

## Important terms you should be aware of

Below is a high-level overview of key provisions of the Information Memorandum ("IM") applying to you. Reading the information below should not be taken to be a substitute for reading the IM in full. Capitalised words and expressions used below have the meaning given to them in the IM.

In addition to the IM, there may be additional terms for certain offerings which you opt-in to. Those terms may provide us with the right to amend the terms at any time, without prior notice and at our sole discretion.

- **Limitation of liability:** subject to limited exceptions, CMC Markets excludes its liability or otherwise denies any responsibility arising in connection with certain events and circumstances which appear throughout the IM, including **sections 2.7, 2.9, 2.10, 3.11.3, 7.2, 7.5, 8.1, 9.8, 9.9, 10.12.1(l), 13.4, 13.5.2 and 13.21**. These include, among other things, exclusions for:
  - our exercise of rights in accordance with Applicable Law or the Agreement, your negligence, fraud or breach of the Agreement or Applicable Law, and any Specified Event or Circumstance Outside Our Control;
  - where you give us unclear instructions or where the Platform or Client Management Team are unavailable;
  - loss caused by errors or failures in technology such as loss of data, cyberattacks and viruses;
  - your use of market data or other sites and resources provided by us or third parties;
  - unauthorised or fraudulent activity on your Account; and
  - where we favour another Person over you in a conflict of interest.

Warranties relating to the Platform are excluded and liability for the breach of a condition or warranty (express or implied) which cannot be excluded is limited to the maximum extent permitted by law to resupplying the Products or Services or the cost of resupplying the products or services, **see section 13.4.4**.

- **Your liability to CMC Markets:** you are responsible for all losses and/or expenses we suffer as the result or probable result of you or an Authorised Person being negligent, acting fraudulently or breaching the Agreement or Applicable law, **see section 13.5.2**. You may incur losses far greater than any money deposited into your Account or that you are required to deposit to satisfy any Margin (**see section 1.1.5**). If your Account has a negative Cash value following Account Close-Out or termination, you will owe a debt to us due and payable immediately (**see section 7.5.13**). You are liable to CMC Markets for any amounts owing following an Account Close-Out and for any obligation arising from a Joint Account, **see sections 5.4.4(a) and 7.3.1(p)**. You can lose more than your investment and you may be required to make further payments, unless you have enabled Shield Mode, **see section 5.4.4(a)**.
- **Notice obligations:** you are required to give us notice in certain circumstances, otherwise you may lose your rights under the Agreement, **see sections 2.9, 2.19.2, 2.21 and 13.5.1**.
- **CMC Markets may take Reserved Actions:** we may take Reserved Actions after a Specified Event (such as an Error occurring, you being the subject of an Insolvency Event or your breach of the Agreement, **see sections 2.29, 10.9 and 13.21.3**) or Circumstance Outside Our Control (unforeseen circumstances which impact our ability to perform our obligations under the Agreement, **see section 10.12**) has occurred. We will attempt to give you notice before taking a Reserved Action, but we are not required to do so. The Reserved Actions we may take are set out in **section 10.10**, and include our rights, among other things, to:
  - open, combine, correct or close any CFD Margin Trade, close any Countdown or cancel or suspend any Orders;
  - prohibit access to your Account;
  - suspend or limit your ability to make an Order or Trade or declining to act upon your instructions;
  - amend any Margin, Independent Margin, Attributes, Prices, Variable Rates and Premiums;
  - refuse or delay a withdrawal request;
  - cancel any Trades;
  - carry out Roll-Overs;
  - impose special terms on an Order or Trade;
  - make an Account Unauthorised To Trade or set an Account to Reduce Only;
  - exercise any applicable right of Set-Off, make a Deduction, credit or charge interest;
  - retain any sum you owe us or our Associates;
  - suspend the generation of Prices or execution of Orders in respect of a Product; and

- remove any Product from the Platform or remove your ability to place Trades on a Product.
- **Corporate Actions and Adjustment Events:** following a Corporate Action or Adjustment Event (actions or events impacting an Underlying Reference Instrument), we may take certain actions at our sole discretion, such as making adjustments to your account, to the Target Price of a Guaranteed Stop Loss Order or any Attributes or other features of an Option CFD, **see section 6.1**. We may also close a Trade at a Price of zero in extreme circumstances.
- **Additional margin and foreseeable costs:** we may require that you provide additional margin or pay our foreseeable costs or additional costs incurred in connection with a Trade or suspension of a Product in certain circumstances, **see sections 6.1, 6.2, 6.4 and 10.1**.
- **Sole discretion rights:** in addition to any Reserved Actions, or actions following a Corporate Action or Adjustment Event, CMC Markets may take certain actions (sometimes with short or no notice), as outlined in **sections 2.4.9, 2.5.10, 2.8, 2.9, 2.12, 2.32, 3.6, 3.10, 4, 4.3, 5.4.4, 7.5.14, 7.10, 10.1, 10.4, 10.5, 10.6, 10.8, 13.2 and 13.21.4**. These include, among other things, CMC Markets' rights to:
  - designate a day as the Early Termination Date in respect of Outstanding CFD Margin Trades and Outstanding Countdowns;
  - limit the size of your Trades and your Account balance;
  - declare a Countdown void where we become aware of a Pricing Error;
  - vary the fees and costs outlined in the IM and Product Library;
  - terminate an Option CFD where we deem the terms of that Option CFD have been breached;
  - transfer or delegate our rights and/or obligations under the Agreement to any Person, including any client money balance held by us on your behalf;
  - determine what a materially incorrect Price is;
  - close any Manual Orders or refuse any request to enter any Trade or Order in relation to a Manual Product;
  - offset Cash in your Account to reduce any Holding Costs;
  - impose dormant account fees and cease to treat any money you hold in an Account as client money where there has been no activity on your Account in the previous six years and we are unable to contact you;
  - withdraw or amend any promotions; and
  - audit your use of market data and similar information.
- **Deduction and set-off:** we may:
  - deduct any money due to us or required to be deducted by Applicable Law (including any tax), from any money in or payments to your Account (**see sections 7.7, 7.10 and 12.5.2**);
  - set-off any Cash or any amounts we owe you against any money you owe us (**see sections 7.8 and 13.3**); and
  - use money deposited as Margin in one account to discharge debit balances in your other accounts (**see section 13.3**).
- **Termination and default:** we may terminate the Agreement by giving you 10 Business Days' written notice or by giving you less than 10 Business Days' notice including where you have no Positions, **see section 10.7**. If you are in default, we may assign any of your obligations under the Agreement to any Person with immediate effect, **see section 10.11**.
- **Disclosure of personal information:** CMC Markets may disclose information, including personal information about you, which is collected by CMC Markets from the Application, your bank or employer, your Account or from searches with credit reference agencies to third parties, including ASIC, for the purposes outlined in **sections 2.8, 2.9, 2.20, 8.4, 13.18 and 13.22**.

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## 1 IMPORTANT INFORMATION

### 1.1 About this Information Memorandum

- 1.1.1 This Information Memorandum is issued by CMC Markets Asia Pacific Pty Ltd (referred to in this Information Memorandum as “**CMC Markets**”, “**we**”, “**us**” or “**our**”) in connection with derivative products we issue which are traded through The CMC Markets Platform (formerly known as the Next Generation Platform) (“**Products**”), and other products made available on the Platform from time to time. This Information Memorandum sets out the terms which apply to you when trading Products on an Account as a CMC Pro Client. You should note that this Information Memorandum contains information specific to Products offered by CMC Markets that is not applicable to products traded through any other platform. This Information Memorandum forms part of the agreement under which we will provide Products and Services to you. Before deciding whether to trade with us, you should consider this Information Memorandum and whether trading CMC Markets Products is appropriate for you.
- 1.1.2 Our agreement with you consists of this Information Memorandum, together with the relevant terms and conditions applicable to your Account, any specific terms and conditions you accept in writing in relation to your Account or accept on the Platform and any other terms and conditions issued or published by us from time to time, in connection with the Products and/or Services on the Platform or on our Website (“**Agreement**”). The Product Library contains a list of Products and key information relating to each Product such as its Attributes, its Variable Rates, Holding Rates and Prices and is accessible through the Platform.
- 1.1.3 There is additional documents and information available to you on our Website which contain useful information but do not form part of the Agreement. These include our Privacy Statement.
- 1.1.4 We recommend that you consider the Agreement and in particular this Information Memorandum and obtain independent financial, taxation and other professional advice, before you apply to place any Trade or Order with us as a CMC Pro Client.
- 1.1.5 **The Products described in this Agreement are speculative products, and, where such Products are leveraged they can place a significantly greater risk on your investment than non-leveraged investment strategies such as conventional share trading. You will find more about risk factors associated with trading in the Products in section 9. CMC Pro Clients are not afforded protections by the ASIC Corporations (Product Intervention Order – Contract for Difference) Instrument 2020/986 and may incur losses in addition to any fees and costs that apply. These losses may be far greater than any money you have deposited into your Account or are required to deposit to satisfy any Margin.**

- 1.1.6 This Information Memorandum is dated and is effective from the date noted at the top of the first page. The current Agreement (including this Information Memorandum) supersedes all previous oral or written representations, arrangements, understandings and/or agreements between you and CMC Markets which relate to the Products and Services.
- 1.1.7 The version of this Information Memorandum published on our Website at the time of entering into a Trade governs that Trade. Information within this Information Memorandum or that otherwise forms part of the Agreement is subject to change from time to time and, where it is not materially adverse to you, we may update it by posting it on our Website at [cmcmarkets.com/en-au](https://cmcmarkets.com/en-au). See section 10.2 for more information. You must ensure that you keep information of such changes. For your own benefit and protection, you should take sufficient time to read the Agreement, as well as the additional documents available on our Website and through our Platform, before you apply to open an Account and/or place any Order. If you do not understand any aspect of this Agreement, you should seek independent professional advice. You also authorise us to communicate with you by letter, telephone, sms or email, to discuss matters in relation to your Account or to inform you about operational changes to our Platform. You agree that we may record all such communications (see section 13.18).
- 1.1.8 You consent to us communicating with you through our Platform or any CMC Markets' operated system that we make available to you from time to time, by email, by placing such information on our Website and/or by any other method agreed in writing.
- 1.1.9 Section 14 contains a Glossary in which various words and phrases used in this Information Memorandum are defined. If you do not understand a word or phrase, you should refer to the Glossary. Terms that have been included in the Glossary are capitalised in this document.
- 1.2 **How to contact CMC Markets**
- 1.2.1 **Registered office and business address:** Level 20, Tower 3, International Towers, 300 Barangaroo Avenue, Sydney NSW 2000, Australia.
- Postal address:** Client Management Team, CMC Markets Asia Pacific Pty Ltd, PO Box R1879, Royal Exchange NSW 1225, Australia.
- Phone:** 1300 303 888 (only in Australia) (Client Management Team and Account opening queries).
- Fax:** +61 (0)2 8915 9484
- Email:** [support@cmcmarkets.com.au](mailto:support@cmcmarkets.com.au)
- Website:** [cmcmarkets.com/en-au](https://cmcmarkets.com/en-au)
- 1.3 **Who is the issuer of the Information Memorandum and the Products?**
- 1.3.1 CMC Markets is the issuer of this Information Memorandum, and the issuer of Products referred to in this Information Memorandum.
- 1.3.2 CMC Markets is regulated in Australia by ASIC and holds Australian Financial Services Licence No. 238054.
- 1.4 **References to other parties**
- 1.4.1 No other entities or Underlying Markets have endorsed the Products we issue, nor do they accept any responsibility for any statements contained within this Information Memorandum. References in this Information Memorandum or any other part of the Agreement to an Underlying Instrument Entity or to an Underlying Market are included solely for information purposes.
- 1.5 **CMC Markets does not give personal advice**
- 1.5.1 We will not give you personal financial product advice. However, related entities or Introducing Advisers may give you such personal financial product advice. To find out more about the services they may be able to offer, you will need to refer to their relevant financial services guide.

- 1.5.2 Information we provide is general information only. Any information provided to you on our Website, through the Platform, by our Client Management Team, via email, via live chat, via telephone, at any training events or otherwise is generic and must not be treated as advice that is suitable for you or based on a consideration of your personal financial circumstances. Such information is provided merely to assist you in exercising your own judgment when trading with us and we are not responsible for the investment decisions that you make. Accordingly, before applying to trade with us, you must consider your objectives, financial situation and needs and the significant risk of loss which accompanies the prospects of profit associated with trading in Products. We recommend that you read this Information Memorandum carefully and obtain independent financial, taxation and other professional advice concerning this Information Memorandum and the other parts of the Agreement before you apply to open an Account and/or place any Trade or Order with us. We cannot guarantee specific results from trading in Products.

## 2 KEY FEATURES AND BENEFITS WHEN TRADING CMC MARKETS PRODUCTS

### 2.1 What are the Products offered under this Information Memorandum?

- 2.1.1 CFD Margin Trades and Countdowns are instruments that allow you to make a profit or loss from fluctuations in the price of an Underlying Reference Instrument. The price of a Product is based on the price of an Underlying Reference Instrument, for example, a share on an exchange. However, you do not own or acquire any rights, title or interest in that Underlying Reference Instrument or trade it on an exchange by trading a Product.

### 2.2 Trades

- 2.2.1 By entering into a Trade, you are either entitled to be paid an amount of money, or required to pay an amount of money, depending on movements in the price of the Product.
- 2.2.2 The amount of any profit or loss made on a Trade may be determined by:
- (a) the change in the Price of the Product from when you open the Trade until the Trade is closed;
  - (b) the Units traded, or Stake (as applicable);
  - (c) any adjustments made in respect of the Product, for example where a dividend is paid on an underlying share; and
  - (d) any Holding Costs, GSLO Premiums or Commissions relating to the CFD.
- 2.2.3 The balance of your Account will also be affected by other amounts you must pay to us in respect of your Account such as market data fees.
- 2.2.4 Your percentage return (profit or loss) on any Trade will also be affected by any applicable Margin Rate for the Trade. See section 5.1 for more information.

### 2.3 Option CFDs

- 2.3.1 Options are financial derivative instruments which allow investors to speculate on rising or falling prices in an Underlying Reference Instrument (or volatility).
- 2.3.2 An Option CFD is an over-the-counter (“OTC”) cash-settled option contract which provides its holder with the right, but not the obligation, to buy or sell the relevant Underlying Reference Instrument without the usual costs and rights associated with an investment in that Underlying Reference Instrument, provided any Attributes necessary for the exercise of that Option CFD are satisfied at the Expiry Date. However, other costs and rights will apply to an Option CFD. An Option CFD (given it is cash settled only) will not entitle you or us to any rights in relation to the Underlying Reference Instrument of that Option CFD and exercise of an Option CFD cannot and does not result in the acquisition or disposal of any Underlying Reference Instrument by you.
- 2.3.3 An Option CFD may only be exercised by you on the Expiry Date. Where an Option CFD is not capable of exercise at the Expiry Date, because the relevant Attributes have not been satisfied, that Option CFD will have no worth and will automatically expire at the Expiry Date. In such circumstances, you will lose the entire value of your Premium as explained further in section 5.2.

2.3.4 You are able to trade two types of Option CFDs: a long Option CFD and a short Option CFD. When you enter into a long Option CFD, you will be the person with the right to exercise that long Option CFD on the Expiry Date if the Attributes are satisfied at that date. When you enter into a short Option CFD, we will be the person who may be assigned that short Option CFD on the Expiry Date if the Attributes are satisfied at that date. It is important to note that, for a long Option CFD, your potential loss is capped at the amount of the Premium for that particular long Option CFD. However, when you enter into a short Option CFD, the value of your potential loss is unlimited. We may require you to post Margin when you enter an Option CFD in accordance with section 5.2.

## 2.4 Long Option CFDs

2.4.1 You can enter into two types of long Option CFDs, either:

- (a) a Call Option, which provides the holder (buyer) with a right (but not an obligation) to buy an Underlying Reference Instrument at the Strike Price or, where a Call Option is cash-settled, receive a cash payment if the Underlying Reference Instrument price is above the Strike Price, at a specified Expiry Date and Expiry Time. If you are the writer (seller) of a Call Option you have the obligation to sell an Underlying Reference Instrument, or where an Option is cash-settled, make a cash payment if the holder exercises the option; or
- (b) a Put Option provides the holder (buyer) with a right (but not an obligation) to sell an Underlying Reference Instrument at the Strike Price or, where an option is cash-settled, receive a cash payment if the Underlying Reference Instrument price is below the Strike Price, at a specified Expiry Date and Expiry Time. If you are the writer (seller) of a Put Option, you have the obligation to buy an Underlying Reference Instrument, or where a Put Option is cash-settled, make a cash payment if the holder exercises the option.

2.4.2 The price of a long Option CFD is subject to the value of the Underlying Reference Instrument or Underlying Market, the relevant Strike Price, the moneyness (i.e. proximity of the Strike Price to the Underlying Reference Instrument/Underlying Market), interest rates, volatility and the time to the Expiry Date.

2.4.3 You pay a Premium for the right to exercise the option for your long Option CFD. The amount of that Premium is displayed on the Platform.

2.4.4 Your long Option CFD will automatically come to an end at the specified time on the Expiry Date.

2.4.5 If the relevant Attributes are met on the Expiry Date (in respect of the Strike Price), you will be 'in the money' and your Option CFD will be automatically exercised.

2.4.6 If the relevant Attributes are not met on the Expiry Date (in respect of the Strike Price), you will be 'out of the money', so your Option CFD will not be exercised and will automatically expire.

### *Objectives*

2.4.7 The objective of a long Option CFD is to allow an investor to express a view on volatility or direction, and the movement in the value of the Underlying Reference Instrument (whether up or down), but without having a guaranteed obligation to buy or sell the Underlying Reference Instrument at the Strike Price.

2.4.8 Your losses for a long Option CFD are limited to the amount of the Premium paid and any losses you may suffer from movements in the CMC Currency Conversion Rate between the Product Currency and Account Currency (if applicable).

2.4.9 We retain the ability to unilaterally terminate any long Option CFD where we deem that the terms of that Option CFD have been breached.

## 2.5 Short Option CFDs

2.5.1 You can enter into two types of short Option CFDs, either:

- (a) a Call Option, which provides the holder (buyer) with a right (but not an obligation) to buy an Underlying Reference Instrument at the Strike Price or, where an option is cash-settled, receive a cash payment (the Premium) if the Underlying Reference Instrument price is above the Strike Price, at a specified Expiry Date and Expiry Time. If you are the writer (seller) of a Call Option, you have the obligation to sell an Underlying Reference Instrument, or where a Call Option is cash-settled, make a cash payment if the holder exercises the option; or



- (b) a Put Option which provides the holder (buyer) with a right (but not an obligation) to sell an Underlying Reference Instrument at the Strike Price or, where an option is cash-settled, receive a cash payment (the Premium) if the Underlying Reference Instrument price is below the Strike Price, at a specified Expiry Date and Expiry Time. If you are the writer (seller) of a Put Option you have the obligation to buy an Underlying Reference Instrument, or where an Option is cash-settled, make a cash payment if the holder exercises the option.
- 2.5.2 The value of a short Option CFD is subject to the value of the Underlying Reference Instrument or Underlying Market, the relevant Strike Price, the moneyness (i.e. proximity of the Strike Price to the Underlying Reference Instrument value), interest rates, volatility, and the time to the Expiry Date.
- 2.5.3 You will receive a Premium for providing us with the option that we may exercise under the short Option CFD. However, you must pay to us, or hold, Cash in your Account as Margin (as calculated in accordance with the Margin Rate and described on the Website and Platform) to cover any potential losses that you may incur from your exposure under the short Option CFD. Unlike exchange traded options, you will receive the Premium for a short Option CFD on the Expiry Date and not when your Option CFD Order is executed.
- 2.5.4 Your short Option CFD will automatically come to an end at the specified time on the Expiry Date. If the relevant Attributes are not met on the Expiry Date (in respect of the Strike Price), the Option CFD will not be exercised, and will automatically expire. You will retain the Premiums due to you for being exposed to the option.
- 2.5.5 If the relevant Attributes are met on the Expiry Date (in respect of the Strike Price), the option will be automatically assigned, and you will be 'in the money'. In this scenario, you will owe us an amount linked to the value of the Option CFD on the Expiry Date depending on the Underlying Reference Instrument price on the Expiry Date (you may owe significantly more than the Premiums due to you for providing the option to us).
- 2.5.6 Selling options carries inherent risks and your losses under a short Option CFD are potentially unlimited. A worst-case scenario for a Call Option seller is a strong market rally far greater than the Premium due to you. A worst-case scenario for a Put Option seller is a downward market move far greater than the Premium due to you.
- 2.5.7 We calculate the value of a short Option CFD during the relevant Trading Hours for the Underlying Reference Instrument on an ongoing basis for the purposes of determining when we may have to close-out your short Option CFD before the Expiry Date.

