. This is also sometimes referred to as the stop out level. The stop out level depends on the Online Platform. This is an internal process only and not a contractual term or assurance to you that any internal risk limit will avoid or minimise your losses on your Account. You should not rely on this as a loss limiting tool for your Account.

FXTRADING.com may, in its discretion, choose to impose a lower stop out level from time to time and later to vary that stop out level. This is an internal risk management decision of FXTRADING.com.

You should always set your own risk limits and monitor your positions.

The automatic closing of positions will occur if the Margin Level is less than 50%.

### 3.15 Rolling over or swapping

Spot FX OTC Contracts, Spot Metals OTC Products, Indices OTC Products and Cryptocurrency OTC Products that are "rolled over" or "swapped" (depending on which term applies to your particular Transaction – see the Online Platform which you have chosen). If your position is rolled (or "swapped") to the next Value Date, you will receive a benefit or bear a cost on your original traded amount.



As a general rule, the following applies: if you buy a currency with a higher interest rate than the currency you sell then you will receive a benefit at rollover. If you sell a currency with a higher interest rate than the currency you buy, then you will incur a cost at rollover.

If you have bought an AUD/USD position (i.e. you have bought the Australian Dollar against the US Dollar), and interest rates are higher in Australia than in the USA, your Transaction will receive a benefit (i.e., the interest differential between the two currencies) if you do not Close Out the position before the settlement time. That is, your Transaction will receive the interest rate differential whilst the position remains open for holding the higher yielding currency.

However, if you have bought AUD/USD position and the interest rate in the USA is higher than the Australian interest rate, your Transaction will bear a cost (i.e., the interest differential between the two currencies) if you do not Close Out the position before the settlement time. That is, your Transaction will be charged the interest rate differential whilst the position remains open for holding the lower yielding currency.

The benefit or cost can either be directly debited or credited to your Trading Account balance as a Finance Charge Adjustment / Finance Credit Adjustment or reflected in the price at which the open position is rolled forward i.e. it is included in the price (or rate at which the contract is rolled).

FXTRADING.com Products in respect of open Spot FX OTC Contracts, Spot Metals OTC Products, Indices OTC Contracts and Cryptocurrency OTC Contracts held Overnight will incur a Finance Charge Adjustment or Finance Credit Adjustment.

#### 4. Significant Benefits and Risks

##### 1. Significant Benefits

The significant benefits of using FXTRADING.com' services are:

Significant Benefits	Explanation
<b>Hedging:</b>	<p>FXTRADING.com Products can be used as important risk management tools.</p> <p>For example, Spot FX OTC Contracts can be used to hedge your exposure to the underlying instruments. Any profit (or loss) you make using FXTRADING.com's trading facilities could be offset against the higher (or lower) price you physically have to pay for the currency, metal, index, commodity or other instrument at a future date.</p>
<b>Speculation:</b>	<p>You can benefit by using the quoted underlying instrument prices offered by FXTRADING.com to speculate on changing price movements. Speculators seek to make a profit by attempting to predict market moves and buying a product that derives its value from the movement of an underlying instrument.</p>
<b>Access to markets at any time:</b>	<p>When using FXTRADING.com' Online Platform, you gain access to systems which are constantly updated in real time. You can control your account and positions 24 hours a day.</p>
<b>Real time streaming quotes:</b>	<p>FXTRADING.com' Online Platform provides real time quotes. You may check your Trading Accounts and positions in real time and trade based on real time information.</p>
<b>Control over your account and positions:</b>	<p>FXTRADING.com allows you to place stop a Stop Loss Order on your deals. This means that if the market moves against you, we will close out your position in accordance with your Stop Loss order. However, please refer to section 4.2 below, which highlights the risk to you that in a volatile market we may not be able to close out your open position until after the Stop Loss Order is</p>



	exceeded. If this occurs, you may lose more than you deposited.
<b>Deal size:</b>	A benefit of entering into FXTRADING.com Products is that the transaction is not forced to have the same standardised contract specifications as the exchange traded contracts. For example, FXTRADING.com allows you to enter into transactions in smaller amounts for example 0.01 of a Lot, whereas exchange-traded contracts are a standard size.
<b>Leverage</b>	FXTRADING.com Products involve a degree of leverage. You can outlay a relatively small Initial Margin which secures a significantly larger exposure to the underlying instrument. The use of products like this magnifies the size of your trade so your potential gain is magnified.

#### 4.2 Key Risks

There are a number of risks in trading the FXTRADING.com Products. These risks may lead to unfavourable financial outcomes for you. Monitoring of any risks associated with our trading facilities is your responsibility. You should not use our services unless you fully understand the products, and the benefits and risks associated with them.

Some of the significant risks associated with trading FXTRADING.com Products are:

Significant Risks	Explanation
<b>Unforeseen circumstances</b>	In unforeseen and extreme situations, FXTRADING.com reserves the right to suspend the operation of its website and Online Platform or any part or sections of it, without prior notice to you. In such an event, FXTRADING.com may at its sole discretion (with or without notice to you), close out your open positions at prices it considers fair and reasonable at such time. the underlying instrument can lead to losses.
<b>Market volatility</b>	FXTRADING.com Products are subject to many influences which may result in rapid fluctuations. Given the potential levels of volatility in the markets, it is recommended that you closely monitor your Open Positions at all times.

Significant Risks	Explanation
	Because of this market volatility, none of the FXTRADING.com Products can be considered a safe trade. However, FXTRADING.com offers you a way of managing volatility by working orders. You can reduce the downside risk by the use of Stop Loss orders where FXTRADING.com will attempt to close your position if the price reaches a particular level.
<b>Trades can be automatically closed:</b>	If prices move against your position, you will be required to top up your account with sufficient funds to maintain your position. If you fail to maintain the required account balance, your position will be closed out by FXTRADING.com with resultant loss (including that you may remain liable for any shortfall). You could sustain a total loss of the net amount that you deposit with FXTRADING.com to establish or maintain a position (including "top up" amounts).
<b>Liquidity risk:</b>	In some conditions it may be difficult or impossible for you to close out a position. This can happen, for example, when there is a significant change in the price, value or rate of an underlying instrument over a short period of time. This may give rise to substantial losses.
<b>Opportunity cost:</b>	Once you have locked in your price you will not be able to take advantage of subsequent favourable rate/price movements (should that occur) in relation to your existing position. On the other hand, you will be protected from any future adverse movements.
<b>Loss from Leverage:</b>	'FXTRADING.com Products involve a degree of leverage. You can outlay a relatively small Initial Margin which secures a significantly larger exposure to the underlying instrument. The use of products like this magnifies the size of your trade so your potential loss is magnified'

Significant Risks	Explanation	Significant Risks	Explanation
<p><b>Foreign exchange risk:</b></p>	<p>You may be exposed to foreign exchange risk if the FXTRADING.com Product that you are trading is not denominated in your Account Currency (i.e. AUD). You are exposed to currency risk as the unrealised profit or loss from your transaction will be affected by fluctuations of foreign exchange rates. You can minimise this risk by selecting FXTRADING.com Products with foreign exchange exposure that you are prepared to incur and to monitor.</p>		<p>0Since FXTRADING.com is liable to you as principal on the FXTRADING.com Product, FXTRADING.com could be exposed to the insolvency of its Hedge Counterparty or other defaults which affect the Hedge Counterparty.</p> <p>The FXTRADING.com Products are not protected by a licensed exchange, also known as a central counterparty. Instead, the FXTRADING.com Products are OTC derivatives. This means you contract directly with FXTRADING.com, and you are subject to our credit risk. If FXTRADING.com becomes insolvent, we may be unable to meet our obligations to you, in which case you will become an unsecured creditor.</p> <p><b>ASIC Benchmark 4 – RG 22 – Counterparty Risk Financial Resources.</b></p> <p>FXTRADING.com has a written policy detailing how we monitor our compliance with our licence conditions in relation to financial requirements.</p> <p>The credit risk you have on FXTRADING.com depends on its solvency generally, as well as on the amount (and kind) of its capitalisation, its cash flow, all of its business risks, its Client and stock concentration risks, its counterparty risks for all of its business and transactions (not just the FXTRADING.com Products), its risk management systems and actual implementation of that risk management, the limited recourse you have.</p> <p>Your credit risk on FXTRADING.com will fluctuate throughout the day and from day to day, including due to its risk on the Hedge Counterparty, whose credit risk to FXTRADING.com (and so indirectly to you) cannot be assessed or verified on a continuous basis or perhaps reliably at all.</p> <p>You should take into account all of</p>
<p><b>Counterparty risk on FXTRADING.com:</b></p>	<p>Counterparty (or credit) risk, is the risk that derives from a counterparty's inability to perform all or any of the obligations under a contractual agreement.</p> <p><b>ASIC Benchmark 3 – RG 227 – Counterparty Risk (Hedging)</b></p> <p>FXTRADING.com has adopted a policy in order to manage counterparty risk. FXTRADING.com manages counterparty risk as set out below.</p> <p>FXTRADING.com has adopted a policy to manage its counterparty risk that derives from client trades. FXTRADING.com limits this exposure by in some situations hedging its exposure to its clients by entering into opposite transactions as principal in the wholesale market. FXTRADING.com is then exposed to counterparty risk with that hedging party.</p> <p>In other situations, FXTRADING.com does not hedge the client Trade.</p> <p>FXTRADING.com does not have control of the Hedge Counterparty's trading and FXTRADING.com is not responsible for the solvency or trading of Hedge Counterparty nor is FXTRADING.com obliged to guarantee the solvency of Hedge Counterparty, therefore FXTRADING.com remains exposed to its Hedge Counterparty, in respect of its hedge contracts with</p>		