#### *Objectives*

- 2.5.8 The objective of a short Option CFD is to allow an investor to express a view on volatility or direction, and the movement in the value of the Underlying Reference Instrument (whether up or down). A short Option CFD provides an investor with a guaranteed Premium for providing the option right, but in return the investor is exposed to movements in the value of the option.
- 2.5.9 Short Option CFDs have a pre-defined Expiry Date and automatically either expire or are cash settled at the specified time on the Expiry Date. Short Option CFDs may be closed before the Expiry Date if you do not deposit additional funds as Margin in the case of a negative price movement.
- 2.5.10 We retain the ability to unilaterally terminate any short Option CFD where we deem that the terms of that Option CFD have been breached.

## **2.6 Risks and benefits of trading our Products**

- 2.6.1 The Products are not traded on an exchange. They are OTC products, and you are trading with CMC Markets as the counterparty to all Trades you make. See sections 9.4, 9.5 and 9.11 for some information on the risks associated with trading with a counterparty and trading OTC products. In addition, all Trades must be opened and closed with us.
- 2.6.2 There are risks associated with trading our Products. Some of these risks are set out in section 9. You should read and make sure you understand these risks before you trade.
- 2.6.3 Some of the benefits of trading our Products include:
  - (a) the Platform offers you the opportunity to trade and invest in Products in global markets all from a single account;
  - (b) CFDs are leveraged investments. This means that you can take a Position using a smaller amount of capital than you may need when investing in more traditional products like securities, or no capital. You should understand your total exposure to market movements as leverage magnifies both profits and losses;

- (c) Products offer a simple and effective means to trade in rising markets but also to take advantage of volatile or falling markets; and
- (d) some CFDs on a Product allow you to buy and sell a fraction of a Unit.

## 2.7 Trading with CMC Markets

- 2.7.1 It is important to note that CMC Markets acts as the counterparty for your Trades. You cannot trade with another provider to close any existing Position opened with CMC Markets.
- 2.7.2 We enter into all Trades with you as principal using Prices we provide through the Platform or through our Client Management Team. Our Prices are not identical to prices for similar financial instruments or their underlying financial instruments quoted on an exchange or other regulated market, therefore we and/or our Associates may profit from these Trades. You agree that neither we nor our Associates are liable to account to you for such profits. By entering into CFD Margin Trades via our Platform or through our Client Management Team, you consent to your orders being executed outside of an exchange or other regulated market and in accordance with our Order Execution Policy at section 3, below.
- 2.7.3 The Products and Services are primarily provided online, however if you cannot access the Platform directly, then you may be able to contact our Client Management Team by telephone to request that we access the Platform on your behalf. However please see section 9.9 for more information. When trading on the Platform, you are trading an OTC Product. CMC Markets will have regard to the price in the Underlying Market. However, when you trade you will be trading on CMC Markets' price and not the Underlying Market price.
- 2.7.4 CMC Markets may profit from the Spread, the application of Holding Costs and other charges on Trades. In addition, we may share the Spread, Holding Costs and other charges or benefits with our Associates or other third parties or receive remuneration from them in respect of Products. We may also share such amounts with Introducing Advisers and referrers for the introduction or referral of Clients to CMC Markets. Details of such remuneration or sharing will be disclosed according to any Applicable Laws.

## 2.8 Account opening process

- 2.8.1 When we receive a completed Application from you, we may use your information to conduct any further enquiries about you and any other Person referred to in the Application form (if applicable) as we, in our sole reasonable discretion, determine are necessary or appropriate in the circumstances (including but not limited to, confirmation of your identity, sanctions screening, and obtaining references from your bank or your employer (as applicable)). Where applicable you confirm that you are fully authorised to provide the information of any other Persons referred to in the Application form. Where our enquiries include searches with credit reference agencies, they may appear on your, or the other Person's, credit history. We may also carry out any additional checks or periodic reviews that we, (in our sole reasonable discretion) determine are necessary or appropriate in the circumstances. You will need to cooperate with us and supply any information that we request promptly. We reserve the right to periodically review any information that you have provided and to make periodic searches of, and provide information to, credit reference and/or any other agencies (as applicable) where we have a legitimate reason for doing so.
- 2.8.2 Trading in our Products may not be suitable for all investors because of the significant risks involved, see section 9.
- 2.8.3 We may rely on the information that you provide us in the Application or otherwise as being correct and not misleading at all times, unless you notify us otherwise in writing (see section 13.1). In particular, you must notify us as soon as possible in writing if any of the contact details provided to us in your Application or otherwise have subsequently changed.
- 2.8.4 We may accept or reject Applications in our absolute discretion. If we accept your Application and open an Account for you, we will confirm this in writing and provide you with details on how to access your Account through the Platform.
- 2.8.5 The Agreement will become legally binding between you and us on the date that you receive written confirmation from us that we have accepted your Application.
- 2.8.6 In certain circumstances we may require additional documentation prior to opening your Account, such as the provision of a guarantee in respect of Accounts opened by non-individuals.



- 2.8.7 We offer different Account types and may offer different features and promotions on any Account. Depending on your knowledge and experience or client categorisation, including your eligibility to be categorised and remain categorised as a CMC Pro Client, some of these may not be available to you. The Products available may vary depending on the Account type and/or feature. Please see the Platform for details of which Products are available. We reserve the right to convert your Account type, including the categorisation of your Account based on your eligibility to be categorised as a CMC Pro Client and/or enable/disable (as applicable) Account features if, in our sole reasonable discretion, we determine that a different Account type/feature (as applicable) is more appropriate for you or if otherwise required by Applicable Law (see section 10.9). We may also withdraw or amend any promotions applying to your Account at any time without prior notice and in our sole discretion.

## 2.9 Security and Account authentication

- 2.9.1 You are responsible for setting your own password in accordance with the instructions that we provide to you (which together with your email address are known as your “**Account Sign-In Details**”). It is your responsibility to keep all information that you hold relating to your Account, including your Account Sign-In Details and emails and letters that we send to you, confidential at all times. We rely on this information being secure to protect you and us against fraud, as we will normally treat any person who accesses your Account using your Account Sign-In Details as being you. You must notify us immediately if you know or suspect that any Person has accessed or may access your Account, or any information you hold in your Account, without your permission. Unless you notify us otherwise under this section 2.9, we will treat any activity on or communication made from your Account as having been authorised by you and you may be liable for such activity up to the point of notification. We may need to change or reset your password and we will notify you if we do this.
- 2.9.2 We may need to change or reset your Account Sign-In Details to protect you and us against fraud. We will notify you if we do this. You must notify us immediately if you know or suspect that any Person has obtained (or is likely to obtain) your Account Sign-In Details and/or has (or is likely to have) access to your Account without your prior approval.
- 2.9.3 When you contact us by phone, you will be required to provide information to us in order for us to authenticate you.
- 2.9.4 You are responsible for making sure that you are able to access our Platform when you need to. This includes having access to a device that can connect to our Platform, maintaining the device so that it functions properly and having adequate internet connectivity.
- 2.9.5 If you cannot access our Platform directly, then you should try to contact our Client Management Team by telephone or email to request assistance. However, this is likely to be much slower than accessing our Platform directly and we cannot guarantee the availability of our Client Management Team.
- 2.9.6 If you have no Positions on your Account for a continuous period of one year, we reserve the right to carry out additional checks on you before we allow you to access your Account or enter into another Trade.

## 2.10 Accessing the Platform

- 2.10.1 We will do our best to make the Platform and our Client Management Team available when you require, but we cannot guarantee that our Platform or our Client Management Team will be available continuously. See section 9.9 for more information. We will not be liable to you for any loss which arises as a result of our Platform and/or Client Management Team being unavailable, unless such unavailability is due to our negligence or failure to comply with our obligations under this Agreement.
- 2.10.2 You will be able to access information on each Product including its Attributes through the Product Library on the Platform or available on our Website.
- 2.10.3 You may only enter into or close Trades via the Platform and/or our Client Management Team during the Trading Hours specified in the Product Library for the relevant Product. It is your responsibility to monitor the Trading Hours as specified in the Product Library.
- 2.10.4 Some, but not all, types of orders may be submitted through the Platform and/or our Client Management Team outside of the Trading Hours for the relevant Product.

## 2.11 Prices

- 2.11.1 During the Trading Hours for any Product, the Platform will generate and/or display Prices, Price Depth, Settlement Prices and Countdown Opening Prices subject to sections 6.1, 9.9 and 10.12. Certain factors, such as the quality of your computer or internet connection may affect the speed at which information is displayed and refreshed. Therefore, we cannot guarantee that the Price, Price Depth, Settlement Price and/or Countdown Opening Price displayed on your device at any time will always be the actual and up-to-date value being generated by the Platform at that time.
- 2.11.2 In respect of CFD Margin Trades, Prices are expressed as a Sell Price (represented by the lower figure) and a Buy Price (represented by the higher figure).
- 2.11.3 The direction of your Trade (buy or sell) determines which of the Buy Price or Sell Price your Trade will be entered into or closed at, as follows:
- (a) if you are trading in the expectation that the Price of the relevant Product will go up (known as “going long”), your Trade should be entered into at the Buy Price. Except in relation to calculating your Account Revaluation Amount, buy Trades are valued at the Sell Price and will be closed at the Sell Price; or
  - (b) if you are trading in the expectation that the Price of the relevant Product will go down (known as “going short”), your Trade should be entered into at the Sell Price. Except in relation to calculating your Account Revaluation Amount, sell Trades are valued at the Buy Price and will be closed at the Buy Price.
- 2.11.4 The Price Depth displays multiple Buy Prices and Sell Prices for the applicable Product on a Price Ladder. The implications of Price Depth on an Order are described in more detail in section 3.2.
- 2.11.5 The Price at which a Countdown will be opened ("**Countdown Opening Price**") will be generated by and displayed on the Platform. All Countdowns will be settled against the Settlement Price of the relevant Product at the expiration of the relevant Countdown.
- 2.11.6 You should note that, due to a variety of factors, the Price at which your Order is executed may not be exactly the Price at which you submitted your Order. Please see section 3.2 and section 9.2 for more information.
- 2.11.7 Where applicable, if you have enabled the Boundary feature in your Account preferences on the Platform, when you place a Market Order or a Stop Entry Order, at the time of placing the Order you will be able to set a price level outside of which your Order will be cancelled should the Price vary from what you see on the screen.
- 2.12 Orders**
- 2.12.1 An Order (including a Pending Order) will only be deemed to be received by the Platform at the time at which the Platform actually receives it, which may not be immediately after you submit that Order (for example, due to poor internet connectivity) see section 9.9 for more information.
- 2.12.2 Placing an Order does not guarantee that a Trade will be entered into as we reserve the right to reject your Order without any explanation. A record of any executed or rejected Orders can be accessed through our Platform. The Platform and/or we may reject your Order to enter into a Trade without any explanation. It is your responsibility to monitor the Platform to determine the status of your Orders (and any Pending Orders). In contrast, the Platform will, subject to sections 9.9, 10.12 and 6.1, accept your Order to close a Trade. Each Order will need to be executed by the Platform in order for a Trade to be entered into or closed (at which time we accept your Order). The Platform will record any execution of your Orders, and you can access the relevant information on executed Orders in your Account History.
- 2.12.3 Subject to this Agreement you and/or we may modify or cancel a Pending Order at any point until that Order has been executed.
- 2.12.4 If your Account has insufficient Available Equity to meet the relevant Margin requirements for that Order, we will not execute your Order.
- 2.12.5 In addition to our rights to modify, cancel and/or reject your Order, we may in our sole discretion, refuse to accept any instructions, set a Product to Reduce Only and/or set an Account to Reduce Only or Unauthorised To Trade on reasonable grounds.
- 2.13 Entering into Trades**
- 2.13.1 To enter into a Trade, you must place an Order on the Platform that identifies the Product and provides the information requested on our Platform in relation to that Product. The types of Order available to you in respect of a particular Product and the details of when those Orders might be placed or modified will be set out on our Website and further specified on our Platform.

- 2.13.2 The change between the Opening Trade Price and the Level 1 Price applicable to you when you close the Trade, together with the other factors noted in section 2.1, determines the profit or loss of that Trade.
- 2.13.3 All Trades open on the same Product at the same time are aggregated and subject to netting for the purposes of calculating the size of your Position in the relevant Product. In respect of CFD Margin Trades only, the Account Netting function sets how the Platform may combine and net your CFD Margin Trades open at the same time in respect of the same Product. Except in relation to Option CFDs, Account Netting functions as follows:
- (a) if Account Netting is enabled any Orders will, if and when executed, close out any open CFD Margin Trades on your Account that are in the same Product but in the opposing direction. Once this process has taken place, any remaining Orders, or part of an Order in the same Product will, if and when executed, then be used to open a new CFD Trade in the same Product; or
  - (b) if Account Netting is disabled any Orders used to enter CFD Margin Trades in the same Product will, if and when executed, open a new CFD Margin Trade, even if there is already an open CFD Margin Trade in the same Product in the opposing direction. If you wish to close an open Position or CFD Margin Trade this should be done by an Order specifically linked to that Position or CFD Margin Trade.
- 2.13.4 Except in relation to Option CFDs, Account Netting is enabled on an Account as a default feature. You may elect to disable Account Netting on your Account in the Platform. Disabling Account Netting will affect the execution behaviour of new buy and sell Orders, excluding Stop Loss Orders and Take Profit Orders, and it may also increase your fees and costs including for example Holding Costs, and you may be required to provide Margin for both sides of a CFD Margin Trade.
- 2.13.5 Account Netting can be re-enabled at any time, provided you do not have any CFD Margin Trades in the same Product open in opposing directions. It is not possible to change the default netting behaviour of Countdowns, see section 3.2.12 for more detail.
- 2.13.6 We may combine or consolidate multiple Trades when we take the Reserved Actions described in section 10.10.
- 2.13.7 CFD Margin Trades on a Forward (and any Pending Orders for that Forward other than Limit Orders and Stop Entry Orders) will be subject to an Auto Roll-Over at any time during the period between the Last Roll-Over Date and the Expiry Date unless:
- (a) you or we close that CFD Margin Trade before the Expiry Date in accordance with the Agreement;
  - (b) you designate that the CFD Margin Trade be closed and settled upon the Cash Settlement Date;
  - (c) the CFD Margin Trade was executed after the Last Roll-Over Date, in which case the CFD Margin Trade will be closed and settled on the Cash Settlement Date (and any Pending Orders for that Forward will be cancelled on the Cash Settlement Date); or
  - (d) there is no equivalent Forward based on the same underlying asset(s) but with a later Expiry Date available to trade on the Platform, which may result in the CFD Margin Trade reaching the Expiry Date and being closed and settled on the Cash Settlement Date (and any Pending Orders for that Forward being cancelled on the Cash Settlement Date).
- 2.13.8 You may disable the Auto Roll-Over setting for a CFD Margin Trade on a Forward before the Last Roll-Over Date, which may result in the CFD Margin Trade reaching the Expiry Date and the CFD Margin Trade being closed and settled on the Cash Settlement Date (and any Pending Order for that Forward being cancelled on the Cash Settlement Date). Auto Roll-Overs are not available in respect of Option CFDs.
- 2.13.9 Any Roll-Over will be carried out in accordance with section 3.2. You will not be able to enter into any CFD Margin Trade or increase any Position on a particular Forward following the Last Trade Opening Date.

## 2.14 Closing Trades

- 2.14.1 Except in relation to Option CFDs, you may fully or partially close a CFD Margin Trade during Trading Hours by:
- (a) using the 'close trade' function in relation to that CFD Margin Trade; or
  - (b) unless otherwise specified (for example, by you disabling Account Netting), placing a Market Order in the opposite direction for the same Product as the relevant CFD Margin Trade. If you have multiple CFD Margin Trades in the same Product, and you do not specify which CFD Margin Trade(s) you wish to close, these will be closed by the Platform in the order in which those CFD Margin Trades were entered into (i.e. on a 'first in, first out' basis).

2.14.2 Once a Countdown has been entered into, you cannot close it. Our Platform will close and settle all Countdowns automatically on expiration of the Countdown.

2.14.3 The Platform will, subject to the limitations set out in this Agreement, close any Trade in accordance with any applicable Roll-Over, Stop Loss Order, Trailing Stop Loss Order, Guaranteed Stop Loss Order, Take Profit Order, Stop Entry Order or Limit Order. In addition, the Platform may close all your Positions if the Close-Out Level is triggered. See section 5.4 for more information.

2.14.4 We reserve the right to instruct the Platform to close any Trade when we take the Reserved Actions at section 10.10 or exercise our termination rights.

## 2.15 Entering Option CFDs

2.15.1 To enter into an Option CFD, you must place an Order on our Platform that identifies the Product and provide the information requested on our Platform in relation to that Product. The types of Order available to you in respect of a particular Product and the details of when those Orders might be placed or modified will be set out on our Website and further specified on our Platform and Order Execution Policy.

2.15.2 The Account Netting function on our Platform will combine and net your Option CFDs open at the same time in respect of the same Product and the same Attributes. In respect of Option CFDs, the Account Netting function is automatically enabled and it is not possible to disable this function. Further details on netting can be found on our Platform and/or through our Client Management Team.

## 2.16 Closing Option CFDs

2.16.1 An Option CFD may only be closed by you or us prior to the relevant Expiry Date and Expiry Time. Details on how to close Option CFDs, as well as details of those circumstances where we may close Option CFDs, are provided on our Platform. You should be aware that closing an Option CFD prior to the Expiry Date does not represent an exercise of that Option CFD by you or us in accordance with section 2.17. Any Option CFD closed prior to the relevant Expiry Date will be closed at the prevailing Settlement Price.

2.16.2 Closing an Option CFD will require the creation of an equal and opposite Option CFD which will trigger Premium requirements. The value of this additional Premium will be settled on a net basis in the Account Currency and either deducted or credited to your Account in accordance with the provisions set out at section 5.2.

2.16.3 You should take sufficient time to read this information before you place any Order in respect of any Option CFD. An Order for a Manual Product may only be closed through our Client Management Team.

## 2.17 Exercising Option CFDs

2.17.1 An Option CFD may only be exercised on the Expiry Date where the Attributes connected to that Option CFD are satisfied. Whilst you may close an Option CFD prior to the Expiry Date in accordance with 2.16, there is no ability to exercise it prior to the Expiry Date. If the Attributes of the relevant Option CFD are not satisfied on the Expiry Date, the Option CFD will lapse. If the Attributes of the Option CFD are satisfied at the Expiry Date, you will be deemed to send an Order to us instructing us to exercise the Option CFD and we will act on that Order to exercise the Option CFD.

## 2.18 What is Margin?

2.18.1 Margin is the security we take from you in respect of CFD Margin Trades to cover our exposure as counterparty to your CFD trading.

2.18.2 When you enter into a CFD Margin Trade with CMC Markets that will either create a new Position or increase an existing Position, you need to have sufficient Available Equity to satisfy the Position Margin and/or Prime Margin required for the Position. The Position Margin will be calculated using the Margin Rates for the Product (which may be broken into Tiers depending on the size of the Position). Please see section 5.1 for more information.

2.18.3 In respect of a Roll-Over, it is your responsibility to ensure that your Account has sufficient Available Equity to meet the relevant requirements. Certain Products are subject to Auto Roll-Over and further details on these procedures, including circumstances where Auto Roll-Over may be disabled, are provided on our Platform.

2.18.4 You should note that Margin is not part payment for an Underlying Reference Instrument. There is no capacity for a Position to be converted into the Underlying Reference Instrument. For example, you cannot pay the difference between your Position Margin and your total exposure on a Share CFD Position and take ownership of the underlying shares.

2.18.5 Through the Platform, you will be able to access your Account which contains sufficient information to enable you to calculate the amount of your Total Margin.

2.18.6 Please see section 5 for more information related to Margin.

## 2.19 Information about your trading activity

2.19.1 We provide a range of information relating to your Account on and through our Platform, including the following:

- (a) once we have executed an Order on your behalf, we will promptly provide you with the essential information concerning the execution of the Order (and if applicable, as required under the Corporations Act) in real time through the Platform; and
- (b) up-to-date statements of your Positions and any money we hold in respect of your Account as required under Applicable Law.

2.19.2 It is your responsibility to regularly access and review the information above to ensure that it corresponds with your own records. Subject to section , the above information will be conclusive unless we notify you of any mistake, error or inaccuracy or you notify us in writing of any mistake, error or inaccuracy and we agree with your notification.