Significant Risks	Explanation	Significant Risks	Explanation
	<p>those factors and not rely only on past financial statements since that could be materially incomplete information for your purposes, not current and therefore potentially misleading as a guide to the current solvency and creditworthiness of FXTRADING.com.</p> <p>You can assess FXTRADING.com financial ability to meet these counterparty obligations to you by reviewing financial information about FXTRADING.com. You can obtain a free summary of our annual financial statements by contacting us using the details in section 1.7 of this PDS.</p> <p>An account with FXTRADING.com is not insured or guaranteed by the Australian government or any other entity. Consequently, should we become insolvent, there is no guarantee that your Account will maintain its value.</p>		<p>choose to terminate recovery efforts early, thereby reducing the proceeds available to FXTRADING.com to allocate in its discretion to your FXTRADING.com Product. It is important to understand that you have no rights or beneficial interest in any product which FXTRADING.com has with its Hedge Counterparty and you cannot force FXTRADING.com to make any decision about seeking recovery against FXTRADING.com' Hedge Counterparty. FXTRADING.com does not have the power to control its Hedge Counterparty and has no guarantee of financial support from it. You are dependent on FXTRADING.com taking any action to seek recovery. FXTRADING.com has complete discretion as to how it pursues that action, although FXTRADING.com would act honestly, fairly and efficiently in determining if and how to pursue that recovery action.</p>
<p><b>Limited Recourse:</b></p>	<p>FXTRADING.com limits its liability to you (as a Client) under the terms of the FXTRADING.com Products by the extent to which FXTRADING.com actually recovers against its Hedge Counterparty, and allocates the proceeds to your FXTRADING.com Products. Put another way, if, after paying to you out of trust accounts amounts to which you are entitled or additional amounts which FXTRADING.com chooses to pay to you, there remains any shortfall owing to you, then FXTRADING.com' liability for that shortfall may be satisfied only by the extent to which FXTRADING.com is able to recover the shortfall from its Hedge Counterparty.</p> <p>This key risk is linked to "counterparty risk".</p> <p>It is therefore possible that FXTRADING.com might not fully recover from the Hedge Counterparty due to reasons not arising from your own FXTRADING.com Products, or it may incur costs in seeking the recovery or</p>	<p><b>Volume limits</b></p>	<p>At its sole discretion, FXTRADING.com may impose volume limits on Client accounts or filters on trading, which could prevent or delay execution of your Orders. You have no recourse against FXTRADING.com in relation to the availability or otherwise of the online Trading Platform, nor for their errors and software.</p>
		<p><b>Not a regulated exchange:</b></p>	<p>The FXTRADING.com Products are over the counter products and are not traded on a regulated exchange. This means they are not covered by the protections for exchange-traded products arising from domestic or international exchange rules (such as guarantee or compensation funds). Over-the-counter financial products, such as FXTRADING.com Products, by their nature do not have an established liquid market with numerous participants. If you want to exit your FXTRADING.com Products, you rely on FXTRADING.com' ability to Close Out at the time you wish, which might not match the underlying market's liquidity or price.</p>

Significant Risks	Explanation
<b>Systems Risks:</b>	<p>FXTRADING.com relies on technology to provide our trading platform to you.</p> <p>A disruption to the Trading Platform may mean you are unable to trade in any of the FXTRADING.com Products when you want to, and you may suffer a loss as a result. An example of disruption includes the “crash” of the computer systems using to operate the Trading Platform.</p>
<b>Fees and charges:</b>	<p>It is possible that you enter into a trade with us and the underlying instrument moves in your intended direction, but you still end up with less than you started after closing your position. This can happen because of the combined effect of the spread between bid and offer prices, and the negative rollover interest which could apply on consecutive days that a position is held open.</p>
<b>Suspension or trading halt of the underlying instrument:</b>	<p><b>ASIC Benchmark 6 – suspended or halted underlying assets</b></p> <p>In the event of an underlying instrument being suspended, no new positions can be opened where there is trading halt over the underlying instrument or trading in the underlying instrument has been suspended on the relevant exchange upon which the underlying instrument is listed.</p>
<b>Cryptocurrencies trading risk:</b>	<p>Trading OTC Cryptocurrency Contracts carries a high level of risk and may not be suitable for all traders.</p> <p>Before deciding to trade OTC Cryptocurrency Contracts you should carefully consider your trading objectives, level of experience and risk appetite. The possibility exists that you could sustain a loss of some or all of your Initial Margin and therefore you should not trade with money that you cannot afford to lose.</p> <p>You should be aware and carefully consider whether such trading is</p>

Significant Risks	Explanation
	<p>appropriate for you and seek advice from an independent financial advisor if you have any doubts.</p>
<b>Information on the website and Trading Platform:</b>	<p>Financial data, prices and other information is available to you on the Website and on the Online Platform (Content). The Content is provided as general market commentary and does not constitute Personal Advice. The Content is subject to change at any time without Notice.</p> <p>FXTRADING.com is not liable or any loss or damage or loss of profit that may arise directly or indirectly from your use or reliance on the Content.</p>
<b>Orders and gapping:</b>	<p>In a volatile market, there may be a substantial time lag between order placement and execution. This can mean that the bid or offer price may be significantly lower or higher than the price at which the sell (or buy) order (including a Stop Loss Order) was placed. This is known as “gapping”. We do not guarantee that the Stop Loss Order will be successful in limiting your downside risk, which may be greater than you initially anticipated. For a full explanation please refer to section 3.12 of this PDS.</p> <p>There may also be a time lag between when you seek to open or close a position and when that position is actually opened or closed (“execution risk”). This could result in the position being opened or closed at a worse price than when you sought to open or close the position, especially where the market for the underlying instrument is volatile or illiquid.</p>
<b>FXTRADING.com’s rights under the Financial Product Service Terms:</b>	<p>The Financial Product Service Terms entitles FXTRADING.com to, amongst other things, close, void, adjust and reverse trades in certain circumstances. Some of the circumstances in which this may occur includes (but is not limited to) where:</p>

Significant Risks	Explanation
	<ul style="list-style-type: none"> <li>• access to the online Trading Platform is suspended, withdrawn or denied</li> <li>• you fail to maintain sufficient level of Margin Cover</li> <li>• the Stop Loss Order is reached</li> <li>• a Division Event occurs (as defined in the Financial Product Service Terms)</li> <li>• a Material Error occurs (as defined in the Financial Product Service Terms)</li> <li>• a Force Majeure Event occurs (as defined in the Financial Product Service Terms)</li> <li>• a Default Event occurs (as defined in the Financial Product Service Terms);</li> <li>• a material breach of the Financial Product Service Terms occurs.</li> </ul> <p>You should read the Financial Product Service Terms carefully.</p>
<p><b>FXTRADING.com’ discretions:</b></p>	<p>FXTRADING.com has discretions under the Financial Product Service Terms which can affect your Orders and positions. You do not have any power to direct how we exercise our discretions.</p> <p>When exercising our discretions, we will comply with our legal obligations as the holder of an Australian Financial Services Licence. We will have regard to our policies and to managing all risks (including financial, credit and legal risks) for ourselves and all of our Clients, our obligations to our counterparties, market conditions and our reputation. We will try to act reasonably in exercising our discretions but we are not obliged to act in your best interests or to avoid or minimise a loss in your Account. Our significant discretions are:</p> <ul style="list-style-type: none"> <li>whether to accept your Order (including to Close Out a position) or to amend it;</li> <li>any risk limits or other limits we impose on your Account or your trading;</li> </ul>

Significant Risks	Explanation
	<p>determining Margin requirements and Leverage Rates, especially the amount of Initial Margin, minimum Margin requirements, the time to meet any changed Margin requirement;</p> <p>determining the values of FXTRADING.com Product for opening and closing positions and for determining Margin;</p> <p>setting Bid Prices (sell prices) and Ask Prices (buy Prices) derived from the underlying market; and</p> <p>closing your positions and determining prices derived from the underlying market.</p> <p>You should consider the significant risks that arise from FXTRADING.com exercising its discretions.</p> <p>Our other discretions include:</p> <ul style="list-style-type: none"> <li>setting our fees and interest rates (Swap Rate);</li> <li>setting foreign exchange conversion rates;</li> <li>opening and closing your Account;</li> <li>giving you a grace period for full compliance in paying by cleared funds any amount you owe; and</li> <li>interpretation, variation and application of our policies.</li> </ul>
<p><b>Using third party plugins:</b></p>	<p>Third party plugins can be risky. They are often called “expert advisers” or “mirror trading plugins” They may enable your account to mirror trades made by third party asset managers or signal providers. They may claim to exploit price latency across platforms or markets. They may promise exceptional returns. Our platform lets you plug in third party applications to help you trade. Some charge you fees, and others do not. Some are approved by us, and others are not.</p> <p>Regardless of our approval, we are not responsible for, and will not indemnify you from, reliance on any statements made by their makers or promoters, or any loss incurred in</p>