2.19.3 The Platform will update the information set out above in real time, during the relevant Trading Hours, as applicable. However, from time to time this may not happen immediately due to Circumstances Outside Our Control. If, for example, you are unsure as to whether or not we have received an Order that you have attempted to place, or whether or not a particular Trade has been entered into or closed, or whether you have sufficient funds in an Account to meet any Independent Margin, Position Margin, Trade Margin, Prime Margin, Premium or Cash requirement, or whether or not your Account Revaluation Amount is sufficiently high to avoid Account Close-Out, then you should check the Platform carefully, contact us through the live help function (where available) on the Platform or contact our Client Management Team to seek further information.

2.19.4 **It is your responsibility to monitor the Platform and your Account and review the Attributes of all Positions on your Account at all times.**

## 2.20 Confirmations

2.20.1 When you execute a Trade with us electronically, a Confirmation of the executed Trade will appear on the Platform. It is only at this point, and subject to other terms of the Agreement, that a binding contract between you and us in respect of that Trade arises. If you execute a Trade with us over the phone, the Trade will constitute a binding Trade once you have agreed to the Order being placed rather than at the time the Confirmation appears in the Platform. The Confirmation includes certain information about the Trade, including details of the Product, the Units, the Price and the Premium (as applicable).

2.20.2 We will not send you any Confirmations. We will retain in certain information in relation to an Order or Trade to the extent and duration required by Applicable Law. You may access this information through the Platform or upon request unless the relevant Account has been closed or the Agreement has been terminated. After this period, we may destroy this information or retain it for such further duration as we reasonably believe to be necessary, in accordance with Applicable Laws and our record retention policy, and without notice to you.

2.20.3 Please note that Confirmations may not be generated for amendments to an existing Trade, however any amendment will show up in your Account History on the Platform.

## 2.21 Checking of Confirmations

2.21.1 You should check all the contents of Confirmations provided to you on the Platform in detail and contact us as soon as possible if you disagree with the contents of a particular Confirmation.

2.21.2 Subject to section , Confirmations will be conclusive unless you notify us in writing to the contrary within three (3) Business Days. The three Business Days begin from the time the Confirmation is provided on the Platform.

## 2.22 What is your Cash?

2.22.1 The Cash of an Account is calculated as follows:

$$\text{Cash} = \text{A} - \text{B}$$

Where:

**A** = the sum of any successfully received money paid by you to us, plus all Realised Profits, plus the Amount of any money we have credited to the Account; and

**B** = the sum of any Realised Losses (whether due and payable to us or not), plus the Amount of any Deductions, plus the Amount of any money you have withdrawn.

- 2.22.2 Please note that your Cash does not necessarily represent the money that is available for you to withdraw. The money that you have available to withdraw (in accordance with section 7.5) is the lesser of your Available Equity and your Cash. You must clear any negative Cash value immediately by the payment of an Amount to us that is sufficient to return the Cash value to zero or to a positive value.

## 2.23 What is your Available Equity?

- 2.23.1 Your Available Equity is the amount of funds you have available to enter into Trades on the Platform. Available Equity on your Account is calculated as follows:

**Available Equity = Account Revaluation Amount – Total Margin**

- 2.23.2 You should remember that in order to create a new Position or increase an existing Position in a particular Product, the Available Equity in your Account must be sufficient to cover the Position Margin as a result of that particular CFD Margin Trade.

## 2.24 What is your Account Value?

- 2.24.1 Your Account Value will be updated by the Platform in real time and is calculated as follows:

**Account Value = Cash + Net Unrealised Profit or Loss**

## 2.25 What is your Account Revaluation Amount?

- 2.25.1 Your Account Revaluation Amount will be updated by the Platform in real time and is calculated as follows:

**Account Revaluation Amount = Cash + Net Unrealised Profit or Loss (Mid-Price)**

- 2.25.2 Your Account Revaluation Amount is the figure used in determining whether your Account has breached the Close-Out Level and accordingly you must ensure that your Account Revaluation Amount is at all times above the Close-Out Level.

## 2.26 Account Close-Out

- 2.26.1 You are required to keep sufficient funds in your Account to maintain your Account Revaluation Amount above the Close-Out Level.

- 2.26.2 The Close-Out Level will be displayed on the Platform and will either be:

- (a) the greater of your Standard Close-Out Level and your Prime Close-Out Level; or
- (b) an Absolute Close-Out Level.

- 2.26.3 If your Account Revaluation Amount falls below the Close-Out Warning Level for your Account the Platform will attempt to notify you of that fact. Such notification is provided as a courtesy and you must not rely on the Platform or on us to notify you of such circumstances.

- 2.26.4 If your Account Revaluation Amount falls below the Close-Out Level at any point in time, the Platform will attempt, subject to sections 5.4.4 and 5.4.5 to automatically initiate Account Close-Out.

- 2.26.5 In the event of an Account Close-Out, any Option CFDs (if applicable) will be subject to Order Book volume and will be closed with a Market IoC Order. This may result in a partial closure of your Position. The remainder of your Position may not be closed if your Account Revaluation Amount has increased above the Close-Out Level or Reset Level (as applicable).

- 2.26.6 Please see section 5.4 for more information.

## 2.27 Unrealised Profit Or Loss for CFD Margin Trades

- 2.27.1 Except in relation to Option CFDs, the Unrealised Profit Or Loss for any individual CFD Margin Trade is calculated in real time as follows:

- 2.27.2 On a buy CFD Margin Trade, Unrealised Profit Or Loss is:

**Units x (Level 1 Price – Opening Trade Price) x CMC Currency Conversion Rate**



2.27.3 On a sell CFD Margin Trade, Unrealised Profit Or Loss is:

**Units x (Opening Trade Price –Level 1 Price) x CMC Currency Conversion Rate**

2.27.4 When a CFD Margin Trade is closed, any Unrealised Profit Or Loss becomes Realised Profit or Realised Loss and a corresponding change is made to your Cash.

2.27.5 The Unrealised Profit Or Loss displayed on the Platform at any time, may not accurately reflect the actual Unrealised Profit Or Loss (i.e. the Realised Profit or Realised Loss that would be gained or incurred if you closed one or all of your open CFD Margin Trades immediately) particularly where a CFD Margin Trade may be closed at a Price that differs from the Level 1 Price. The Unrealised Profit Or Loss displayed on the Platform will always be based on the current Level 1 Price.

2.27.6 In respect of any particular Forward, the Unrealised Profit or Loss will become Realised Profit or Realised Loss on the Cash Settlement Date (which will normally be within one Business Day of the Expiry Date).

2.27.7 Provided that your Account Revaluation Amount remains positive and above the Close-Out Level, you will not be required to make any payment to us in respect of any CFD Margin Trade that has been closed resulting in a Realised Loss. Any Realised Loss will become due and payable immediately. You cannot lose more than your Invested Capital in respect of an Account with Shield Mode enabled.

## 2.28 Unrealised Profit Or Loss for Option CFDs

2.28.1 Details of the Unrealised Profit Or Loss (and its relationship to Realised Profit or Realised Loss) for any individual Option CFD are provided via the Platform. The Platform will set off any unrealised profits against any unrealised losses on all Positions on your Account.

2.28.2 The Unrealised Profit Or Loss displayed on our Platform at any time may not accurately reflect the Realised Profit or Realised Loss that would be gained or incurred if you closed one or all of your Option CFDs immediately.

2.28.3 Any Realised Loss will become due and payable immediately.

2.28.4 Provided that your Account Revaluation Amount remains positive and above the Close-Out Level, you will not be required to make any payment to us in respect of any Option CFD that has been closed or exercised resulting in a Realised Loss. Any Realised Loss will become due and payable immediately. Shield Mode cannot be enabled for Option CFDs.

## 2.29 Errors

2.29.1 From time to time, material errors and omissions may occur in respect of Trades, your Account or the Platform (each an “**Error**”). Examples of Errors include (without limitation): a Pricing Error, the Platform displaying incorrect Prices (whether caused by a third party supplier or due to a problem with our systems), an Order being handled incorrectly by the Platform and/or our Client Management Team (including execution at an incorrect Price or contrary to Underlying Market conditions), or incorrect Deductions or credits being applied to your Account. If you or we know or suspect, or are aware of circumstances in which you or we ought reasonably to know or suspect that an Error has occurred:

- (a) as applicable, you must notify us as soon as reasonably practicable, or we will notify you as soon as reasonably practicable, which for the avoidance of doubt, may be after an Error has occurred; and
- (b) we will use reasonable endeavours to investigate whether there has, in fact, been an Error and/or what caused it.

2.29.2 The occurrence of an Error is a Specified Event that entitles us to take a Reserved Action. We will inform you of any Reserved Actions we may take, or may have taken, in accordance with sections 10.9 and 10.10.

## 2.30 Risk Management

2.30.1 Where applicable, you may set a variety of risk management options in respect of a CFD Margin Trade at any time, via the Platform, including one or more Stop Loss Orders, Trailing Stop Loss Orders, Guaranteed Stop Loss Orders or Take Profit Orders for any Order:

- (a) by amending the Order ticket;
- (b) if an Order has already been entered into, by applying a Stop Loss Order, Trailing Stop Loss Order, Guaranteed Stop Loss Order and/or, Take Profit Order via the Positions tab on your Account; or

- (c) if a CFD Margin Trade has already been entered into, at any time before the CFD Margin Trade is closed, by applying a Stop Loss Order, Trailing Stop Loss Order or Take Profit Order via the Positions tab on your Account.

2.30.2 See section 3.2 for more information.

2.30.3 In respect of Guaranteed Stop Loss Orders:

- (a) these may only be placed during Trading Hours;
- (b) a GSLO Premium must be paid to us in order to place any Guaranteed Stop Loss Order (including by modifying another type of Pending Order). A GSLO Premium Refund may be given if the Guaranteed Stop Loss Order is subsequently cancelled, removed, corrected or closed before it has been executed. A GSLO Premium is not required in order to modify an existing Guaranteed Stop Loss Order; and
- (c) if you wish to place, modify or cancel a Guaranteed Stop Loss Order (including by modifying another type of Pending Order), you must ensure that the Available Equity in your Account is sufficient to cover any increase in Position Margin and/or Prime Margin required as a result.

2.30.4 If you close a CFD Margin Trade, any attached Stop Loss Order, Trailing Stop Loss Order, Guaranteed Stop Loss Order and/or Take Profit Order will automatically be closed.

2.30.5 Pending Orders, including Stop Loss Orders and Trailing Stop Loss Orders but excluding Guaranteed Stop Loss Orders, are subject to market conditions (i.e. slippage) and are therefore not guaranteed to be executed at their Target Price.

2.30.6 Our Platform may aggregate: (i) any Stop Loss Order, Trailing Stop Loss Order or Stop Entry Orders to sell the same Product; or (ii) any Stop Loss Order, Trailing Stop Loss Order or Stop Entry Orders to buy the same Product, which are triggered by the same Price and which are due to be executed by our Platform at the same time in accordance with the Order Execution Policy Summary set out in section 3.1

2.30.7 Where applicable, you can use a Boundary where you need to ensure that the Buy Price or Sell Price at which a Market Order or Stop Entry Order is executed is not worse than the Target Price you specified when setting the Boundary.

### 2.31 Risk Management for Option CFDs

2.31.1 You may set a variety of risk management options in respect of an Option CFD at any time via the Platform. Further information on the types of risk management options are available on our Platform.

#### *Limits and restrictions on your Option CFDs*

2.31.2 We will set various limits and restrictions in relation to your Option CFDs and it is your responsibility to ensure that you know what all the current limits and restrictions are before placing or modifying any Order for an Option CFD by checking the information available on the Platform. Any restriction applicable to an Account may apply across all Accounts that you hold with CMC Markets.

2.31.3 If, at the time an Order would otherwise be executed, the execution of that Order would result in a breach of a limit relevant for that type of Order, the Order will be automatically rejected.

2.31.4 Where the acceptance of an Order or modification of an existing Order would result in a breach of a relevant limit, the relevant Order or modification will be rejected by our Platform.

2.31.5 In addition, an Account may be subject to a limit restricting the number of Option CFDs and/or Positions that could result in opening a new Position or Option CFD on the Account at any time. This limit is set by us in our sole discretion. We are entitled to vary such a limit at any time in accordance with section 10.10 and it is your responsibility to ensure that you know what the current limit is before entering any new Position, or placing an Order by checking the information available on the Platform.

### 2.32 Close-out Netting and Early Termination

2.32.1 All CFD Margin Trades and Countdowns entered into by you or on your behalf pursuant to this Agreement are entered into in reliance on the fact that the Agreement and all CFD Margin Trades and Countdowns form a single agreement between us and you. The Agreement shall be construed as including each CFD Margin Trade and Countdown accordingly. You agree you will not enter into any CFD Margin Trades or Countdowns other than as part of the Agreement.

2.32.2 Without prejudice to any of our other rights under this Agreement and upon the occurrence of an Event of Default, we may at our sole discretion and by notice in accordance with section 13.10 designate a day not earlier than the day such notice is effective as the Early Termination Date in respect of all outstanding CFD Margin Trades and Countdowns as at such date (each an **"Outstanding CFD Margin Trade"** or an **"Outstanding Countdown"** as applicable).

2.32.3 Once an Early Termination Date has been designated, no further payments will be required to be made in respect of the relevant CFD Margin Trades and Countdowns, other than payments calculated in accordance with the remaining provisions of this section 2.31 and we will cancel any Pending Orders.

2.32.4 On or as reasonably practicable following the occurrence of an Early Termination Date, we will make the relevant calculations to determine our Netting Loss or Netting Gain (as applicable) for each Outstanding CFD Margin Trade and Outstanding Countdown. We will provide to you evidence of such calculations showing reasonable detail and including all relevant quotations. Such calculations shall be binding on you (absent manifest error) and the date on which such calculations are provided shall be the **"Payment Date"**.

2.32.5 On the Payment Date, the Settlement Amount will be due and payable. If the Settlement Amount is a positive number, you will pay it to us. If the Settlement Amount is a negative number, we will pay it to you.

### 2.33 Shield Mode

2.33.1 If you have no open CFD Margin Trades, we may offer to enable Shield Mode on your Account. Shield Mode may not be available to all our Clients. Shield Mode cannot be enabled for Option CFDs.

2.33.2 Shield Mode will:

(a) ensure that you will not lose more than the Amount you have deposited with us. If Shield Mode is enabled and at any time you have a negative Cash value in your Account, we will waive our right to claim the deficit and will return the Account balance to zero (0), subject always to our right of Set-Off under section 7.8. Shield Mode does not affect your obligation to ensure your Account Revaluation Amount is at all times above the applicable Close-Out Level(s) displayed on our Platform and we retain the right to close any open CFD Margin Trades if you fail to maintain sufficient funds on your Account to keep your Account Revaluation Amount above the applicable Close-Out Level(s); and

(b) affect the execution of all Orders for CFD Margin Trades, prohibiting you from either:

- i. opening any CFD Margin Trade not fully covered by a Guaranteed Stop Loss Order; or
- ii. modifying and/or cancelling the Guaranteed Stop Loss Orders on your Margin Trades.

2.33.3 Enabling Shield Mode will not affect your ability to enter into Countdowns or Option CFDs.

2.33.4 You can disable Shield Mode at any time by calling our Client Management Team.

### 2.34 Order Execution

2.34.1 Our Order Execution Policy governs how we execute Trades. Please see section 3 for more information.

### 2.35 Examples

2.35.1 Our Website contains numerous examples showing how to trade our Products and how you could make a profit or loss by entering into Trades, including at [cmcmarkets.com/en-au/cfd/learn/cfds-explained/trading-example](https://cmcmarkets.com/en-au/cfd/learn/cfds-explained/trading-example). The examples are for illustrative purposes only.

## 3 ORDER EXECUTION POLICY

In this section we summarise the process by which the Platform and/or our Client Management Team will execute your Orders. When you trade, or instruct us to trade on your behalf through the Platform you consent to your Orders being executed in the manner described below.

### 3.1 Key points

3.1.1 You must contact our Client Management Team to enter into or close a Trade in relation to a Manual Product or which requires a Manual Order. You must specify the required information so that our Client Management Team can execute your Order for a Manual Product. An Order for a Manual Product will be entered into when executed by the Client Management Team.

3.1.2 Our Client Management Team can also place Orders on your behalf through the Platform on Products which are not Manual Products and/or which do not require a Manual Order.

- 3.1.3 We are the sole execution venue for your Orders. This means that your Orders are executed exclusively via a bilateral Trade with us as counterparty to your trades through the Platform, and not through a trade on any exchange, multilateral trading system or other external execution venue.
- 3.1.4 Our Platform is fully automated for pricing and Order execution. By placing an Order, you are giving the Platform an instruction to place that Order on your Account on the basis of the Prices generated electronically by the Platform. When you place an Order through our Client Management Team to enter into or close a Trade in relation to a Manual Product or which otherwise requires a Manual Order, a member of our Client Management Team will provide the relevant Price and other related terms for that Order which you will be free to accept or reject.
- 3.1.5 The Prices of the Products are generated electronically by the Platform. This means that the Prices at which you open and close Trades may be different to any current exchange or market price, or another financial provider's price, for the relevant Underlying Reference Instrument or index and are exclusive to the Platform. You should not expect our Prices to exactly match prices you may see elsewhere.
- 3.1.6 The Platform displays multiple Buy Prices and Sell Prices, via the Price Depth and Price Ladder, for different sized Orders.
- 3.1.7 As a result of rapid price movements, the Price at which our Platform executes an Order for a Trade may be less or more favourable to you than the Price displayed on our Platform when you place the Order.

## 3.2 How the Platform handles the different types of Orders

- 3.2.1 This section outlines the basis upon which the Platform will execute different types of Orders, subject to the factors outlined elsewhere in this Information Memorandum.
- 3.2.2 There may be times when we reject a Market Order as a result of the way in which you trade, for example the speed and volume at which you are trading, or as a result of an invalid price following a price check undertaken by us. For the avoidance of doubt, this applies whether you trade directly through the Platform or through an Application Programming Interface (API) and may be more likely when you trade via an API.

### 3.2.3 **Market Order**

- (a) A Market Order is an instruction to buy or sell a Trade at the first available Buy Price or Sell Price. Market Orders can be used to open or close a Trade.
- (b) During the Trading Hours for a Product, a Market Order to sell will be executed at the first available Sell Price (for the relevant size of the Order) and a Market Order to buy will be executed at the first available Buy Price (for the relevant size of the Order) as soon as possible after the Order is accepted. The Sell Price or Buy Price at which any Market Order will be executed will always reflect its size and the corresponding Price on the Price Ladder at the time of execution.
- (c) The Price at which the Order will be executed **may be less favourable** to you than the Price you see on the Platform when you place the Order (for instance, due to market movements between the time you submit your Order and the time the Platform or Client Management Team executes your Order).
- (d) The Platform will automatically cancel (and not execute) a Market Order if the first available Sell Price or Buy Price (as relevant and taking into account the size of the Order) is outside of any Boundary (if applicable) that you have set.

### 3.2.4 **Roll-Over**

- (a) Roll-Over is the process of closing a Trade on a particular Forward and entering into an equivalent Trade on a Forward with the same Underlying Reference Instrument but with the next available Expiry Date.
- (b) An Auto Roll-Over on a **sell** Trade on any particular Forward will be carried out by the Platform automatically executing a Market Order to buy the number of Units for that Trade at the **Level 1 Buy Price** (regardless of the size of the Order) and this Order will be executed (if possible) after the Last Roll-Over Date but on or before the Expiry Date. The Platform will then immediately execute a Market Order to sell the same number of Units on a Forward based on the same Underlying Reference Instrument(s) but with the next available Expiry Date, at the **Level 1 Mid-Price**.
- (c) An Auto Roll-Over on a **buy** Trade on any particular Forward will be executed on the same basis, save that the Platform will automatically execute a Market Order to sell the number of Units for that Trade at the **Level 1 Sell Price** and the corresponding Market Order will be to buy the same number of Units on a Forward at the **Level 1 Mid-Price**.

- (d) A Manual Roll-Over on a **sell** Trade on any particular Forward will be carried out on your instructions by the Platform executing a Market Order to buy the number of Units for that Trade at the **Level 1 Buy Price** (regardless of the size of the Order), as soon as possible after the Manual Roll-Over is accepted by the Platform (provided that this is before the Last Roll-Over Date). The Platform will then immediately execute a Market Order to sell the same number of Units on a Forward based on the same Underlying Reference Instrument(s) but with the next available Expiry Date, at the **Level 1 Mid-Price**.
- (e) A Manual Roll-Over on a **buy** Trade on any particular Forward will be executed on the same basis, save that the Platform will execute a Market Order to sell the number of Units for that Trade at the **Level 1 Sell Price** and the corresponding Market Order will be to buy the same number of Units on a Forward at the **Level 1 Mid-Price**.
- (f) Any Pending Orders on a Forward on which a Trade is being closed as part of a Roll-Over will automatically be cancelled by the Platform, and an equivalent Pending Order with an equivalent Target Price will be placed automatically by the Platform on any Forward (based on the same Underlying Reference Instrument(s) but with the next available Expiry Date) on which a new Trade is being entered into as part of the Roll-Over.
- (g) A Roll-Over on any Trade on any particular Forward will not be carried out by the Platform if a Forward based on the same Underlying Reference Instrument(s) but with a later Expiry Date is not available to be traded on the Platform at the time the Roll-Over would otherwise have been carried out. In such circumstances, where the Trade reaches the Expiry Date, the Trade will be closed and settled on the Cash Settlement Date, and any Pending Order on the relevant Forward will be cancelled automatically by the Platform on the Cash Settlement Date.

### 3.2.5 **Limit Order**

- (a) A Limit Order is an instruction to buy or sell a Product at a Target Price that is more favourable than the Level 1 Price.
- (b) A Limit Order to **buy** at a Target Price will be executed at the Target Price or lower when the Buy Price is **equal to or lower** than the Target Price. A Limit Order to **sell** at a Target Price will be executed at the Target Price or higher when the Sell Price is **equal to or higher** than the Target Price.
- (c) Commencing with the opening price, price improvements will not be passed onto you during market hours.

### 3.2.6 **Stop Entry Order**

- (a) A Stop Entry Order is an instruction to buy or sell a Product at a Target Price that is less favourable than the Level 1 Price.

#### **Standard Triggers**

- (b) Unless you elect otherwise:
  - (i) a **Stop Entry Order** to **buy** at a Target Price will be executed when the **Level 1 Buy Price** is **equal to or higher** than the Target Price. However, the Stop Entry Order will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Order; and
  - (ii) a **Stop Entry Order** to **sell** at a Target Price will be executed when the **Level 1 Sell Price** is **equal to or lower** than the Target Price. However, the Stop Entry Order will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Order.
- (c) Stop Entry Orders are not guaranteed and may be subject to Gapping.

#### **Alternate triggers**

- (d) Alternatively, you can elect to use the Level 1 Mid-Price as the trigger for your Stop Entry Order.
- (e) In these circumstances, the procedure is the same as under the standard triggers detailed above, save that references to the Level 1 Price should be replaced by the Level 1 Mid-Price.
- (f) Alternatively, you can elect to use the opposite Level 1 Price as the trigger for your Stop Entry Order:

- (g) In these circumstances, the procedure is the same as under the standard triggers detailed above, save that the reference price for a Stop Entry Order to buy is the Level 1 Sell Price and the reference price for a Stop Entry Order to sell is the Level 1 Buy Price.
- (h) In each case, whether you use a standard trigger or one of the alternative triggers:
  - i. the Platform will automatically cancel (and not execute) a Stop Entry Order if the first available Sell Price or Buy Price (as applicable) that corresponds to the size of your Order at the time the Platform would otherwise execute the Order, is outside of any Boundary (if applicable) that you have set.
  - ii. the Price at which the Order will be executed may be less favourable to you than the Target Price.
- (i) A **Limit Order** or **Stop Entry Order** will remain available for execution until the date you have selected the Order to be valid to, or you or we cancel it in accordance with this Information Memorandum. Please see section 10 for further information on why we may cancel your Order.
- (j) The Price at which the Order will be executed may be less favourable to you than the Target Price.

### 3.2.7 **Stop Loss Order**

- (a) An instruction to buy or sell a Product at a Target Price. Stop Loss Orders are linked to a Trade and can only be used to close a Trade, not open a new one.

#### **Standard Triggers**

- (b) Unless you elect otherwise:
  - i. a Stop Loss Order to buy at a Target Price will be executed when the Level 1 Buy Price is equal to or higher than the Target Price. However, the Stop Loss Order will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Stop Loss Order; and
  - ii. a Stop Loss Order to sell at a Target Price will be executed when the Level 1 Sell Price is equal to or lower than the Target Price. However, the Stop Loss Order will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Stop Loss Order.
- (c) Stop Loss Orders are not guaranteed and may be subject to Gapping.

#### **Alternate triggers**

- (d) Alternatively, you can elect to use the Level 1 Mid-Price as the trigger for your Stop Loss Order.
- (e) In these circumstances, the procedure is the same as under the standard triggers detailed above, save that references to the Level 1 Price should be replaced by the Level 1 Mid-Price.
- (f) Alternatively, you can elect to use the opposite Level 1 Price as the trigger for your Stop Loss Order.
- (g) In these circumstances, the procedure is the same as under the standard triggers detailed above, save that the reference price for a Stop Loss Order to buy is the Level 1 Sell Price, and the reference price for a Stop Loss Order to sell is the Level 1 Buy Price.
- (h) In each case, whether you use a standard trigger or one of the alternative triggers the Price at which the Order will be executed may be less favourable to you than the Target Price.

### 3.2.8 **Trailing Stop Loss Order**

- (a) A Trailing Stop Loss Order is an instruction to buy or sell a Product at a Target Price. The Target Price is automatically adjusted by the Platform to trail the Level 1 Price in the direction of your Trade at a distance you set. Trailing Stop Loss Orders are linked to a Trade and can only be used to close an existing Trade, not open a new one.

#### **Standard Triggers**

- (b) Unless you elect otherwise:
  - i. a Trailing Stop Loss Order to **buy** at a Target Price will be executed when the **Level 1 Buy Price is equal to or higher** than the Target Price. However, the Trailing Stop Loss Order will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Trailing Stop Loss Order; and



- ii. a Trailing Stop Loss Order to **sell** at a Target Price will be executed when the **Level 1 Sell Price is equal to or lower** than the Target Price. However, the Trailing Stop Loss Order will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Trailing Stop Loss Order.

(c) Trailing Stop Loss Orders are not guaranteed and may be subject to Gapping.

#### **Alternate triggers**

- (d) Alternatively, you can elect to use the Level 1 Mid-Price as the trigger for your Trailing Stop Loss Order.
- (e) In these circumstances, the procedure is the same as under the standard triggers detailed above, save that references to the Level 1 Price should be replaced by the Level 1 Mid-Price.
- (f) Alternatively, you can elect to use the opposite Level 1 Price as the trigger for your Trailing Stop Loss Order.
- (g) In these circumstances, the procedure is the same as under the standard triggers detailed above, save that the reference price for a Trailing Stop Loss Order to buy is the Level 1 Sell Price, and the reference price for a Trailing Stop Loss Order to sell is the Level 1 Buy Price.
- (h) In each case, whether you use a standard trigger or one of the alternative triggers:
  - i. the Prices at which the Order will be executed may be less favourable to you than the Target Price.
  - ii. the Target Price of a Trailing Stop Loss Order is adjusted in the direction of your Trade by the Platform and is calculated from the most favourable Price in respect of that Trade since that Order was last modified plus/minus (as relevant) the Stop Distance, as you set.

#### **3.2.9 Guaranteed Stop Loss Order**

- (a) A Guaranteed Stop Loss Order will only be executed at the Target Price but will have different Margin requirements (Prime Margin) and will incur a GSLO Premium.
- (b) A Guaranteed Stop Loss Order to **buy** at a Target Price will be executed when the Level 1 Buy Price is equal to or higher than the Target Price and will be executed at the Target Price.
- (c) A Guaranteed Stop Loss Order to **sell** at a Target Price will be executed when the Level 1 Sell Price is equal to or lower than the Target Price and will be executed at the Target Price.
- (d) In each case:
  - i. the Guaranteed Stop Loss Order will only ever be executed at the Target Price.
  - ii. the Target Price for any Guaranteed Stop Loss Order must meet the GSLO Minimum Distance at the time the Guaranteed Stop Loss order is placed (including by modifying another type of Pending Order), unless it is a Pending Order on a Forward and the Trade is being placed automatically by our Platform as part of a Roll-Over (in which case section 3.2.4 will apply).

#### **3.2.10 Take Profit Order**

- (a) A Take Profit Order is an instruction to buy or sell a Product at a Target Price. A Take Profit Order is linked to a Trade and can only be used to close a Trade, not open a new one.
- (b) A Take Profit Order to buy at a Target Price will be executed at the Target Price or lower, when the **Buy Price is equal to or lower** than the Target Price.
- (c) A Take Profit Order to sell at a Target Price will be executed at the Target Price or higher, when the **Sell Price is equal to or higher** than the Target Price.
- (d) Commencing with the opening price, price improvements will not be passed onto you during market hours.

#### **3.2.11 Aggregation of Orders**

- (a) The Platform may aggregate: (i) any Stop Loss Order, Trailing Stop Loss Order or Stop Entry Order to sell the same Product; or (ii) any Stop Loss Order, Trailing Stop Loss Order or Stop Entry Order to buy the same Product, which are triggered by the same Price and which are due to be executed by the Platform at the same time, in which case each relevant Stop Loss Order, Trailing Stop Loss Order or Stop Entry Order will be executed at the first available Buy Price or Sell Price (as applicable) on the Price Ladder corresponding to the size of the aggregated Stop Loss Order, Trailing Stop Loss Order or Stop Entry Order.

### 3.2.12 **Countdowns**

- (a) Countdowns are a type of Product where your profit or loss is a fixed amount dependent on whether the Price of an Underlying Reference Instrument goes up or down over a specified timeframe. Countdowns are offered in respect of a range of Underlying Reference Instruments as set out on the Platform.
- (b) A Countdown allows you to speculate on whether the Settlement Price of a Product will have moved up or down at the end of a specified timeframe. The only criteria for determining whether you win, lose or draw a Countdown is whether, corresponding with or against your prediction, the Settlement Price of a Product at the point of time of expiry of the Countdown is above, below or equal to the relevant Countdown Opening Price.

#### **Entering in a Countdown**

- (c) When you enter into a Countdown you must decide on the amount that you wish to be subject to the Countdown, referred to as the Stake. The Stake will be deducted from the Cash in your Account at the point the Countdown is opened.
- (d) If your Countdown prediction is incorrect you will lose your Stake. If your Countdown prediction is correct, your Stake will be returned to your Account, along with the Countdown Profit which is calculated by multiplying your Stake by the Win Percentage, which is the percentage as specified in the Product Library for the relevant Product.
- (e) If your Countdown prediction is neither correct nor incorrect (i.e. the Settlement Price is equal to the Countdown Opening Price when the Countdown expires), a portion of your Stake equal to the Stake multiplied by the Draw Percentage specified in the Product Library for that Product will be returned to your Account.
- (f) You will be able to see which Products you can place Countdowns on and access relevant information on each of these Products, including the relevant Attributes (such as the Win Percentage, Draw Percentage, minimum and maximum Stakes (if applicable), and the possible Countdown timeframes), through the Product Library. All Countdowns will be denominated in the Account Currency.
- (g) If the conditions of an Order to enter into a Countdown are met, but at that time your Available Cash is lower than the Stake, the Countdown will not be entered into.
- (h) When a Countdown is opened, the Stake immediately becomes payable and a corresponding change will be made to the Cash in the relevant Account. If the Countdown is subsequently cancelled or becomes void the Stake will be returned to the Cash in your Account.
- (i) All Countdowns open on the same Product at the same time on an Account are aggregated and subject to netting for the purposes of calculating the size of your Position in the relevant Product. Orders used to enter Countdowns in the same Product will, if and when executed, open a new Countdown, even if there is already an open Countdown in the same Product in the opposing direction.
- (j) Once a Countdown has been entered into, you cannot close it. All Countdowns will be closed and settled by our Platform automatically on expiration of the Countdown.
- (k) For the avoidance of doubt, the Countdown Opening Price and Settlement Price are relevant only for determining whether you have won or lost a Countdown and not for determining the amount of your profit or loss.

#### **Profit or Loss**

- (l) Your potential loss for any individual Countdown is limited to the size of the Stake.
- (m) The potential profit for any individual Countdown will be specified in the Product Library and will be unchanged over the life of the Countdown. It is denominated in the Account Currency and is calculated as follows:

**Countdown Profit = Stake x Win Percentage**

- (n) The Payout displayed on our Platform will reflect the increase in your Cash that would be gained on a winning Countdown (i.e. if your Countdown prediction is correct) and is calculated as follows:

**Payout = Stake + Countdown Profit**

- (o) When a winning Countdown is settled, any Payout will immediately become due to you and a corresponding change will be made to the Cash in your Account.
- (p) If a Countdown is neither winning nor losing, but expires at the Price at which it was opened, the Draw Percentage will immediately become due to you and a corresponding change will be made to the Cash in your Account.

**Loss Limits**

- (q) The loss limit feature on the Platform allows you to set a maximum loss that you can incur on your Account over a specified time period in respect of Countdowns.
- (r) You can set multiple loss limits for the following intervals: 24 hours, 7 days and 1 month. Once set, the Platform will attempt to prevent you from placing a Countdown Order where the maximum potential loss that could be realised from entering into the Countdown breaches a loss limit that you have set. When determining whether a loss limit could be breached winnings are netted against losses. You can access the loss limit feature through your account settings.

**Pricing Errors**

- (s) From time to time an event may occur (including due to Circumstances Outside Our Control) in relation to the underlying asset(s) of a Product which prevents our Platform from determining a Price for a Countdown (a "Pricing Error").
- (t) If we become aware of such Pricing Error during the life of the Countdown, that Countdown will be declared void and the Stake will be returned to the Cash in your Account.
- (u) If we become aware of such Pricing Error at or after the expiration of a Countdown, we will look at the age of the last tradable Price and either:
- i. cancel the Countdown and return the Stake to the Cash in the relevant Account if the last tradable Price is older than half (50%) of the timeframe of the relevant Countdown; or
  - ii. if there is no tradable Price within the last 15 seconds of the Countdown or within a period of less than three quarters (75%) of the timeframe of the relevant Countdown, settle the Countdown at such Price as we determine to be fair and reasonable, based on the last tradable Price available immediately prior to the Pricing Error.

**Account Close-Out**

- (v) Countdowns will not be closed during Account Close-Out.
- (w) More information on the different types of Orders can be found on our Website.

**3.3 How the Platform handles the different types of Orders for Option CFDs**

- 3.3.1 This section outlines the basis upon which the Platform will execute different types of Orders for Option CFDs, subject to the factors outlined elsewhere in this Information Memorandum.

**3.3.2 Limit Immediate or Cancel Order**

A Limit Immediate or Cancel Order ("**Limit IoC Order**") is an Order to buy or sell an Option CFD as soon as possible after it is transmitted to the Platform with a specific Price limit set by you provided that the Limit IoC Order is submitted during Trading Hours and the Platform is available at the time the Order is made. A Limit IoC Order will be filled in accordance with the specified limit price immediately, either fully or partially, or cancelled if it cannot be filled. If a partial fill occurs then a partial cancellation of the unfilled portion of the Order will occur.

**3.3.3 Protected Market IoC Order**

A Protected Market Immediate or Cancel Order ("**Protected Market loC Order**") is an Order to buy or sell an Option CFD as soon as it is transmitted to the Platform provided that the Protected Market loC Order is submitted during Trading Hours and the Platform is available at the time the Order is made. The intent of the "protected" aspect of the Order is that it limits the level of slippage that you may be subject to, but this is not guaranteed. When placing a buy Order, a price set by the Platform and detailed on the Order ticket will be the maximum price at which any portion of the Protected Market loC Order will be executed (the "**Maximum Execution Price**"). When placing a sell Order, a Price set by the Platform and detailed on the Order ticket which will be the minimum Price at which any portion of the Protected Market loC Order will be executed (the "**Minimum Execution Price**"). Once the Order is submitted and accepted by the Platform, it will convert into a Limit loC Order with either the Maximum Execution Price or Minimum Execution Price as the limit Price.

### 3.3.4 **Market loC Order (may only be placed by CMC Markets)**

A Market Immediate or Cancel Order ("**Market loC Order**") is an Order to buy or sell a closing Order on an Option CFD as soon as possible after it is transmitted to the Platform provided that the Market loC Order is submitted during Trading Hours and the Platform is available at the time the Order is made. This order type may be used by CMC Markets for risk management purposes including where the Platform or the Client Management Team carries out an Account Close-Out. This means that there are no specified Price limits in relation to this Order type. If a partial fill occurs, a partial cancellation of the unfilled portion of the Order may occur. Market loC Orders have a higher probability of execution than other Order types for Option CFDs, however, there is a greater risk of Price slippage due to volatility.

### 3.4 **Prices generated by the Platform**

- 3.4.1 The best possible result when executing your Order will be determined in terms of the total consideration (i.e. the price of your Order and costs related to execution).
- 3.4.2 The Prices of the Products are generated electronically by the Platform. Whilst these Prices will take into account market data from various sources in order to enable us to check whether our Prices are fair and we are delivering on our best policy obligation, you should note that they are not taken directly from any one source, and therefore may not match prices that you see elsewhere (including prices quoted on stock exchanges). Prices include our reasonable Margin.
- 3.4.3 Market fluctuations and technical conditions, in addition to Circumstances Outside Our Control, may mean that the Prices you see on your device and/or which are provided by our Client Management Team when you place an Order, may not be identical to the Price at which the Trade is executed. If changes occur in the applicable Price between the time you place an Order and the time we receive the Order or the Platform executes the Order, the Order is generally executed at the Price applicable when the Order is executed by the Platform. This may either be to your advantage or disadvantage.
- 3.4.4 In addition, there may be times when circumstances may prevent the Platform from generating Prices or affect the Prices being generated or affect the ability to quote Prices. Please refer to sections 9.9 and 10.12 for more information.
- 3.4.5 You can use a Boundary where you need to ensure that the Buy Price or Sell Price at which a Market Order or Stop Entry Order is executed is not worse than the Target Price you specified when setting the Boundary. Alternatively, you may place a Limit Order.

### 3.5 **CMC Currency Conversion Rates generated by the Platform**

- 3.5.1 When you enter into Trades or place Orders with us, all calculations will be undertaken in the currency in which the relevant Product is denominated, the Product Currency, before being converted into your Account Currency at the CMC Currency Conversion Rate and applied to your Account.
- 3.5.2 As with Prices, the CMC Currency Conversion Rate for any particular currency pair is generated electronically by the Platform and may not match currency conversion rates you see elsewhere (including official currency conversion rates and the currency pairs on the platform).
- 3.5.3 Where relevant, we will provide you with the CMC Currency Conversion Rate used to convert amounts in a Product Currency into your Account Currency.

### 3.6 **Product Limit, Position Limits and Order Cluster Limits**

- 3.6.1 Orders (including Pending Orders) and Trades in respect of any Product may be subject to Position Limits and/or Order Cluster Limits. Guaranteed Stop Loss Orders are also subject to GSLO Cluster Limits and GSLO Limits. We set these limits in our sole discretion. We are entitled to vary the Position Limits, Order Cluster Limits, GSLO Cluster Limits and/or GSLO Limits at any time in accordance with the Agreement and it is your responsibility to ensure that you know what the current limits are before placing or modifying any Order or entering into any Trade.
- 3.6.2 Where the acceptance of a Pending Order or modification of an existing Pending Order would result in a breach of an Order Cluster Limit, GSLO Cluster Limits and/or GSLO Limits, the relevant Order or modification will be rejected by the Platform.
- 3.6.3 In addition, your Account may be subject to a Product Limit restricting the number of Positions and/or Pending Orders that could result in opening a new Position on your Account at any time. We set this limit in our sole discretion. We are entitled to vary the Product Limit at any time in accordance with section 10.5 and it is your responsibility to ensure that you know what the current Product Limit is before entering any new Position or placing a new Pending Order.
- 3.6.4 If, at the time an Order (including any Pending Order) would otherwise be executed, the execution of that Order would result in a breach of the Product Limit, the Order will be automatically cancelled and will not be executed. It will be shown as a rejected Order on your Account.

### **3.7 Size, Speed and likelihood of execution**

- 3.7.1 The Platform executes Orders (except Orders for Manual Products) on an automated basis and does not rely on any manual intervention or dealing. However, Orders for Manual Products are executed by our Client Management Team.
- 3.7.2 The Platform will, apart from a limited number of exceptions, execute Orders as soon as practicable following receipt and, only during Trading Hours.
- 3.7.3 The Platform will accept or reject Orders or the modification of Pending Orders in accordance with their respective Attributes and our Information Memorandum, including if any applicable Product Limit, Position Limits, Order Cluster Limits, GSLO Limits and/or GSLO Order Cluster Limits would be breached and/or your Account Revaluation Amount would be insufficient to cover your Total Margin, where your Account Revaluation Amount is below the applicable Close-Out Level or where you have insufficient Cash to pay any applicable Commission or GSLO Premium (if applicable).
- 3.7.4 If the Platform has accepted an Order, there may still be circumstances which prevent or otherwise affect the execution of an Order, for instance, where doing so would breach a Position Limit and/or an Order Cluster Limit, where market restrictions apply, where you have or would have an insufficient Account Revaluation Amount to cover your Total Margin (if applicable) or where your Account Revaluation Amount is below the applicable Close-Out Level or any circumstance under section 9.9 and 10.12 as well as section 6.1.
- 3.7.5 The Platform, via the Price Depth, automatically takes into account the size of your Order at the point of execution.