Significant Risks	Explanation
	<p>connection with third party plugins that you use. You can lose control of your deals and suffer financial loss. The software may stop working and you are stuck with open positions and you suffer financial loss.</p> <p>You can lose more money than your Initial Margin. They may result in you being margin called and your positions may be liquidated.</p> <p>Some are offered by fraudulent or illegal/underground entities in remote parts of the world.</p> <p>If promoters of these plugins make promises that are too good to be true, then you should avoid them.</p> <p>You should never provide your account user name or password to a third party – to do so would be a breach of your contract with us. You are wholly responsible for managing the risks (including the risk of loss) associated with using third party plugins.</p>
<b>Online Platform:</b>	<p>You are responsible for providing and maintaining the means by which you access the Online Platform, our website or your other contact with FXTRADING.com. These may include, without limitation, a personal computer, modem and telephone or other access system available to you. While the internet is generally reliable, technical problems or other conditions may delay or prevent you from accessing our website and Online Platform. If you are unable to access the internet and thus the Online Platform, it may mean that you are unable to trade in any FXTRADING.com Products when desired and you might suffer a loss as a result.</p>
<b>Conflicts:</b>	<p>Trading with FXTRADING.com for its FXTRADING.com Products carries an automatic risk of actual conflicts of interests because FXTRADING.com is acting as principal in its FXTRADING.com Products with you and FXTRADING.com sets the price of the FXTRADING.com Products. The policy used by FXTRADING.com is that as principal it issues the FXTRADING.com Products to you based on</p>

Significant Risks	Explanation
	<p>the price it gives you, not by acting as broker to you. FXTRADING.com obtains its price by dealing with its Hedge Counterparty.</p> <p>You can reduce the risks to you of unfavourable pricing or opaque pricing (meaning it is unclear how it relates to the underlying market) by monitoring the underlying market and FXTRADING.com' pricing compared with other similar OTC contracts which have comparable terms.</p>
<b>Valuations:</b>	<p>The FXTRADING.com Products are valued by FXTRADING.com.</p> <p>While there are no specific limits on FXTRADING.com' discretions, FXTRADING.com must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly. You therefore have the risk of relying on whatever value is determined by FXTRADING.com in the circumstances permitted by the Financial Product Service Terms.</p>
<b>Operational risk:</b>	<p>There is always operational risk in FXTRADING.com Products. For example, disruptions in operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a transaction.</p> <p>We are not liable to you if losses arise owing to delays, errors or failures in operational processes outside our control, in particular, due to faults in the online trading platform or in the provision of data by third parties.</p>

## 5. Costs, Fees and Charges

### 1. The costs in using our products

Please refer to our current FSG for a description of how FXTRADING.com, its employees and related parties are paid, and for information about the

spread, conversion costs, administrative charges, Finance Charge Adjustments and Finance Credit Adjustments that may be payable in relation to the FXTRADING.com Products. The current FSG is available on the FXTRADING.com website. You can also request a hard copy of the current FSG by contacting us using the details set out in section 1.6 of this PDS.

In addition, FXTRADING.com is authorised to “make a market” for foreign exchange and derivative contracts. This means that FXTRADING.com sets its own prices for the FXTRADING.com Products. The prices we set may diverge significantly from the market price of the underlying instrument.

If the market moves against you and you lose on a trade, we may directly benefit from that trade.

## 6. General Information

### 6.1 Account Currency

Your Account Currency is chosen as part of the Account opening process. The Account Currencies which are available can be chosen when the Trading Accounts are established through the personal “Traders Room” or are displayed on the website.

If you instruct FXTRADING.com to effect a Transaction denominated in a currency different from the denomination of your Account Currency, FXTRADING.com will convert the currency value of your Transaction into the Account Currency.

The foreign currency conversions can expose you to foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs.

Foreign exchange markets can change rapidly. Exchange rates depend on a number of factors including for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended. These will impact on the rates of conversion set by FXTRADING.com.

You can use your own bank to convert your existing funds, if you wish. Your bank may charge for this service.

If the Account Currency differs to your deposited currency, FXTRADING.com will convert the current when you open a position and again when you close it. When it does this, it issues a foreign exchange contract to you.

### 6.2 Policies

FXTRADING.com has a number of policies that can affect your FXTRADING.com Product Investments.

The policies are guidelines that FXTRADING.com (including all of its staff) is expected to follow but policies are not part of the Financial Product Service Terms and do not give you additional legal rights or powers.

We may change our policies at any time without notice to you. We may amend, withdraw, replace or add to our policies at any time without notice to you. Our policies may help you understand how we operate but all of the important information is set out in or referred to in this PDS so you should only rely on this PDS and not on the policies.

### 6.3 Taxation Implications

FXTRADING.com Products can create taxation implications for Clients. Generally, if you make a gain attributable to an exchange rate or price fluctuation, then that part of the gain is included in your assessable income. Conversely, if you make a loss attributable to an exchange rate or price fluctuation then part of the loss is deducted from your assessable income.

However, taxation laws are very complex and vary depending on your personal circumstances and the purpose of your trading. Accordingly, should discuss any taxation questions you may have with your tax advisor before trading in FXTRADING.com Products. FXTRADING.com does not provide any taxation advice.

### 6.4 Cooling Off

There is no cooling off period for any of the FXTRADING.com Products. This means that you do not have the right to return the FXTRADING.com Product, nor request a refund of the money paid to acquire the FXTRADING.com Product. If you change your mind after entering into FXTRADING.com Products with FXTRADING.com, you must Close Out that product, pay any Transaction costs and take the risk of incurring a loss in doing so.

### 6.5 Insurance

FXTRADING.com has the benefit of a comprehensive insurance policy in place to cover a variety of different scenarios, some which may assist in the repayment of deficits if there is fraudulent activity by one of FXTRADING.com’s employees, directors or authorised representatives that results in your money being used in fraudulent activities. If the insurance policy is insufficient or the insurer fails to perform its obligations, FXTRADING.com may not be able to make the payments it owes to you.

## 6.6 Dispute Resolution

FXTRADING.com wants to know about any problems you may have with the service provided to you, so we can take steps to resolve the issue. FXTRADING.com has an internal and external dispute resolution procedure to resolve complaints from Clients who receive financial services. A copy of these procedures may be obtained through our website or by contacting us and requesting a copy (free of charge).

If you have a complaint, please take the following steps:

1. Contact your FXTRADING.com agent or adviser and provide the details of your complaint. You may do this by telephone, facsimile, email or letter.

2. If you make a complaint in writing (which is not compulsory), we will acknowledge receipt of your complaint within 5 business days.

3. If your complaint is not satisfactorily resolved through your FXTRADING.com agent or adviser, within 5 business days of receipt of your complaint, please contact the Compliance Department in writing by emailing [service@fxtrading.com](mailto:service@fxtrading.com) or put your complaint in writing and send it to the Compliance Department at:

FXTRADING.com  
Level 27, 25 Bligh Street, Sydney NSW 2000

4. FXTRADING.com will try to resolve your complaint quickly and fairly. We will use our best endeavours to try to resolve your complaint within 45 days of receipt of your written complaint unless we advise you that we require more time due to the nature of your complaint or other reasonable consideration.

5. If you still do not get a satisfactory outcome, you have the right to refer your complaint to the Australian Financial Complaints Authority (AFCA). AFCA is an external complaints and dispute resolution body of which FXTRADING.com is a member. The service to you is free. The contact details for AFCA are:

Australian Financial Complaints Authority  
G.P.O. Box 3,  
Melbourne VIC 3001  
Toll Free: 1800 931 678 (free call)  
Facsimile: +61 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)

FXTRADING.com - membership number 11357.

6. The Australian Securities and Investments Commission (ASIC) also has an Info line on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

## 6.7 Labour standards

Labour standards or environmental, social or ethical considerations are not taken into account when offering our products

## 6.8 What are our different roles?

FXTRADING.com is the product issuer this means that we issue the FXTRADING.com Products, and do not act on behalf of anyone else.

FXTRADING.com is also the service providers.

Markets website (and at times our Representatives) can give you general advice and help you use the trading services.

## 7. Glossary

**Account** means your account with FXTRADING.com established under the Financial Product Service Terms, including all Trading Accounts and all Transactions recorded in them.

**Account Currency** means the currency that the Trading Account is denominated in. Please note that all costs including spread, transaction costs, Finance Charge Adjustment and Finance Credit Adjustment are calculated in that currency.

**Ask Price (buy price)** means the Transaction Price, which FXTRADING.com as the seller is willing to accept i.e., the price at which you can buy the FXTRADING.com Product. This is also known as the "offer price".

**AUD** means the lawful currency of the Commonwealth of Australia.

**Base Currency** means the first currency represented in a currency pair respect of a Spot FX OTC Contract.

**Bid Price (sell price)** means the Transaction Price which FXTRADING.com as the buyer is willing to accept i.e. the price at which you can currently sell the FXTRADING.com Product.

**Business Day** means a day (other than a Saturday or Sunday or public holiday) on which banks and foreign exchange markets are or will be open for business in Sydney.

**Client** refers to the person who has an Account with FXTRADING.com.

**Close Out, Closed Out and Closing Out** in relation to a Transaction means discharging or satisfying the obligations of the Client and FXTRADING.com under the Transaction and this includes matching up the Transaction with a Transaction of the same kind under which the Client has assumed an offsetting opposite position.

**Closing Price** means the daily closing Current Market Price (or, if an index, level) of the Underlying Instrument (determined by FXTRADING.com).

**Commodity OTC Contract** means FXTRADING.com Products whose Underlying Instrument is a commodity Markets by multiplying the applicable price by the Lot traded and the Contract Size.

**Contract Size** means the standard volume per 1 Lot expressed either in ounces or number of contracts.

**Contract Value** means the face value of the FXTRADING.com Product and is calculated by FXTRADING.com by multiplying the applicable price by the Lot traded and the Contract Size.

**Corporations Act** means the Corporations Act 2001 (Commonwealth) and any regulations made under it, including in any case as amended by any instrument made by the Australian Securities and Investments Commission.