### **3.8 Factors we consider when determining best execution**

- 3.8.1 When executing Orders, we will take all sufficient steps to obtain the best possible result for you taking into account the type of financial instrument the Order relates to, and other execution factors.
- 3.8.2 We will take into account the following execution factors when executing your Order, ranked in order of importance from highest to lowest:
  - (a) price;
  - (b) other costs including the Currency Conversion Rate;
  - (c) speed of execution;
  - (d) likelihood of execution and settlement; and
  - (e) size of your Order.

### **3.9 Factors not taken into account when executing Orders**

- 3.9.1 Except as described above, the Platform and/or our Client Management Team do not differentiate between the different types of Orders. Any Commission or Holding Costs that are incurred, will not be taken into account when the Platform executes an Order.

3.9.2 We will not use any other execution venues to execute your Orders. Accordingly, this Order Execution Policy does not include a list of other execution venues.

### 3.10 How your Trades are closed without instructions from you

3.10.1 There are some circumstances where the whole or a portion of your Trades will be closed without instructions from you. This includes, but is not limited to, circumstances where you have failed to ensure that your Account Revaluation Amount exceeds the Close-Out Level, where you fail to reduce any Position to below the applicable Position Limit within the relevant time limit we have specified and where we exercise our rights to close your Trades and/or Positions when you have breached the Agreement. Please refer to sections 5.4 and 10.10 for more information.

3.10.2 Unless you or we close it beforehand (whether through a Roll-Over or otherwise), any CFD Margin Trade on a Forward will be closed and settled by the Platform automatically on the Cash Settlement Date (and any Pending Order on the relevant Forward will also be cancelled on the Cash Settlement Date).

3.10.3 Where all or a portion of your CFD Margin Trades are to be closed without instructions from you, or Account Close-Out is to occur in accordance with the elections you have made on your Account, certain procedures will apply. Further information on these procedures can be found in the Platform.

3.10.4 We reserve the right to aggregate any CFD Margin Trades in the same Product being closed at or around the same time, and to execute the relevant Orders to close those CFD Margin Trades at the corresponding Price on the Price Ladder for an Order of the size of the aggregated CFD Margin Trades.

### 3.11 Instructions

3.11.1 If you provide us instructions on how to execute your Order, complying with that instruction may prevent us from taking the steps that we set out in this Order Execution Policy to obtain the best possible result for the execution of your Order. In those circumstances, our execution in accordance with your specific and complete instruction will be deemed best execution.

3.11.2 Since there is no external market for Products, your Orders can only be executed on the Platform and/or through our Client Management Team. Any instruction to execute your Order on a different execution venue will lead to rejection of your Order.

3.11.3 We may from time to time, in our sole discretion, accept instructions to agree to execute Orders we receive via email or other electronic messaging system. We have no obligation to accept, all or any part of an instruction via email or other electronic messaging system. You authorise us to act on any instruction or Order given or appearing to in our reasonable opinion to have been given by you through email or other electronic messaging system. Without limitation of the foregoing, we have no responsibility for, nor from any loss arising from, transmissions that are inaccurate or not received by us, and we may execute any Order on the terms actually received by us without requirement to seek further confirmation. Any acceptance of such instructions shall not create any precedent of future behaviour. We may ask you to agree to additional written terms relating to this section.

## 4 FEES AND COSTS WHEN TRADING IN CMC MARKETS PRODUCTS

This section is about the different fees and costs that may be applicable when trading Products. These can include costs incurred at the time of trading and other costs in respect of each Trade that remains open at the end of each Calendar Day. You need to take into account all of these fees and costs, which can impact the cost of doing business with us.

You must pay each fee and cost applicable to your Account and any Trade and/or Position at the time, in the amounts and in the manner specified in the Agreement.

The following is a summary of the fees and costs that may be payable when trading in Products. A further explanation of each fee and cost type can be found below:

4.1 - Spread Costs;

4.2 - Commissions and GSLO Premiums;

4.3 - Holding Costs;

4.4 - Market data fees; and

4.5 - Administration charges.



We may vary the fees and costs outlined in this Information Memorandum and the Product Library from time to time by posting a notice and updated Information Memorandum on CMC Markets' Website or on the Platform and/or by updating the Product Library.

#### 4.1 Spread Costs

- 4.1.1 When trading in certain Products with CMC Markets you will notice that the Product that you request a Price in has a lower price and a higher price at which you can place your Order. These two Prices are termed the Sell Price (represented by the lower figure) and the Buy Price (represented by the higher figure).
- 4.1.2 As CMC Markets is a market maker, these Prices represent where CMC Markets will buy Products at (Sell Price) and sell Products at (Buy Price) and these Prices may not be the same as prices quoted in the relevant Underlying Market.
- 4.1.3 At any time, the Sell Price represents the current Price to sell Products, and the Buy Price represents the current Price to buy Products at that time in a Trade with CMC Markets. When your Order is executed at one of these Prices, in order for you to break even or realise a profit or loss, the Price you exit your Trade at needs to be at least equal to the original Sell Price or Buy Price that you entered in at, if you trade at the Buy Price, the Price you exit your Trade at needs to reach the Sell Price and vice versa. This can be seen as a cost of trading and should be factored into your trading decisions.

#### 4.2 Commissions and GSLO Premiums

- 4.2.1 Where applicable, you will be charged Commission each time you enter into a Trade in certain Products. You will be charged the greater of: a minimum Commission or a Commission based on the size of the Trade. Details of any applicable Commission for a Product are set out in the Product Library.
- 4.2.2 You will be charged a GSLO Premium each time you place a Guaranteed Stop Loss Order (including by modifying another type of Pending Order) in respect of a Product. Details of GSLO Premium rates are specified in the Product Library.
- 4.2.3 If applicable, the Commission for a Trade will be debited from your Account at the time the Order is executed. GSLO Premiums are due and payable and will be debited from your Account immediately upon placing a Guaranteed Stop Loss Order (including by modifying another type of Pending Order). Commissions and GSLO Premiums are charged in the relevant Product Currency before being converted into your Account Currency at the CMC Currency Conversion Rate and applied to your Account. It is your responsibility to ensure you have sufficient Cash in your Account to pay any Commission and/or GSLO Premium in full. Failure to ensure that you have sufficient Cash in your Account to pay any Commissions and/or GSLO Premium will be a Specified Event and may result in Account Close-Out in accordance with section 5.4.
- 4.2.4 Any changes to Commission and GSLO Premiums will be automatically imposed by the Platform. You will have the choice as to whether or not you place an Order based on the Commission and/or GSLO Premium applicable to your Order at that time.

#### 4.3 Holding Costs

- 4.3.1 For certain Products, in respect of each CFD Margin Trade that remains open at the end of each Calendar Day (i.e. 5pm New York time, with the local time equivalent varying depending on daylight savings), a Holding Cost will be calculated and applied, with the exception for Products that relate to shares listed on the New Zealand Exchange, where the Holding Cost will be calculated based on Positions held at 9am (NZST) and applied to your Account at the end of each Calendar Day. This cost applies regardless of whether you are long or short on a CFD Margin Trade. Whether or not a Holding Cost applies in respect of a particular Product will be stated in the Product Library. Holding Costs can be positive or negative.
- 4.3.2 The Platform will calculate the Holding Cost as follows:

##### On a buy CFD Margin Trade

$$\text{Holding Cost} = \frac{(\text{Units} \times \text{Level 1 Mid Price}^* \times \text{Holding Rate} \times \text{CMC Currency Conversion Rate})}{365}$$

##### On a sell CFD Margin Trade

$$\text{Holding Cost} = \frac{(\text{Units} \times -1 \times \text{Level 1 Mid Price}^* \times \text{Holding Rate} \times \text{CMC Currency Conversion Rate})}{365}$$

\*the Level 1 Mid-Price is not required for CFD Margin Trades in Products where the Underlying Reference Instrument relates to a currency.

4.3.3 Any Holding Cost will be applied to your Account at the Holding Time for the relevant Product, details of which are displayed in the Product Library. Where an Underlying Market will be closed on any Calendar Day, such that you would be unable to close a CFD Margin Trade, we may charge you the Holding Cost for that Calendar Day in advance. You must have sufficient Cash in your Account at the relevant Holding Time to meet any Holding Cost.

4.3.4 If the Cash in your Account is above the Offset Threshold, we may, in our sole discretion, apply an Offset to reduce the amount of any Holding Cost(s) due from you. Details of any applicable Offset Threshold will be shown on the Platform. Further information about Holding Costs, including illustrative examples are available on our Website at [cmcmarkets.com/en-au/learn-cfd-trading/holding-costs-explained](https://cmcmarkets.com/en-au/learn-cfd-trading/holding-costs-explained) and on the Platform.

## 4.4 Market data fees

4.4.1 If you activate certain Products on the Platform, you may be required to pay a market data fee. The market data fee covers fees we must pay to its price vendors for use of market data in deriving our pricing for certain Products.

4.4.2 Please note that you may pay different market data fees depending on whether you are classified as a Private Investor or a Non-Private Investor. Please contact the Client Management Team to discuss your options if you do not believe that you have been classified correctly.

4.4.3 Applicable market data fees are listed in the below table, and can also be found on our Platform.

Platform	Market	Monthly fees & charges (Including GST)
The CMC Markets Platform (formerly known as the Next Generation Platform)	Australia	22 AUD for private investors 112.20 AUD for non-private investors
	Belgium, France, the Netherlands & Portugal	Free for private investors 77.28 EUR for non-private investors
	Denmark, Finland, and Sweden	Free for private investors 35.53 EUR – for non-private investors
	Ireland	Free for private investors 22.77 EUR for non-private investors
	Italy	Free for private investors 16.17 EUR for non-private investors
	Spain	Free for private investors 33.00 EUR for non-private investors
	UK	Free for private investors 51.48 GBP for non-private investors
	US	Free for private investors 37.40 USD for non-private investors
	All other markets	Free for private and non-private investors

## 4.5 Administration Fees

4.5.1 The administration fees (including any applicable dormant account fees) relevant to each CMC Markets' Product are detailed below:

Administration service	Fee (per transaction)
<b>Receipts</b>	
Electronic Funds Transfer (AUD)	No charge
<b>Card (Visa/Mastercard/PayPal)</b>	
<b>Australian Accounts</b>	
Credit card (Visa/MasterCard) (AUD)	1.00%
Credit card (Visa/MasterCard) (HKD)	3.5%
Credit card (Visa/MasterCard) (USD)	3.5%
Debit card (Visa/MasterCard) (AUD)	0.60%
Other currencies	No charge
PayPal (deposits only) (AUD)	1.00%
<b>Accounts in other countries / regions</b>	
Credit card (Visa/MasterCard) (HKD)	3.5%
Credit card (Visa/MasterCard) (USD)	3.5%
Debit card (Visa/MasterCard) (HKD)	3.5%
Debit card (Visa/MasterCard) (USD)	3.5%
<b>Withdrawals</b>	
<b>Australian Accounts</b>	
Electronic Funds Transfer (AUD)	No charge
Telegraphic transfers (AUD)	A\$35
<b>Accounts in other countries / regions</b>	
Withdrawal charge – Hong Kong (withdrawing USD)	US\$25
Withdrawal charge – Hong Kong (withdrawing HKD)	HK\$190
Withdrawal charge – China (withdrawing USD)	US\$5
Withdrawal charge – Taiwan (withdrawing USD)	US\$5
<b>Other</b>	
Dormant Account fees (applicable if there has been no activity on your Account for a continuous period of 12 months)	A\$15 monthly
Transcripts of phone conversations	Upon application
Audit certificates	Upon application

- 4.5.2 Details on these costs can be found in our costs disclosure via our Website, the Platform and in this Information Memorandum. We may impose and/or vary additional fees, costs or charges from time to time where we have a valid reason for doing so. We may also, in our sole discretion, waive these fees, costs or charges.
- 4.5.3 All charges will be made inclusive of any value added taxes or similar consumption taxes as applicable.

## 5 YOUR MARGIN OBLIGATIONS

### 5.1 Margin

#### 5.1.1 Position Margin

- If you wish to place an Order to enter a CFD Margin Trade, the increase or decrease in your Position Margin resulting from that Order is described as your Trade Margin.
- Your Position Margin will be calculated using the Level 1 Mid-Price shown on the Platform and the Margin Rate(s) shown in the Product Library. Position Margin is not required in respect of the portion of any CFD Margin Trade or Position covered by a Guaranteed Stop Loss Order, for which Prime Margin is required instead.
- For certain Products, different Margin Rates may apply depending on the size of your Position or the Tier(s) any portion of your Position falls within.
- The portion of your Position not covered by a Guaranteed Stop Loss Order that falls within each Tier is subject to the Margin Rate applicable for that Tier.
- The Position Margin required at any given time is calculated as follows:

$$\text{Position Margin} = \text{Aggregate Tier Margin} \times \text{Level 1 Mid-Price} \times \text{CMC Currency Conversion Rate}$$

- Where the Aggregate Tier Margin =  
Units in Tier 1 x Tier 1 Margin Rate + Units in Tier 2 x Tier 2 Margin Rate + Units in Tier 3 x Tier 3 Margin Rate + Units in Tier 4 x Tier 4 Margin Rate + Units in Tier 5 x Tier 5 Margin Rate,

where any Units that are covered by a Guaranteed Stop Loss Order are excluded from the calculation.

Example:

Company ABC (AUD) Margin Rates		
Tier	Position (Units) excluding Units covered by GSLOs	Margin Rate
1	1-1,000	10%
2	1,001-3,000	15%
3	3,001-5,000	20%
4	5,001-10,000	30%
5	Above 10,000	50%

- Using the Margin Rates shown in this example, a Position of 6,500 Units in Company ABC (AUD), where the Level 1 Mid-Price is \$2.75 per Unit and the Account Currency is Australian dollars, would require a Position Margin of \$3,437.50. This is calculated as follows:

Tier	Portion of Position in each Tier in Units (Tier Size) excluding Units covered by GSLOs	Margin Rate (%)	Level 1 Mid-Price (per Unit)	Units x Margin Rate for each Tier	Position Margin
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1	1,000	10%	\$2.75	1,000 x 10% = 100	100 x \$2.75 = \$275.00
2	2,000	15%	\$2.75	2,000 x 15% = 300	300 x \$2.75 = \$825.00
3	2,000	20%	\$2.75	2,000 x 20% = 400	400 x \$2.75 = \$1,100.00
4	1,500	30%	\$2.75	1,500 x 30% = 450	450 x \$2.75 = \$1,237.50
5	0	50%	\$2.75	0	0 x \$2.75 = \$0
Total	6,500 units			Total = 1,250	1,250 x \$2.75 (Level 1 Mid-Price) x 1 (CMC Currency Conversion Rate) = \$3,437.50

(h) Your Total Position Margin will be the sum of the Position Margin at any given time.

(i) The Position Margin Rate at any given time is calculated as follows:

$$\text{Position Margin Rate} = \frac{\text{Position Margin}}{\text{Sum of Units in Position} \times \text{Level 1 Mid-Price} \times \text{CMC Currency Conversion Rate}}$$

(j) If you wish to place an Order to enter into a CFD Margin Trade that will either create a new Position or increase an existing Position in a particular Product, the Available Equity in your Account must be sufficient to cover the Position Margin required as a result of that particular CFD Margin Trade, where:

$$\text{Available Equity} = \text{Account Revaluation Amount} - \text{Total Margin}$$

and

$$\text{Account Revaluation Amount} = \text{Cash} + \text{Net Unrealised Profit or Loss (Mid-Price)}$$

#### 5.1.2 Prime Margin

(a) In respect of any whole or portion of a CFD Margin Trade covered by a Guaranteed Stop Loss Order ("GSLO Trade"), the Prime Margin required is calculated in real time as follows:

(b) On a buy CFD Margin Trade:

$$\text{Prime Margin} = \text{Units in the Guaranteed Stop Loss Order} \times (\text{Level 1 Mid-Price} - \text{Target Price}) \times \text{CMC Currency Conversion Rate}$$

(c) On a sell CFD Margin Trade:

$$\text{Prime Margin} = \text{Units in the Guaranteed Stop Loss Order} \times (\text{Target Price} - \text{Level 1 Mid-Price}) \times \text{CMC Currency Conversion Rate}$$

(d) For example, if a Guaranteed Stop Loss Order had been entered into on a buy CFD Margin Trade to sell 1,000 Units in Company ABC (AUD) with a Target Price of \$2.000 where the Level 1 Mid-Price is \$2.75 per Unit and the Account Currency is Australian dollars, the Prime Margin required would be \$750 (1000 Units x (2.75 – 2.00) x 1).

(e) Your Total Prime Margin is the sum of the Prime Margin required for all GSLO Trades at any given time. Your Total Prime Margin will be displayed on the Platform and updated in real time.

#### 5.1.3 Independent Margin

- (a) We may also:
  - i. require you to have an additional Amount deposited in an Account to secure your future obligations to us; or
  - ii. reduce the Amount you are required to hold in an Account by an absolute Amount;
- (b) the relevant Amount in both cases being referred to as Independent Margin (which will be a positive figure in respect of Amounts under section 5.1.3(i) and a negative figure in respect of Amounts under section 5.1.3(ii).

## 5.2 Margin and Premium for Option CFDs

- 5.2.1 We will apply a variety of Margin and Premium requirements to any Order for an Option CFD you place on our Platform which you are required to meet. We provide detailed information on these requirements via our Platform and via the Website.
- 5.2.2 We retain sole discretion whether we permit you to enter into Option CFDs on a leveraged basis. Where we permit you enter into OTC Contracts on a leveraged basis, a Margin requirement will apply. The Margin requirements in respect of any Option CFDs may fluctuate and you may incur losses from any Option CFDs that exceed the Margin you have provided to us for your Positions.
- 5.2.3 The Premium for any Option CFD is calculated at the time of the Order and remains constant throughout the duration of the Option CFD, save where you choose to reduce or increase your position in that Option CFD. Where you enter into a long Option CFD, you will owe us the Premium and where you enter into a short Option CFD, we will owe you the Premium.
- 5.2.4 Premiums will be settled on a net basis at the time of either the date on which an Option CFD is closed or the Expiry Date, whichever comes sooner.
- 5.2.5 When you enter into a long Option CFD, the Premium amount is locked and does not count toward your Available Cash or Available Equity. At the point in time at which a long Option CFD is closed or at the Expiry Date, the value of the Premium will be deducted from your Account Value or from any Realised Profit in relation to the Option CFD in general. At the point in time at which a short Option CFD is closed or at the Expiry Date, the value of the Premium will be credited to your Account Value where there is a Realised Profit arising from that Option CFD. Where there is no Realised Profit arising from an Option CFD, the Premium will be set-off against any Realised Loss in relation to that particular Option CFD.

## 5.3 Total Margin

- 5.3.1 Your Total Margin is the sum of your Total Position Margin, your Total Prime Margin and your Independent Margin at any given time. Your Total Margin does not represent your entire potential liability to us, and any Trade may result in a loss that exceeds the relevant Margin provided to us for your Positions, particularly if we have permitted a negative Independent Margin on your Account.

## 5.4 Account Close-Out

- 5.4.1 Please note that this section should be read in conjunction with section 13.26.

### 5.4.2 Close-Out Level

- (a) You are required to keep sufficient funds in your Account to maintain your Account Revaluation Amount above the Close-Out Level.
- (b) Your Account Revaluation Amount is calculated as follows:  
**Account Revaluation Amount = Cash + Net Unrealised Profit or Loss (Mid-Price)**
- (c) Your Account Revaluation Amount will be displayed on the Platform and updated in real time.
- (d) When calculating your Close-Out Level the Platform will reference either an absolute amount (an "**Absolute Close-Out Level**"), or percentages of your Total Margin and your Prime Margin Requirement.  
**Total Margin = Total Position Margin + Total Prime Margin + Independent Margin**  
**Prime Margin Requirement = Total Prime Margin + Independent Margin**
- (e) Based on these amounts, you will be subject to one or more Close-Out Levels:  
**Standard Close-Out Level = Total Margin x Close-Out Percentage Level**



**Prime Close-Out Level = Prime Margin Requirement x Prime Close-Out Percentage Level**

- (f) Note that your Prime Margin Requirement, and accordingly your Prime Close-Out Level, will only be relevant if you have open Trades that require Prime Margin.
- (g) Subject to the processes described in this section 5.4, during any Account Close-Out the Platform will attempt to close Standard Trades before closing GSLO Trades.