**Cryptocurrency OTC Contract** means FXTRADING.com Products whose Underlying Instrument is a cryptocurrency (or digital token). For example, Bitcoin, Bitcoin cash, Ethereum, Litecoin and Ripple.

**Current Market Price** is the price available to FXTRADING.com from a Hedge Counterparty, which may be a delayed price depending on whether you have subscribed for live pricing.

**Equity** means the current value of your Trading Account i.e. net worth of funds in the Account, which is calculated by FXTRADING.com by combining:

the balance of the account being the deposit / withdrawals and closed trade profit and loss; and

the floating (unrealised) profit / loss (positive/negative) of the Open Positions net of fees, charges and costs.

**Equity CFD** means OTC agreements which derive their price from the fluctuations of the spot price of the Underlying Instrument on the relevant Exchange or market.

**EUR** means the single currency of the European Economic and Monetary Union.

**Exchange Rate** means, in relation to any currency, any widely recognised and published foreign exchange rate for value Spot selected by FXTRADING.com in its sole discretion. The foreign exchange rate is always quoted as to how much of the Variable Currency, for 1 unit of the Base Currency, is worth.

**Finance Charge Adjustment** means the amount you pay in respect of your Transaction, in accordance with the Financial Product Service Terms.

**Finance Credit Adjustment** means the amount you receive in respect of your Transaction, in accordance with the Financial Product Service Terms.

**Finance Rate** means the amount nominated by FXTRADING.com for this term from time to time, as notified to you (including through the online trading platform) or posted on its website.

a) In the absence of any valid nomination, when you hold a long Equity Derivative and Index position overnight, the Finance Rate for a Finance Charge Adjustment debited to your Account (or Trading Accounts) is the prevailing overnight "London InterBank Offer Rate" (currently referred to as bbalibor™, previously known as "LIBOR") plus a mark-up, up to a maximum of 25%. bbalibor™ is a primary benchmark for short term interest rates globally. The overnight bbalibor™ is widely published via a number of data vendors.

b) In the absence of any valid nomination, when you hold a short Equity Derivative and Index position overnight the Finance Rate for a Finance Charge Adjustment credited to your Account (or Trading Accounts) is the prevailing overnight "London inter- bank bid rate" (LIBID) being the rate of interest at which banks in London bid for deposit funds less a mark-down, up to a maximum amount of 25%.

If the rate calculated by applying LIBID minus the mark-down results in a debit as opposed to a credit, then this will be the Finance Rate for a Finance Charge Adjustment to be debited to your Account (or Trading Account). The overnight LIBID is widely published via a number of data vendors.



**Free Margin** means the value of funds that are available for opening a position. It is calculated by FXTRADING.com by subtracting from the Equity the required Margin. Financial Product Service Terms means the terms of your Account with FXTRADING.com, which accompanied your application form, for all of your Trading Accounts by which you deal in Transactions (as amended from time to time).

Variations or additional terms may be notified to you from time to time in accordance with your current Financial Product Service Terms.

**FXTRADING.com** means Gleneagle Securities (Aust) Pty Limited ABN 58 136 930 526; AFSL 337 985, trading as FXTRADING.com and, in accordance with the Financial Product Service Terms, any person who is a permitted assignee or other successor to FXTRADING.com.

**FXTRADING.com Product** means an OTC contracts issued by FXTRADING.com under the Financial Product Service Terms to Clients who apply for those products by way of the application form specifically labelled for "FXTRADING.com Products".

**FX** means foreign exchange. **Hedge Counterparty** means an entity that FXTRADING.com enters into hedge contracts with to manage FXTRADING.com's exposure to FXTRADING.com Products.

**Initial Margin** means the amount which you are required to pay to FXTRADING.com as Margin for any Transaction which you propose to enter into.

**Index and Indices OTC Contract** refers to FXTRADING.com Products whose Underlying Instrument is an index comprised of securities of issuers listed on an Exchange, typically an index sponsored or promoted by an Exchange. The S&P™/ ASX 200™ is an example, so a S&P™/ ASX 200™ Index is an index whose Underlying Instrument is the S&P™/ ASX 200™ and the values are based on the index levels of the S&P™/ ASX 200™. The index sponsor has no involvement in the FXTRADING.com Product.

**JPY** means the lawful currency of Japan.

**Leverage Rate** means a transaction size/ margin ratio for each FXTRADING.com Product. For example, the 1:30 Leverage Rate means that the Client is required to have 3.3% of transaction size in its Account as Margin.

**Limit Order** means an order commonly used to enter and exit a market at predefined levels.

**Lot** means the unit that represents the volume of a Transaction taking into consideration the Contract Size. It can be represented as a portion of a Lot subject to the minimum Lot size, for example (0.1 of a lot) being referred to as a mini Lot or (0.01 of a Lot) being referred to as a micro Lot. For example 1 Lot in EURUSD equals 100,000 EUR being the Base Currency unit and 0.1 Lot is therefore 10,000 units of Base Currency.