**5.4.3 Close-Out Triggering**

- (a) You must ensure that your Account Revaluation Amount is at all times above your Close-Out Level, which will be displayed on the Platform.
- (b) For the purposes of triggering Account Close-Out, your Close-Out Level will be either:
  - (i) the greater of your **Standard Close-Out Level** and your **Prime Close-Out Level**; or
  - (ii) an **Absolute Close-Out Level**.
- (c) If your Account Revaluation Amount for an Account falls to an Amount at or below the Close-Out Level at any point in time, the Platform will automatically initiate Account Close-Out.
- (d) Account Close-Out will either be performed as Full Account Close-Out or (subject to the Account Close-Out preferences that you specify on the Platform) as Alternative Account Close-Out. Where you breach an Absolute Close-Out Level, Account Close-Out will be performed as Full Account Close-Out.

**5.4.4 Account Close-Out**

- (a) You must ensure that for each Account, your Account Revaluation Amount is at all times above the applicable Close-Out Level (including Prime Close-Out Level if applicable) for your Account displayed on the Platform. Where your Account Revaluation Amount is less than the applicable Close-Out Level, the Platform may automatically initiate Account Close-Out in accordance with your Account settings. Standard Trades and Option CFDs may be closed before GSLO Trades. Further details on the applicable Close-Out Level for your Account and the methods of Account Close-Out can be found on the Platform or by contacting the Client Management Team. Account Close-Out does not and is not intended to limit your entire liability to us in respect of your Trades. You can lose more than your investment and you may be required to make further payments, unless Shield Mode has been enabled on your Account, where you cannot lose more than your Invested Capital. Shield Mode cannot be enabled for Option CFDs.
- (b) Manual Products that require a Manual Order to close may not be included in the automatic Account Close-Out process and accordingly the Full Account Close-Out and Alternative Account Close-Out processes. A member of the Client Management Team will take the necessary action to close out Trades in a Manual Product at their discretion and in accordance with any relevant instructions provided by you where commercially reasonable in the circumstances.
- (c) Where you have open CFD Margin Trades relating to Manual Products or Manual Orders, if the Platform has carried out an Account Close-Out and your Account Revaluation Amount is still at or below the Close-Out Level (including any Prime Close-Out Level if applicable), the Client Management Team will (as it sees fit in its sole discretion) manually close all or a portion of the CFD Margin Trades relating to Manual Products or Manual Orders within the applicable Trading Hours and where trading is not otherwise suspended.
- (d) If our Client Management Team has previously agreed with you that it may suspend or override any Account Close-Out initiated by the Platform and your Account Revaluation Amount falls to an Amount at or below the Close-Out Level, our Client Management Team may (as it see fit in its sole discretion, acting reasonably) during Australian office hours try to contact you to request payment into the Account. If the Client Management Team is unable to contact you and/or you are unable to fund your Account within a reasonable time, the Client Management Team may manually close all or a portion of the CFD Margin Trades in respect of any Product (including those relating to Manual Products or Manual Orders) within the applicable Trading Hours and where trading is not otherwise suspended.

**5.4.5 Close-Out –Countdowns**

- (a) For the avoidance of doubt, any open Countdowns will not be closed during Account Close-Out.

**5.4.6 Margin Examples**

(a) Examples of how Margin is calculated are displayed below and on our Website including at [cmcmarkets.com/en-au/cfd/learn/cfds-explained/calculating-margins](http://cmcmarkets.com/en-au/cfd/learn/cfds-explained/calculating-margins).

Example							
CFD type	Product	Units	Level 1 Mid-Price	Tier 1 Margin Rate	CMC Currency Conversion Rate	Calculation	Trade Margin
Shares	BHP	250	45.50	5%	1	$250 \times 45.50 \times 5\% \times 1$	AUD 568.75
Index	Australia 200	10	4745.4	0.2%	1	$10 \times 4745.4 \times 0.2\% \times 1$	AUD 94.91
Commodity	Crude Oil West Texas	500	99.721	0.75%	0.9372	$500 \times 99.721 \times 0.75\% \times 0.9372$	AUD 350.47
Currency	GBP/USD	100,000	1.64025	0.2%	1.54525	$100,000 \times 1.64025 \times 0.2\% \times 1.54525$	AUD 506.92
Treasury	Euro Bund	1,000	135.50	0.25%	1.33575	$1000 \times 135.50 \times 0.25\% \times 1.33575$	AUD 452.49

## 6 ADJUSTMENT EVENTS

This section deals with other factors you should consider when trading Products.

### 6.1 Corporate Actions, Adjustment Events and Insolvency

6.1.1 A Corporate Action or Adjustment Event may occur in relation to an Underlying Reference Instrument. If a Corporate Action or Adjustment Event occurs, we will determine whether it has or will have a material effect either on the market value of the Underlying Reference Instrument or on the value of the Trade or Position. If a Corporate Action or Adjustment Event occurs, we may, but are not obliged to take appropriate action (in our reasonable opinion) to:

- (a) replicate the effect on your Order(s), CFD Margin Trade(s) or Position(s) that the Corporate Action or Adjustment Event will have on the Underlying Reference Instrument;
- (b) adjust any Attributes or other features of an Option CFD;
- (c) adjust and/or cancel your Order(s);
- (d) reflect any action taken by counterparties to trades in respect of such Underlying Reference Instrument that we have entered into in order to Hedge or offset our exposure to you; and/or
- (e) preserve the economic equivalent of your Order, CFD Margin Trade or Position immediately prior to the Corporate Action or Adjustment Event.

Subject to this section 6.1, following a Corporate Action or Adjustment Event, the types of action that we may in our sole discretion take include (but will not be limited to) the following:

- (f) suspend or close any CFD Margin Trade where the Underlying Reference Instrument has been affected;

- (g) cancel or suspend any Order (including Pending Orders) where the Underlying Reference Instrument has been affected;
  - (h) require additional Position Margin, Independent Margin, Prime Margin and/or you to pay for any foreseeable costs incurred by CMC Markets (or any of our Associates) in relation to the Order (including Pending Orders), CFD Margin Trade where the Underlying Reference Instrument has been affected;
  - (i) change the Level 1 Price of an Order (including a Pending Order) or CFD Margin Trade where the Underlying Reference Instrument has been affected;
  - (j) make appropriate calculations, adjustments, Deductions or credits from or to your Account(s);
  - (k) withdraw the Product, where the Underlying Reference Instrument has been affected, from our Platform; and/or
  - (l) make appropriate adjustments to the Target Price of any Guaranteed Stop Loss Order and/or require additional Prime Margin where the underlying asset(s) of the relevant Product has been affected.
- 6.1.2 Subject to section 10.6, we will give you notice on our Platform of any applicable action that we decide to take as soon as reasonably practicable, which for the avoidance of doubt may be after the relevant Corporate Action or Adjustment Event or after the relevant action which we may take in our discretion under this section 6.1.
- 6.1.3 If the Price of the Underlying Reference Instrument of a Product is suspended, or if we reasonably determine that any calculations, adjustments, credits or debits under this section 6.1 cannot be made in a commercially reasonable manner or at all, we may suspend or close the affected Positions, cancel or suspend any Order or require additional Position Margin or Independent Margin. Any Positions that we close will be at a Price that is fair and reasonable. Such Price may be different for a buy and sell Trade or a long Option CFD and a short Option CFD and may be at a Price of zero (0) in extreme circumstances where market conditions warrant such a price, as determined by relevant financial market data. We will notify you of the date and Price at which such Position will be closed. A Corporate Action or Adjustment Event may constitute a Circumstance Outside Our Control. CMC Markets also reserves the right to request any reasonably foreseeable associated costs that may be incurred by CMC Markets in connection with any suspension of a Product or its Underlying Reference Instrument.
- 6.1.4 If an issuer of the Underlying Reference Instrument of a Product becomes insolvent or similar, all Trades on that Product may be closed by us, generally at a Price of zero (0) if this is reflective of the market value of the Underlying Reference Instrument. If you have a Position on any such Product, we will provide you with notice of this.
- 6.1.5 With regards to Share CFDs, to qualify for a Corporate Action or Adjustment Event you must hold the Product at the close of that Product's Trading Hours on the day immediately preceding the ex-date, that is the date on which a dividend is declared or distributed. With Index CFDs, you must hold the Product at the end of the Calendar Day immediately preceding the ex-date of the relevant constituent of the Index.
- 6.1.6 Whilst a Corporate Action or Adjustment Event is processed, the Platform will not generate Prices or accept Orders for the relevant Product. Where possible we will process Corporate Actions and Adjustment Events outside the relevant Trading Hours.
- 6.1.7 We are under no obligation to adjust the terms of any Trade in connection with a Corporate Action. You should remain aware of Corporate Actions that have occurred and that may impact your Positions. Please note that we are under no obligation to monitor Corporate Actions or bring them to your attention.
- 6.2 Insolvency**
- 6.2.1 If any issuer whose shares form the basis of a Product becomes insolvent, is otherwise dissolved or is subject to any event which has an analogous effect, we reserve the right to close any Position on that Product and you agree that we may do so. If you have a Position on any such Product, we shall provide you with notice in writing of that insolvency or dissolution.
- 6.2.2 The Price at which Positions shall be closed under this section 6.2 is in general zero (0). However, the Position will be closed at a higher Price if the underlying shares can still be sold on a liquid market at such higher Price. We will notify you in writing of the date and Price that your Position shall be closed.
- 6.2.3 We reserve the right to request additional Position Margin, Independent Margin and/or any reasonably foreseeable associated costs we incur in connection with any suspension of a Product or its relevant Underlying Reference Instrument(s).
- 6.3 Voting rights**

- 6.3.1 You are not entitled to voting rights or other rights held by the registered holders of Underlying Reference Instruments in respect of any Trade.

## 6.4 Trading halts and suspensions

- 6.4.1 You will not be able to enter into any new Trades where there is a trading halt in the Underlying Reference Instrument or trading in respect of the Underlying Reference Instrument has otherwise been suspended in the Underlying Market. Where trading in a product has been halted or suspended we may exercise certain discretions, see section 10 for more information.
- 6.4.2 Subject to our rights under Section 10, if a Product or its Underlying Reference Instrument is suspended for any reason, the Price of all CFD Margin Trades connected with that Product will generally be zero (0). We reserve the right to request additional Position Margin, Independent Margin and/or any reasonably foreseeable associated costs we (or any of our Associates) incur in connection with any suspension of a Product or its relevant Underlying Reference Instrument.

## 7 ACCOUNT ADMINISTRATION

### 7.1 Operating your Account through the Platform

- 7.1.1 You, an Authorised Person or your Introducing Adviser may use the Platform to monitor Trades at any point in real time, as well as view all Trades, Orders and Account History, including details of any Commission charged.
- 7.1.2 You must keep all security information relating to your Account confidential. You are responsible for all Orders and instructions and for the accuracy of all information sent electronically using any Account Sign-In Details that have been linked to your Account (for example, by an Authorised Person). If you suspect or are aware your Account Sign-In Details are no longer confidential, you must notify our Client Management Team as soon as possible (see contact details in section 1.2).

### 7.2 Authorised Persons

- 7.2.1 If you are a body corporate, unincorporated association, trust or partnership, a client of an Introducing Adviser or an individual who wants to appoint an attorney, you must notify us in writing of any person who is authorised to act on your behalf (an “**Authorised Person**”) in relation to this Agreement and your Account. You and/or the Authorised Person will be required to complete such further documentation as we may reasonably require (including the Authorised Person completing an Application). We may require evidence that the Authorised Person has authority and is appropriate to act on your behalf.
- 7.2.2 We may revoke or refuse to accept the appointment of an Authorised Person if we know or reasonably suspect that such appointment would result in a breach of the Agreement and/or Applicable Law. You must immediately notify us in writing of any changes to the appointment and/or authority of any Authorised Person.
- 7.2.3 We are entitled to act upon the oral, electronic or written instructions of any Authorised Person or any person who reasonably appears or purports to be an Authorised Person, notwithstanding that the person is not, in fact, so authorised. In particular, we are entitled to act upon any instructions or Orders transmitted using your Account Sign-In Details, whether via the Platform or through our Client Management Team, unless you have notified us in accordance with section 2.9 that you know or suspect that an unauthorised person has or may have access to your Account.
- 7.2.4 Any action in relation to the Agreement taken by an Authorised Person you have appointed in accordance with this Information Memorandum or any person who reasonably appears or purports to be an Authorised Person will be deemed to be your action.
- 7.2.5 We will be deemed to have provided you with any information provided by us to an Authorised Person you have appointed in accordance with this Information Memorandum or any person who reasonably appears or purports to be an Authorised Person.
- 7.2.6 Notwithstanding our right set out above to rely and act on any communications and/or instructions from an Authorised Person you have appointed in accordance with this Information Memorandum, we will not be under any duty to open or close any Trade or accept any Order or other communication or instructions from such Authorised Person if we reasonably believe that the Authorised Person may be acting in excess of their authority. Nothing in this section will be construed as placing us under a duty to enquire about the authority of any Authorised Person who reasonably appears or purports to represent you.

7.2.7 Where you have appointed an Introducing Adviser, discretionary investment manager or a similar Person as an Authorised Person to act on your behalf and that Person also acts on behalf of other clients of CMC Markets then the Authorised Person may decide to place a single, aggregated order with us in respect of a Product and allocate the order amongst you and their other clients. In such circumstances, the portion of the order allocated to you will represent your Order, which will have been executed at the corresponding Price on the Price Ladder for the size of the aggregated order. The Authorised Person may decide to place such orders for various reasons, for example, to ensure timely execution which may be to your benefit. We are not responsible for the aggregation and allocation of such orders, which shall be the sole responsibility of the Authorised Person, but you should note that such aggregation and allocation may operate to your disadvantage. If the Authorised Person aggregates such orders, the Price you obtain may be inferior to the Price you could have obtained had you placed a separate Order yourself at that time.

### 7.3 Joint Accounts

7.3.1 If you open a Joint Account:

- (a) references to you are references to any other Person in whose name the Joint Account is held. We may exercise any of our rights or obligations under this Agreement against any Person who is, or reasonably purports to be, named on that Joint Account. This includes acting on instructions received from such a Person;
- (b) we may act upon instructions received from any one Person who is, or reasonably appears or purports to be, named on that Joint Account;
- (c) we may disclose information (including, for the avoidance of doubt, personal information) provided by one Joint Account Holder to one or all of the other Persons in whose name the Joint Account is held;
- (d) we may give any notice or communication to any one or all Persons in whose names that Joint Account is held and any notice or communication, made to any one Person, shall be deemed as having been made to all Joint Account Holders;
- (e) each Joint Account Holder shall be jointly and severally liable for any financial obligations arising on their Joint Account. This means that any monies owed to us in relation to the Agreement shall be payable in full by anyone named on that Joint Account
- (f) the death of any Joint Account Holder will be a Specified Event and the Joint Account will be closed and the balance paid equally to the survivor(s) and the relevant Joint Account Holder's estate; and
- (g) our rights under the Agreement, including but not limited to our rights to take a Reserved Action shall apply in respect of all Joint Account Holders and the occurrence of a Specified Event in respect of one Joint Account Holder will allow us to exercise any rights we may have under the Agreement.

7.3.2 After a Joint Account has been opened, you may not add or remove Persons named on that Joint Account. If you wish to change the Joint Account Holders you must close the Joint Account and open a new one.

### 7.4 CMC Currency Conversion

7.4.1 All Deductions and credits applied to your Account will be in your Account Currency, regardless of the Product Currency. Where the Product Currency is different to the relevant Account Currency, all calculations of Deductions and credits will be undertaken in the Product Currency and converted into your Account Currency at the CMC Currency Conversion Rate. This does not mean that you can ignore the potential impact of currency exchange rates when you enter into a Trade that is denominated in a currency other than your Account Currency – you should factor this into your trading decisions.

7.4.2 The Platform will retain information about the CMC Currency Conversion Rate used for any conversion that results in a change to your Cash or Total Margin.

7.4.3 If you transfer funds to your Account which is in a different currency to your Account Currency, those funds will be transferred to your Account using an exchange rate that is displayed on the Platform.

### 7.5 Payments and Withdrawals

7.5.1 You are responsible for making payments to us which are required under the Agreement. We may reject any payment that is not made in accordance with our payment procedures (details of which are available on our Platform or from our Client Management Team upon request).

- 7.5.2 When making payments to us, you may wish to leave “headroom”, especially during volatile and potentially volatile periods (i.e. an Amount that ensures you have sufficient funds above your Margin requirements and that your Account Revaluation Amount is in excess of your total Margin requirements (if applicable) or the Amount required to keep the Account Revaluation Amount above the applicable Close-Out Level on any Account). You should consider your Positions, CFD Margin Trades and Pending Orders, the volatility of the particular Product concerned and the relevant markets for the Underlying Reference Instrument, the time it will take for you to make further payments of Cleared Funds to us and any other matter which you think relevant.
- 7.5.3 Any payment made by you or on your behalf by certain Authorised Persons will only be given effect once our systems have credited it to the relevant Account and it is shown on the Platform. We cannot guarantee how long this process will take and, subject to section 13.4.1, we will not be liable to you for any loss arising as a result of any delay in us crediting any payment to your Account.
- 7.5.4 You are responsible for any costs and charges incurred in the process of making any payment to your Account. You may also be liable for other charges that are not imposed by us, including bank transfer fees, and fees to internet and telephone service providers. If you make a payment by debit card or credit card or withdraw money from an Account, we may charge an administration fee to process that payment and/or withdrawal in accordance with Applicable Law.
- 7.5.5 You may make a request to withdraw money up to the lower of your Available Equity or Cash from your Account. Details on how to make withdrawals of money from your Account are available on our Website or from our Client Management Team upon request.
- 7.5.6 Payments will be accepted from you only if they are to an Account held individually or jointly in your name, and the payment has originated from you and, in the case of bank transfers, where we have verified that bank account (as necessary). If there is any inconsistency between your name (as you have supplied to us) and the name on the source account from which the payment originates, or if you do not correctly provide any other necessary details, the payment may be rejected and returned to the source account or there may be a delay in crediting the payment to your Account. In certain circumstances we may accept payments on your behalf by an Introducing Adviser provided that the Introducing Adviser is an Authorised Person you have appointed, we have an agreement in place with the Introducing Adviser and we have verified the account the payment is made from (where applicable) and undertaken any other checks that we in our sole discretion determine are necessary or appropriate.
- 7.5.7 Payments you make will not be counted as Cleared Funds in your Account, and can therefore not be used to meet Position Margin, until they have been credited to your Account by CMC Markets. Depending on the reference you include with the payment method used, transfers can take several days to be counted as Cleared Funds.
- 7.5.8 Unless we agree otherwise or to comply with Applicable Law, we will only accept a request for a withdrawal of money from your Account that you give directly or an Authorised Person you have appointed gives in accordance with section 7.2 (other than a Person acting pursuant to a limited power of attorney). We will not accept any request for a withdrawal of money from an Account from any other Person. Withdrawals of money from your Account will only be made in the Account Currency. Withdrawals will only be processed where the destination for the money being withdrawn is the same as the origin of your payment(s), unless (and subject to our prior approval) you have notified us in writing that your payment details have changed.
- 7.5.9 Under certain circumstances there may be a delay in processing your payment or a withdrawal, including where such delay is due to the time it takes for our systems to process the payment or withdrawal, to Circumstances Outside Our Control or to an issue in relation to your payment or withdrawal that we may be attempting to resolve to comply with Applicable Law.
- 7.5.10 We may in our reasonable discretion refuse or delay giving effect to your request for a withdrawal of money from an Account (in whole or in part) if we reasonably consider that:
- (a) on any particular day, you have already made five requests to withdraw money from that Account;
  - (b) the money is required to cover any Holding Costs, Commissions, GSLO Premiums, Realised Losses, Margin, Premiums or Net Unrealised Loss in respect of your Positions, or to ensure that your Account Revaluation Amount is equal to or greater than your Total Margin on your Account, or to ensure that your Account Revaluation Amount is above the Close-Out Level applicable to an Account;
  - (c) the money may be required to meet a payment obligation that is due or reasonably likely to fall due within the next five (5) Business Days;
  - (d) we need the money to make a Deduction (under section 7.7) or exercise our right of Set-Off (under section 7.8) in accordance with the Agreement or Applicable Law (including for tax purposes);



- (e) we are required to do so under Applicable Law or we reasonably suspect that there has been a breach of Applicable Law;
  - (f) there is an unresolved dispute or a potential dispute between us and you in connection with the Agreement, including where you have breached the Agreement or we reasonably suspect that you have breached the Agreement, and we will (except in some cases where (c) above applies) notify you as soon as reasonably practicable if we decide to take such action; or
  - (g) we know or reasonably suspect that the instruction has been provided by an Authorised Person acting pursuant to a limited power of attorney or a limited appointment of agent.
- 7.5.11 We will (except in some cases where (e) above applies) notify you as soon as reasonably practicable if we decide to refuse or delay giving effect to your request for a withdrawal and such action shall be a Specified Event.
- 7.5.12 Please note that the Cash value shown on the Platform does not represent the amount of funds that are available for withdrawal. As noted in (b) above, we may withhold funds where you have Net Unrealised Losses in your Account.
- 7.5.13 If your Account has a negative Cash value following Account Close-Out or termination of this Agreement, that negative Cash value represents a debt owed to us which is due and payable immediately.
- 7.5.14 If there has been no activity on your Account for an extended period of time, we may impose dormant Account fees as set out in section 4.5 and make a Deduction from your Account in accordance with section 7.7. If there has been no activity on your Account in the previous six (6) years, we will make reasonable attempts to contact you regarding any client money held in your Account. If we are unable to contact you, you agree that we may cease to treat such money as client money and release it from our client money bank account and pay it to charity or to the relevant authority in accordance with Applicable Law.
- 7.5.15 We do not accept responsibility for any loss or damage suffered by you as a result of you trading with money placed in or credited to your Account in error by us or on our behalf. We will be entitled at any time and in our sole discretion to deduct, without notice or recourse to you, any money placed in or credited to your Account in error by us or on our behalf.
- 7.5.16 Notwithstanding any other provision of this Agreement, any payment obligation that we may have to you under this Agreement (other than a payment obligation pursuant to section 2.31 above) is subject to the condition precedent that no Event of Default has occurred and is continuing and no Early Termination Date has occurred or been effectively designated.
- 7.6 Account Currency**
- 7.6.1 The Account Currency for your Account will be as you select from the available options specified by CMC Markets at the time you opened the Account, and any payment obligations in relation to your Account must be settled in that Account Currency. See section 9.3 for more information.
- 7.7 Our right to deduct money from your Account**
- 7.7.1 We may deduct any money due to us under the Agreement, or required to be deducted by Applicable Law (including for tax purposes), from any money held by us in respect of your Account. This is our right to make a "Deduction".
- 7.8 Our right of Set-Off in relation to your Accounts**
- 7.8.1 In addition to any other right(s) we have to refuse or delay your request for a withdrawal from your Account or make a Deduction, we may, at any time at our discretion and without notice to you, apply any positive Cash balance in any account with us or our Associates, or any money due to you from us, against any money due to us (or any of our Associates) under any account with us or our Associates from you. This is our right of "Set-Off". We may apply the CMC Currency Conversion Rate to convert the relevant Cash balances and any money due to you or us into the same currency. If we exercise our right of Set-Off, we will give you prior reasonable notice, where possible, of the Amount of any debt that remains unsatisfied and you must immediately pay such debt to us.
- 7.9 Netting of payment obligations between us and you**
- 7.9.1 If at any time in relation to any one Account:
- (a) you owe us and we owe you the same amount of money in the same currency, then both your and our obligations will each be automatically satisfied and thus discharged; or

- (b) you owe us and we owe you a different amount of money in the same currency, then whichever of you or us that owes more may pay the excess to the other party and both your and our obligations will be satisfied and discharged.

## 7.10 Taxes

- 7.10.1 If we are required to pay any withholding tax or other levies on your behalf, we reserve the right to deduct such amounts from your Account or otherwise require you to pay or reimburse us for such payments.
- 7.10.2 We are entitled to Deduct or withhold, in our sole discretion, any tax required by Applicable Law from any payment or credit made to your Account.
- 7.10.3 Your tax treatment in relation to Trades may differ according to your circumstances and the tax legislation in your jurisdiction (which may change). You may also be liable for other taxes and charges that are not imposed or which we withhold, including bank fees for transfers of money or assets, and fees to internet service providers. You may wish to seek independent professional advice in this regard.
- 7.10.4 All charges will be made inclusive of any value added taxes or similar consumption taxes as applicable.

## 7.11 Commission and other charges

- 7.11.1 We may impose and/or vary additional fees, commissions (including but not limited to our Commission), costs or charges from time to time in respect of Pending Orders, Trades, Positions or your Account where we have a valid reason for doing so. Except in relation to changes to Commissions, we will give you notice in writing at least ten (10) Business days before we implement any change and, if you are not happy with the change, you will be free to close your Account and/or terminate the Agreement in accordance with this Information Memorandum before the change takes effect.
- 7.11.2 Where we have notified you in accordance with this Information Memorandum of a change to our Commission, then Amounts calculated in accordance with the applicable Commission will be due and payable to us immediately upon execution of an Order and will be deducted from the Cash in your Account. It is your responsibility to ensure that you have sufficient Cash in your Account to pay any Commission due in full, and failure to do so will be a Specified Event (see section 10.9) and may result in Account Close-Out.

## 7.12 How do you close an Account?

- 7.12.1 You can close your Account by contacting our Client Management Team. Please see 10.7 for more information about how your Account can be closed.

# 8 CLIENT MONEY

## 8.1 Introduction to client money

- 8.1.1 The Corporations Act imposes restrictions on CMC Markets' use of client money in a client money account, relating to a derivative or a dealing in a derivative, which involves financial services being provided to a retail client and a Sophisticated Investor.
- 8.1.2 For all Wholesale Investors and Sophisticated Investors, we will treat any money we receive from you as derivative retail client money (as defined under the Australian Client Money Rules), and will deposit and hold any money we receive from you on trust in a segregated trust account established, maintained and operated in accordance with the Australian Client Money Rules. We may hold your money in one or more trust accounts with other client money. We will not be liable for the solvency or any act or omission of any bank holding the trust accounts.
- 8.1.3 **All client money from a CMC Pro Client held by CMC Markets is fully segregated. This means that all client money, including any Margin, is held on trust in the segregated trust account. We do not use client money for the purpose of meeting obligations we incur when Hedging with other counterparties. We fund any obligations we incur in connection with such transactions from our operating cash account. In addition, we do not use client money to meet the trading obligations of other Clients.**
- 8.1.4 We may invest any of the money held in trust as permitted by the Australian Client Money Rules, and you irrevocably and unconditionally authorise us to undertake any such investment.
- 8.1.5 Unless otherwise agreed in writing:

- (a) we will be solely entitled to any interest or earnings derived from client money being deposited in a segregated trust account or which we have invested in accordance with the Australian Client Money Rules with such interest and earnings being payable from the segregated trust account as and when we determine;
  - (b) upon realisation of an investment of client money, we must either invest the initial capital invested in another investment permitted by the Australian Client Money Rules or deposit it into a segregated trust account operated in accordance with the Australian Client Money Rules;
  - (c) in the event that the amount received upon realisation of an investment of the client money is less than the initial capital invested, we will pay an amount equal to the difference into a segregated trust account for the benefit of the Client, except where any such difference is the result of amounts paid out of the investment to us in accordance with the terms of this Information Memorandum;
  - (d) we will not charge a fee for investing client money in accordance with the Australian Client Money Rules; and
  - (e) you authorise us to withdraw, deduct or apply any interest or earnings derived from your money held in any segregated trust account or which we have invested. This includes:
    - (i) making payment for, or in connection with the adjusting or settling of dealings in Products;
    - (ii) the payment of Holding Costs, interest or other amounts due to CMC Markets, its Associates or other Persons connected with CMC Markets from the relevant segregated trust account or investment account, as the case requires and as CMC Markets determines; or
    - (iii) to pay, withdraw, deduct or apply any amounts from client money held in any segregated trust account or which we have invested as permitted by the Australian Client Money Rules.
- 8.1.6 You agree not to rely on any payment of interest by us to prevent an Account Close-Out, satisfy any Margin requirements or set-off any payment obligation that you may have under this Agreement.
- 8.2 Protections afforded by the Australian Client Money Rules**
- 8.2.1 **In accordance with the Australian Client Money Rules, any money we receive on your behalf in relation to dealings in Products must be paid into a segregated trust account on the day we receive it, or the next Business Day. As soon as that money is deposited into that account, it is protected in the event, for example, that CMC Markets became insolvent, merged with another licensee or ceased to carry on some or all of the activities authorised by the licence.**
- 8.2.2 Money withdrawn or deducted from the segregated trust account in accordance with section 8.1 is not protected. **In addition, until your realised and unrealised profits are moved into the segregated trust account (which occurs on a daily basis), they are not protected in the same way.**
- 8.2.3 As we are the product issuer, you are exposed to the financial and business risks, including credit risk associated with trading with us. If we were to become insolvent, we may be unable to meet some of our obligations to you. Refer to section 9.4 for more information.
- 8.2.4 In the event that the above occurred, money would be dealt with as follows:
- (a) money in the segregated trust accounts is held on trust for the Persons entitled to it, and is payable in the order set out in paragraph (c) below;
  - (b) if money in the segregated trust accounts is invested, the investment is likewise held in trust for each Person entitled to money in the account; and
  - (c) money in the segregated trust accounts would be paid in the following order:
    - i. money that has been paid into the accounts in error;
    - ii. payment to each Person who is entitled to be paid money from the accounts;
    - iii. if there is not enough money in the accounts to be paid according to the above paragraphs, the money in the accounts must be paid in proportion to the amount of each Person's entitlement; and
    - iv. if there is money remaining in the trust accounts after payments made according to the above paragraphs, the remaining money is payable to us.
- 8.3 Separate Accounts**

- 8.3.1 Except as otherwise noted at section 13.3 and section 7.8 where you have opened more than one Account with us we will treat such Accounts as entirely separate. Any credit, including money deposited as Margin, in one Account will not, except where we exercise our rights under the Agreement, discharge any of your liabilities in respect of another Account.

## 8.4 Introduced Business

- 8.4.1 This section 8.4 applies if you have been introduced to us by an Introducing Adviser and have agreed with that Introducing Adviser for the payment of fees, commission and/or other remuneration ("**IB Fees**") in respect of such introduction and related services provided by that Introducing Adviser to be paid via the Platform. Any agreement with the Introducing Adviser is entirely at your own risk.
- 8.4.2 By entering into this Agreement, you:
- (a) authorise us to disclose information about you and your Account including your personal data and your Account activity to the Introducing Adviser, its Related Entities and each of the Introducing Adviser's and its Related Entities' officers, employees, agents, representatives and sub-contractors as required for the purposes of providing services to you; and
  - (b) authorise and direct us to deduct any IB Fees you are required to pay to the Introducing Adviser from any money we hold in respect of your Account and pay this to the Introducing Adviser on your behalf. We will notify you in advance of the basis of calculating deductions.
- 8.4.3 It is your responsibility to ensure that there are sufficient funds in your Account to pay any IB Fees due to the Introducing Adviser in full.
- 8.4.4 We reserve the right, at any time and without notice to you, to cease to facilitate the payment of, or make Deductions in respect of, the IB Fees. Where we cease to facilitate or make Deductions in respect of the IB Fees in accordance with this section 8.4, any outstanding IB Fees payable must be agreed and settled directly between you and the Introducing Adviser.
- 8.4.5 You may withdraw or seek to amend the authorisation given to us under this section 8.4 for us to facilitate or make Deductions in respect of IB Fees on your behalf, by giving us at least one (1) Business Day's notice in writing.

## 9 SIGNIFICANT RISKS OF TRADING CMC MARKETS PRODUCTS

This section is about the major risks that can apply to trading Products. You should spend time reading and understanding this section and then working out how this applies to your personal circumstances, including your trading strategy.

**CMC Markets Products are speculative products that can be highly leveraged and may carry significantly greater risk than non-leveraged investments such as ordinary share trading. As a CMC Pro Client, you are not afforded protections by the ASIC Corporations (Product Intervention Order – Contract for Difference) Instrument 2020/986. You should carefully read this section and then consider whether trading in Products is right for you given your personal circumstances (financial, taxation and otherwise) before you begin trading with us.**

### 9.1 Trading may be affected by certain market factors

- 9.1.1 The Prices of Products are derived from the prices in the Underlying Markets, which can be highly volatile. The Prices of Products and the Underlying Reference Instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which you can control. The Prices of Products may be influenced by, among other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events, interest rate fluctuations, changes in currency valuations, suspensions in trading in the Underlying Market and the prevailing psychological characteristics of the relevant marketplace.
- 9.1.2 The ability of the Platform to generate Prices and execute Orders is also dependent on the availability of prices and liquidity in the exchanges, markets and other venues from which we gather data. In addition, because we maintain our own financial stability by Hedging with other counterparties, we may be unable to execute your Orders where we cannot enter into a corresponding trade to hedge our own risk (for example, due to the activities of an issuer of shares to which your Trades relate, which can sometimes restrict the market liquidity in those shares). Therefore, market circumstances may impact on your ability to place an Order or close a Trade with us. In contrast, if we enter into a corresponding trade, to Hedge our risk, this may have an influence on the Underlying Market conditions and consequently also on the Prices we quote on the Platform and your Account.

- 9.1.3 Finally, if trading in the Underlying Market is affected by Circumstances Outside Our Control, we may take certain action. Please see section 10 for further information.

## 9.2 Gapping

- 9.2.1 Financial markets may fluctuate rapidly and Prices of our Products are no exception. Any movements in our Prices will have a direct effect on your Account. Sometimes markets move so quickly that Gapping occurs.
- 9.2.2 Gapping occurs where there is a sudden shift in price from one level to another. This can be caused, for example, by unexpected economic events or market announcements, particularly where these occur outside Trading Hours. There may not always be an opportunity for you to place an Order between the two Price levels, or for the Platform to execute a Pending Order at a Price between those two levels. All markets have limited Trading Hours which can impose a significant risk to your ability to place Orders and close Trades.
- 9.2.3 If Gapping occurs in the Underlying Market, it may also occur in the Price of the relevant Product and may mean you are unable to close out your Trade or open a new Trade at the Price at which you have placed your Order or may have liked to place your Order. In addition, there is no predetermined amount by which the adjusted Price of a Product can vary. Please see section 3.2 for more information.
- 9.2.4 In addition, where you have a Stop Loss Order or Trailing Stop Loss Order, these may not be executed at the Target Price you have selected and as a result your Realised Loss could exceed the loss you anticipated when these Orders were placed.

## 9.3 Account Currency

- 9.3.1 Your Account is maintained in your Account Currency.
- 9.3.2 If you are trading in a Product that is denominated in a currency different to your Account Currency, any Margin, Premiums, Holding Costs, Deductions, credits, Adjustments, Realised Profits, Realised Losses and Unrealised Profits or Losses will be converted to your Account Currency at the CMC Currency Conversion Rate at the relevant time (and in respect of Unrealised Profits or Losses, in real time). Depending on the CMC Currency Conversion Rates (which may be different to those available elsewhere) and currency fluctuations, this may have an impact on your Account Value on an ongoing basis (and therefore on whether or not your Trades might be automatically closed), and on any eventual profits that you make or losses that you incur.

## 9.4 Warning about counterparty risk

- 9.4.1 As CMC Markets is the Product issuer, you are exposed to the financial and business risks, including the credit risk associated with trading with CMC Markets. If CMC Markets becomes insolvent, CMC Markets may be unable to meet its obligations to you.
- 9.4.2 **CMC Markets has risk management and compliance systems in place to manage its risks including but not limited to financial, operational and credit risks. Funds are held with reputable financial institutions. CMC Markets has policies around monitoring Client Positions and Close-Out Levels. The CMC Markets Group monitors market risk on a daily basis against set limits.**
- 9.4.3 **Before entering a relationship with a new Hedging counterparty the CMC Markets Group undertakes a due diligence process. This process will include a review of a number of key factors that relate to the risk of dealing with the counterparty. These include the counterparty's credit rating, reputation, market presence, funding arrangements, stock availability, trading platforms, reporting processes and fees and charges.**
- 9.4.4 The names of our Hedging counterparties are shown on our Website under the "Important Information" section. You may also contact the Client Management Team to obtain further information about the activities we undertake to mitigate counterparty risk and market risk, and the names of any Hedging counterparties.
- 9.4.5 CMC Markets will transfer monies owed to Clients (which may include Client gains) to the segregated trust account (daily), from our operating cash account. Prior to segregation, you are an unsecured creditor in respect of monies owed which you should be aware of in the (unlikely) event that CMC Markets were to become insolvent.
- 9.4.6 CMC Markets maintains a written policy to ensure it maintains adequate financial resources and complies with the financial requirements of its Australian Financial Services Licence. The steps that are taken to ensure this include:
- (a) Performing a daily adjusted surplus liquid funds calculation, ensuring that we meet the minimum liquid capital requirement set by ASIC; and

- (b) Performing a daily client cash segregation calculation, ensuring that we hold adequate cash in our client trust account in order to meet our obligations to the Client. All Client cash is maintained in fully segregated trust accounts separate to CMC's operating account.

9.4.7 If you require further information about CMC Markets' financial position, please contact our Client Management Team and request a copy of our audited financial statements. These will be provided free of charge.

## 9.5 Risks associated with OTC derivatives

9.5.1 When you enter into any Trade with us through the Platform, you will be entering into an off-exchange (sometimes known as an over-the-counter, or 'OTC') derivative, which is non-transferable. This means you will enter into Trades directly with us, and also that those Trades (or 'Positions') can only be closed with us. This involves greater risk than investing in a financial instrument such as a share which is transferable, or dealing in an exchange-traded derivative, because your ability to open and close Trades is dependent on the Platform being in a position to accept Orders from you and to execute them. In certain circumstances this may not be possible (see section 9.1 for further information).

9.5.2 As there is no cooling off regime associated with OTC derivatives, subject to section 2.29, you are not able to cancel a Trade once it has been entered into.

9.5.3 In addition, all of your Trades with us are settled in cash, and you do not have any rights to any Underlying Reference Instrument.

## 9.6 We act as a market maker

Although the Prices generated by the Platform will take into account current exchange and market data from various sources, they are not taken directly from any source. This means that our Price may be different to any current exchange or market price, or another financial product provider's price, for the relevant Underlying Reference Instrument. The profits or losses that you make from trading with us will depend on our prices, and not prices prevailing or shown anywhere else.

## 9.7 Potential loss caused by Spread

9.7.1 Because of the difference between the Buy Price and Sell Price of a Product (where applicable), the relevant Price must move favourably before you can break even. In other words, even if the Price does not move at all and you close out your Position, you will make a loss to the extent of the Spread and of any CMC Markets fees and costs which apply to the Products. Furthermore, the Spread may be larger at the time you close out the Position than it was at the time you opened it.

9.7.2 See section 4.1 for more information.

## 9.8 Conflicts of interest

9.8.1 We, our Associates or other Persons connected with us may have an interest, relationship or arrangement that is material in relation to any Product you enter into with us. You agree that we may conduct such business without your prior consent.

9.8.2 In addition, we may provide services to third parties whose interests may be in conflict or competition with your interests. We, our Associates or other Persons connected with us and the employees of any of them may, or may act on behalf of other Clients who may, take positions opposite to yours or may be in competition with you to acquire the same or a similar position. From time to time we may effect Trades with or through our Associates in connection with the Products and Services we provide.

9.8.3 We will not deliberately favour another Person over you, but will not be responsible for any loss which may result from such competition.

9.8.4 We are a Product issuer, not a broker. Accordingly, you will be trading Products directly with us, and not on any financial market. As a Product issuer, we set the Prices that refer to, but may not always be the same as, those in the Underlying Market. We will always act as a principal, not as an agent, for our own benefit in respect of all Trades with you.

9.8.5 We may also conduct trades as principal in the Underlying Reference Instruments on which Products are based, including shares and futures. In particular, we may at our sole discretion, Hedge our liability to you in respect of your Positions by undertaking trades in the Underlying Reference Instruments in the Underlying Markets. However, we have no obligation to do so and are under no obligation to inform you as to whether or not we have done so. These trading activities may affect (positively or negatively) the Prices at which you may trade Products.