**Margin** means the amount of money (or money's worth) paid to FXTRADING.com and credited to your Account as Margin.

**Margin Level** means the Equity to Margin ratio calculated as Equity divided by Margin.

**Margin Closeout Level** means the 20% Margin Level that must be maintained before there might be automatic Close Out of all or some of your Open Positions.

**Spot Metal OTC Contract** means a FXTRADING.com Product whose Underlying Instrument is a contract in respect of metal (including in relation to gold or silver), on a Spot basis only, and payment in United States dollars.

**Online Platform** means online trading platform for trading in FXTRADING.com Products.

**Open Position** means, at any time, a Transaction which has not been Closed Out, or settled prior to the time agreed for settlement.

**Order** means any order placed by you to enter into a Transaction.

**OTC** means "over the counter", in contrast with traded on a regulated exchange.

**OTC Contract** means contract for difference (CFD) contract to pay or receive the change in value of the underlying instrument (e.g. a currency pair, share index, commodity or cryptocurrency) depending on whether the price rises or falls.

**Overnight** means end of a trading day at 17:00 New York local time

**Points or Pips** means in the context of FX Product the smallest increment by which a FX Product Price changes and is quoted depending on the number of decimal places the currency is quoted. For example, on a USD/JPY Transaction, which is quoted with only two decimal (meaning one Pip = JPY 0.01).



**Point Value or Pip value** in the context of Spot FX OTC Product means the value of a point or pip for 1 Lot denominated in the Account Currency being the smallest increment by which an FX Product price or Exchange Rate changes also referred to as a Tick.

You can calculate the value of a single pip or point denominated in the Account Currency, for instance, if you know that the EUR/USD is quoted with four decimals, so for a 100,000 position you can multiply the 100,000 by the Tick being the four decimal value of one pip, or USD 0.0001. So, on a EUR/USD 100,000 Transaction, the Point Value for 1 Pip would equal USD 10. On a USD/JPY 100,000 Transaction, the Value for 1 pip is equal to JPY 1000 because USD/JPY is quoted with only two decimal (meaning one Pip = JPY 0.01), which would be converted at the current Exchange Rate to get an amount in USD.

**Retail Client** means a customer or a potential customer of FXTRADING.com who is not a Wholesale Client or a Sophisticated Investor.

**Sophisticated Investor** means a person who would be a Wholesale Client only through the application of section 761GA of the Corporations Act

2001(Cth). This requires the person to sign a special Sophisticated Investor letter.

**Spot** means an OTC Contract whose theoretical Value Date for a Transaction will occur two (2) Business Days following the day on which the Transaction is entered into.

**Spot FX OTC Contract** means an OTC contract whose Underlying Instrument (or pair of them) is a currency.

**Spread** means the difference between the Bid Price and the Ask Price of FXTRADING.com Products.

**Stop Loss Order** means an Order from you to enter or exit FXTRADING.com Products if the price moves to or beyond a level specified by you.

**Swap Rate** means the rate, usually displayed as swap points, nominated by FXTRADING.com from time to time, as notified to you (including through the online trading platform) or by contacting FXTRADING.com.

**Tick** in the context of FX Products means the smallest increment by which an FX Product price or Exchange Rate changes. Please note that in most currencies the tick is 0.0001 of the currency unit. There are exceptions for example when JPY is the Variable Currency the Tick value is equal to 0.01. The website also displays the Tick for each of the FXTRADING.com Products.

**Trading Account** means trading accounts established under the Financial Product Service Terms offered by FXTRADING.com for trading purposes. Each is part of the same Account you have with FXTRADING.com.

**Trailing Stop Order** has the meaning set out in section 3.12 of this PDS and includes a Sell Trailing Stop Order and a Buy Trailing Stop Order.

**Transaction** means a transaction in any of the kinds of FXTRADING.com Product which are traded under the Financial Product Service Terms.

**Transaction Fee** means the fee or commission from time to time specified by FXTRADING.com to be the amount payable by you to FXTRADING.com in respect of each Transaction as set out in this PDS or as later varied in accordance with the Financial Product Service Terms and this PDS.

**Transaction Price** means, for FXTRADING.com Products, the Exchange Rate and, for Metal Products, it is the price of buying or selling the financial product.

**USD** means the lawful currency of the United States of America.

**Value Date** means the theoretical date of delivery if the product could be settled by physical or deliverable settlement.

**Variable Currency** means the second mentioned currency in respect of a FX Product position.

**Underlying Instrument** means the product which is used as the basis for the calculations of prices for your FXTRADING.com Products, such as FX, a share or similar equity financial product, commodity, option, Futures Contract, index or other item (or any combination of one or more of those).

**Wholesale Client** has the same meaning as in section 761G of the Corporations Act 2001 (Cth) but does not include a Sophisticated Investor.