## 9.9 Information technology



- 9.9.1 We will do our best to make the Platform available when you require, but we cannot guarantee that it will be available continuously. This is because from time to time:
- (a) errors and/or failures may occur in respect of technology, the internet may be subject to faults or events which may affect your access, and your systems, our systems or the systems of a third party, which you or we rely on, may fail to work properly (see section 10.12 for more information about Circumstances Outside Our Control) ;
  - (b) we may need to suspend availability of the Platform for maintenance, repairs, upgrades or any development-related issues. We will normally seek to carry out these works outside Trading Hours. If this occurs during Trading Hours relevant to any of your Trades we will, where reasonably practicable, provide you with prior notice of such suspension and, if necessary, suggest alternative ways for you to access your Account; and
  - (c) we may need to suspend availability of our Client Management Team, for example, due to maintenance, repairs or upgrades to the offices and/or systems used by our Client Management Team. We will normally seek to do this outside of Trading Hours. If we need to suspend the availability of our Client Management Team during Trading Hours we will, where reasonably practicable, provide you with prior notice of such suspension and, if necessary, suggest alternative ways for you to place or modify Manual Orders.
- 9.9.2 You are responsible for making sure that you are able to access the Platform or contact our Client Management Team when you need to and when they are available. This responsibility includes having access to a device that can connect to the Platform and maintaining the device so that it functions properly and ensuring that you have the means to contact our Client Management Team.
- 9.9.3 If you cannot access the Platform directly, then you may be able to contact our Client Management Team by telephone to request that we access the Platform on your behalf. Except in relation to Manual Orders, our service is primarily provided online, therefore this facility is likely to be a much slower method of placing Orders or giving us other instructions than if you access the Platform yourself. You must not rely on our Client Management Team being available nor can we guarantee that our Client Management Team will be available to assist you to enter into or close Trades (e.g. because (i) our Client Management Team is busy helping other clients, (ii) members of our Client Management Team who speak your language are busy helping other clients, (iii) there is a technical problem with the telephone system, or (iv) you call outside our opening hours). In relation to Manual Orders, we will do our best to make the Client Management Team available when required by you, but during periods of high demand and due to other Circumstances Outside Our Control we cannot promise that you will always be able to access our Client Management Team immediately.
- 9.9.4 Where the Platform or any other content generated by us contains links to other sites and resources provided by third parties, these links are provided for your information only. We generally have no control over the content of those sites or resources and, subject to section 9.9.5 below we accept no responsibility for them or for any loss or damage that may arise from your use of them.
- 9.9.5 We do not accept any liability in respect of the operation of the Platform, except to the extent that it is caused by the negligent act or omission, fraud or dishonesty on the part of us or our employees, agents or representatives, or any other matter for which liability cannot be excluded under Applicable Law.
- 9.10 You may suffer losses in excess of the money you deposit with CMC Markets**
- 9.10.1 When you trade with us, you risk losing more than the amount that you deposited with us (unless Shield Mode has been activated). This is different to investing in other types of financial instruments, for example shares, where generally you only stand to lose the amount you pay for the asset that you buy.
- 9.10.2 Although the Platform has features that are designed to minimise your risk of loss, none of these are guaranteed and you should not rely on them.**
- 9.10.3 Losses from your Trades:** The amount of any loss for an individual CFD Margin Trade will be the amount that you owe us when that CFD Margin Trade is closed, or in the case of Option CFDs, when that Option CFD is closed or exercised. Even over a short space of time this amount may exceed the amount of any Margin that you used to enter into the CFD Margin Trade. This is a feature of leveraged (also known as 'geared' or 'margined') instruments – you can lose more than your initial payment.
- 9.10.4 Opening a leveraged trade means that you are only required to deposit a proportion of the total trade value to open that trade, and therefore you are able to take a larger position than your capital otherwise would enable you to. The remaining portion of the total trade value is leverage. The higher the leverage the greater the impact that market fluctuations will have on your profits and losses. Consequently, the higher the leverage, the higher the risk involved.

- 9.10.5 Therefore, the impact of any Price movement on your Account will depend on the Trade size as well as the leverage of your Trade, rather than the amount of your Position Margin. A small movement in Price may have a large impact on your Account if you have entered into a highly leveraged Trade. In addition, when entering into a short Trade (i.e. a 'sell' Trade) (including a short Option CFD) it is possible to lose significantly more than the opening Trade value, since the amount by which the Price could increase may be greater than the initial Price at which you opened the Trade. Therefore, short Trades can be riskier than long Trades (including long Option CFDs).
- 9.10.6 For example, if you invest \$1,000 in a CFD Margin Trade on a Product with a leverage of 50:1, you would have a position size equivalent to \$50,000. A 1% negative move in the value of that Product could then expose you to a loss of \$500. In contrast, if you invested \$1000 in a Margin Trade on a Product with a leverage of 500:1, your effective position size would be \$500,000 and therefore a 1% negative move in the value of that Product could expose you to a loss of \$5,000.
- 9.10.7 You should ensure that you (i) carefully consider the size of your Position; (ii) closely monitor the potential loss that you may suffer (as your losses may increase significantly even over a short period of time); and (iii) have sufficient available funds to cover any such losses. To minimise losses, you should consider using Stop Loss Orders so that Trades are closed before your losses exceed a certain level (please note that Stop Loss Orders are not guaranteed).
- 9.10.8 **Costs incurred through trading:** Depending on the Trades you enter into, and how long you hold them for, we may require you to pay Holding Costs. These Holding Costs will be incurred on a daily basis when you keep a Trade on our Products open overnight. In some cases, and particularly where you keep Trades open for a long time, the aggregate of these Holding Costs may exceed the amount of any profits or increase your loss. Please refer to section 4.3 for further information on how Holding Costs are calculated.
- 9.11 **Scope of Market Regulation**
- 9.11.1 As the Products are contracts with CMC Markets and are not traded on a licensed market, some of the protections associated with licensed markets are not available for trading in our Products. For example, trading on the ASX generally has the benefit of a guarantee system known as the National Guarantee Fund which provides protection from fraud or misconduct by brokers in connection with certain ASX trades.
- 9.11.2 The National Guarantee Fund does not apply to trading in our Products, nor any other compensation fund operated by an Underlying Market.
- 9.11.3 CMC Markets is, however, regulated in Australia by ASIC, holds Australian Financial Services Licence No. 238054 and is subject to the Australian Client Money Rules, in respect of retail clients and Sophisticated Investors. As mentioned in section 8.2, CMC Markets will continue to segregate funds and apply restrictions on use of funds in respect of all CMC Pro Clients in accordance with Australian Client Money Rules. Please refer to section 8.2 for more information.
- 9.12 **Different products pose different risks**
- 9.12.1 We offer numerous Products, which are derived from very different Underlying Reference Instruments. Each of these products poses specific risks which can differ widely from other products, for instance with respect to the range and speed of market fluctuations or with respect to their liquidity. Therefore, you should ensure that you understand the specific risks of a Product before you open a Trade on that Product.
- 9.12.2 Where a Product's Underlying Reference Instrument is itself a complex financial product that has its own multiple underlying instruments (a 'basket' of instruments) this will have an impact on the risk of the product. The risk involved in a basket product will depend on the risks involved in its constituents. If the basket constituents share similarities (for example they all relate to the same sector or country) then this can make the Product riskier. Also, if riskier constituents are given a higher weighting within the Product, this will make the Product riskier. If you choose to use a basket Product then you should make sure that you understand the risks involved in all the different constituents, the risks involved in the overall combination of constituents that make up the Product, and the risks involved in how the constituents are given their respective weightings.
- 9.12.3 Cryptocurrencies, which are generally unregulated in themselves, are high-risk, speculative investments, which will impact any cryptocurrency CFD Margin Trades that you enter with us. The value of cryptocurrencies, and therefore the value of CFD Margin Trades linked to them, is extremely volatile. They are vulnerable to sharp changes in price due to unexpected events or changes in market sentiment. CFD Margin Trades are leveraged products. Therefore, the combination of increased volatility and leverage has the potential to significantly increase your losses if the market moves against you, relative to CFD Margin Trades based on other Products. Accordingly, you should only invest in cryptocurrency CFD Margin Trades if you consider that you have the knowledge and experience of, and fully understand the risks associated with, both CFDs and cryptocurrencies.

### 9.13 Risks of trading on credit

- 9.13.1 If you fund your Trades with us on credit, your risk will be significantly increased and if you make a loss using that money, you will still have to repay your credit including interest. Therefore, you must not rely on being able to redeem borrowed funds with any profits from Trades with us.

### 9.14 Your Trades are at risk of being closed automatically

- 9.14.1 At all times, your Account Revaluation Amount must stay above the Close-Out Level otherwise **all** your CFD Margin Trade Positions may be closed by the Platform. However, **we do not guarantee such closure and you must not rely on it**. It is your responsibility to monitor your Positions closely and you will be able to monitor your Account Revaluation Amount through the Platform. Closely monitoring your Positions is very important because you might need to make immediate additional payments to avoid a Close-Out by the Platform. If we have set a Close-Out Warning Level for your Account, the Platform will attempt to notify you when your Account Revaluation Amount falls below the Close-Out Warning Level, although you should not rely on the Platform giving you this warning. To prevent closure of your Positions, you should deposit a sufficient amount of money into your Account to cover any potential losses or costs from your Trades. It is important to note that even an amount that you previously deposited and which appeared to be more than sufficient at the time, can very quickly become insufficient due to rapidly changing market conditions.

- 9.14.2 See section 5.4 for more information.

## 10 CMC MARKETS RIGHTS

### 10.1 General rights

- 10.1.1 We may, acting reasonably, exercise a variety of rights under this Information Memorandum in respect of your trading in Products. These rights are described in more detail below or are set out in other parts of this Information Memorandum. For example we may:

- (a) change the way a Product Price is calculated;
- (b) change a Buy Price or Sell Price;
- (c) amend the Product Library;
- (d) withhold any payments;
- (e) change the Margin Rate for a Product or require Independent Margin;
- (f) close some or all of your Positions;
- (g) determine what a materially incorrect Price is;
- (h) open an Account;
- (i) close your Account;
- (j) limit the size of your Trades;
- (k) limit the size of your Account balance;
- (l) accept, amend, cancel or reject your Order; or
- (m) pass on any additional costs that CMC Markets incurs in executing your Trades or maintaining your Account including, but not limited to increased market data fees. We will inform you of any additional charges before they are applied to your Account.

In exercising such rights we will have regard to our commercial objectives, which include:

- (n) complying with our legal obligations as a holder of an Australian Financial Services Licence;
- (o) maintaining our reputation as a product issuer;
- (p) responding to competitive market forces; and
- (q) managing all forms of risk including but not limited to operational risk, credit risk and market risk.

10.1.2 You expressly agree that we are not under any obligation to exercise any discretion in your interests or for your benefit.

10.1.3 Where we exercise our rights, we may, or where required by law will, give you written or oral notice of our decision.

## 10.2 Amendments and Termination

10.2.1 This section explains our rights to make amendments to the Agreement and what can happen to your use of our Products and Services if we exercise those rights.

## 10.3 Amendments to the Agreement in general

10.3.1 We may amend any part of the Agreement at any time by written notice to you, subject to the balance of this section 10.2.1. For immaterial, minor or trivial changes, (e.g. correction of typographical errors and changes to presentation), we are not obliged to give you notice nor issue a new Information Memorandum. In such circumstances, we will update the Information Memorandum and make it available on our Website.

10.3.2 Subject to sections 10.4, 10.5 and 10.6 and any agreement we have made with you, any amendments to the Agreement that we give you notice of will take effect on the date specified in our notice to you, which will be at least ten (10) Business Days after we send our notice to you. We may give you less than ten (10) Business Days' notice if the amendments to the Agreement are required to comply with Applicable Law or where you expressly accept amendments in writing at our request.

10.3.3 For the avoidance of doubt, we may provide you the amended Agreement, including the Information Memorandum, by the following methods:

- (a) (email) sending a weblink to the amended Agreement via electronic mail;
- (b) (post) sending notice of the amended Agreement via post; or
- (c) (platform notification) publishing a notice of the amended Agreement on the platform.

10.3.4 If you do not accept the amendment, you will be free to close your Account(s) and/or terminate the Agreement in accordance with section 10.7 before the amendment takes effect. During this period, subject to the terms of the Agreement and section 9.1, you will be able to close open Trades and cancel any Pending Orders if you wish. Unless we state otherwise, changes we notify to you will affect all ongoing business between us and you, including Pending Orders and Trades.

## 10.4 Amendments to Margin Rates, Margin requirements, Close-Out Level and Reset Level

10.4.1 In addition to our rights under section 10.5 to amend Attributes including Commissions without prior notice to you, we may from time to time make amendments to the Margin Rates or other Margin requirements applicable to a Product or your Account, Commission, Close-Out Level and/or Reset Level. If you have an open CFD Margin Trade, the method of this amendment may take the form of closing your existing CFD Margin Trade and reopening a new CFD Margin Trade with the new Margin Rate. We will, where possible, provide you with:

- (a) three (3) Business Days' notice of increases to the Margin Rates and/or other Margin requirements;
- (b) one (1) Business Day's notice of decreases to Commission;
- (c) ten (10) Business Days' notice of amendments to the Close-Out Level and/or Reset Level; and
- (d) three (3) Business Days' notice for the imposition of, or changes to, other costs, subject to requirements under Applicable Law which may require that we give you greater prior notice,

but we reserve the right to make any amendment under this section 10.4, on shorter notice or without any notice, where we have a valid reason and it is reasonable to do so. We reserve the right, at any time and without prior notice to you, to decrease the Margin Rate and/or other Margin requirements. For the avoidance of doubt, we are not obliged to provide you with any notice under this section 10.4 if your Account is not impacted by the amendments specified in this section 10.4.

10.4.2 Following any amendment to Margin Rates, other Margin requirements Commission, Close-Out Level and/or Reset Level and/or other cost, it is your responsibility to ensure that you have sufficient Account Value and/or sufficient Cash and/or reduce your Positions to satisfy your obligations to us under the Agreement. Any failure to do so may result in Account Close-Out.

## 10.5 Amendments to Prices, Variable Rates, Premiums and Attributes

- 10.5.1 Subject to section 10.4, we will amend Prices, Variable Rates, Premiums and Attributes through our Platform in real time and such amendments will take effect immediately as and when they are made, even if they are not displayed on the device that you use to access the Platform.
- 10.5.2 If you place an Order on the basis of Prices, Variable Rates, Premiums and/or Attributes which have already been changed and such changes have not been displayed on the device you use for accessing the Platform at the time of placing the Order, the Trade will be effected at the correspondingly changed Prices, Variable Rates, Premiums and/or Attributes. The same applies should changes to Prices, Variable Rates, Premiums and/or Attributes occur between the time you place the Order and the time we receive your Order or the Order is executed.
- 10.5.3 Our Platform will amend Holding Rates for a particular Product as at the relevant Holding Time. The Holding Rates as at the previous Holding Time in respect of a Product will be displayed in the Product Library.
- 10.5.4 You will not be deemed to have breached a Position Limit in respect of a particular Product for the purposes of the Agreement where such breach arises solely from a reduction by our Platform of the relevant Position Limit without prior notice to you. In such circumstances, you will normally be required to close any affected CFD Margin Trades so that the relevant Position is below the applicable Position Limit within three (3) Business Days of the reduction of the Position Limit (unless, in our reasonable opinion, it is necessary and fair to impose a shorter period in which to close any affected Trades), and a failure to do so may be a Specified Event that entitles us to take a Reserved Action.

## 10.6 Removal of Products

- 10.6.1 Subject to section 10.10, we may, at any time, and in our sole discretion, remove any Product(s) from the Platform. If you have a Position on the Product in question, we will provide you with reasonable notice in writing, where possible, that we intend to remove that Product. We aim to provide you with at least ten Business Days' notice in which to close any Position that you may hold on such a Product. However, where in our reasonable opinion it is necessary and fair to do so, including in the event of a Circumstance Outside Our Control, Corporate Action or Adjustment Event, we reserve the right to provide a shorter notice period or no notice at all.
- 10.6.2 It is your responsibility to cancel any Pending Orders and/or close any Positions in respect of a Product that is being removed before the time specified in our notice. If you do not do this, we will cancel any Pending Orders and close any Positions in respect of that Product at the time and in the manner specified in the notice.

## 10.7 Closing your Account or terminating the Agreement

- 10.7.1 You may close any Account you hold and/or terminate the Agreement by giving us notice in writing, which will usually take effect up to one (1) Business Day after it is received by us, subject to the condition precedent that no notice designating an Early Termination Date has been given by us. You should cancel any Pending Orders and close any Positions on the relevant Account(s) and then withdraw any money due to you before giving us notice. If you do not do this, we will cancel any Pending Orders and close any Positions as soon as possible after we receive your notice and then attempt to return any money due to you, but there may be a delay in doing so.
- 10.7.2 We may close any Account and/or terminate the Agreement by giving you notice in writing, which will take effect on the date specified being no less than ten (10) Business Days after the date of the notice. Unless our notice specifies otherwise, and/or we have set your Account to Unauthorised To Trade, you will be allowed to cancel any Pending Orders and/or close any Positions yourself during the time between when we give you the notice and the time when your Account is due to close and/or the Agreement is due to terminate. If you do not do this or giving notice is not possible, we will cancel any Pending Orders and close any CFD Margin Trades on the Account and then attempt to return to the money due to you.
- 10.7.3 If, we have serious grounds or valid reasons for doing so, we may terminate the Agreement with less than ten (10) Business Days' notice, including immediately where you have no Positions. We will cancel any Pending Orders or set an Account to Reduce Only or Unauthorised To Trade and close any Positions at the time and the manner specified in the notice.
- 10.7.4 Unless otherwise agreed, the Agreement will automatically terminate following the closure of all Accounts by you or us. When you or we close your Account(s) and/or terminate the Agreement we may exercise any right that we have under section 7.7 to make a Deduction or under section 7.8 to exercise our right of Set-Off.

## 10.8 Right to cancel, limit or close Positions

- 10.8.1 If you fail to pay amounts payable to us or fail to perform any other obligation included in the Agreement, we have powers to take steps to protect our position. These powers include the power to close out Positions.

10.8.2 We have the right, with notice, where it is reasonably practicable in the circumstances, and in addition to any other rights we may have under this Agreement:

- (a) to close out all or part, as we reasonably consider appropriate, of your Positions;
  - (b) to limit the size of your Positions;
  - (c) to refuse Orders to establish new Positions; or
  - (d) to cancel your Positions,
- if
- (e) we reasonably consider there are abnormal trading conditions;
  - (f) we, in our reasonable opinion, consider it necessary for the protection of our rights under the Agreement;
  - (g) we are unable to generate Prices in the relevant Products due to the unavailability of the relevant market information for reasons beyond our control;
  - (h) we, in our reasonable opinion, consider that you may be in possession of inside information within the meaning of the Corporations Act;
  - (i) we, in our reasonable opinion, consider that you may be in breach of any Applicable Law;
  - (j) you or we are so requested by ASIC or any other regulatory agency or authority;
  - (k) any of the circumstances set out in the definition of Specified Event section 10.9 apply to you;
  - (l) you breach the Close-Out Level or fail to deposit any other sum due under the Agreement in respect of any Trade;
  - (m) the aggregate of your Orders and all other orders for a Product is outside of limits set by CMC Markets;
  - (n) a Position Limit is, or is, in our reasonable opinion, likely to be, exceeded;
  - (o) we can no longer Hedge your position or have a position closed out by a counterparty; or
  - (p) Prices are manipulated or you use any fault in the Platform unfairly to gain a price advantage which would not normally be available if the Platform had not suffered the fault,

and we will in cases where (a) to (d) apply, attempt to notify you as soon as reasonably practicable if we decide to take such action, unless prohibited by Applicable Laws.

## 10.9 Specified Events

10.9.1 Should a Specified Event occur, be reasonably likely occur, or when we become aware of a Specified Event, we may take a Reserved Action, provided it is fair and reasonable in the circumstances.

10.9.2 A Specified Event includes, but is not limited to instances where:

- (a) you fail to remain eligible to qualify as a CMC Pro Client, CMC Markets suspects that you may no longer satisfy the requirements to remain a CMC Pro Client, or CMC Markets otherwise determines that it is no longer appropriate to classify and treat you as a CMC Pro Client, in its sole discretion, acting reasonably;
- (b) you fail to make any payment due to us under the Agreement or any other agreement in place between you and us, or you and any of our Associates;
- (c) you or any Authorised Person appointed by you, is the subject of or has been found guilty or at fault in any criminal proceedings or relevant investigation carried out by the appropriate authorities in any jurisdiction of any offence involving dishonesty, financial crime, terrorist funding or a similar offence;
- (d) you are the subject of any Insolvency Event;
- (e) you are an individual and you die or become of unsound mind or your capacity, as far as it is relevant to the Agreement, is otherwise impaired;



- (f) you breach any of the terms of this Agreement, including but not limited to, any Improper Use;
- (g) any of the declarations and assurances provided by you pursuant to section 13.1 becoming incorrect, or misleading in any material respect, as determined by us acting reasonably;
- (h) an Error occurs;
- (i) a Corporate Action occurs in relation to the Underlying Reference Instrument of a Product or in relation to an Underlying Instrument Entity; or
- (j) any other circumstance exists where we reasonably believe that it is necessary or desirable to protect you or us, including where you have committed any breach or potential breach by you of Applicable Law or the Agreement or where you do not respond as reasonably required to any notice, communication or request for further information from us in relation to your Account.

### 10.10 Reserved Actions

10.10.1 If we are required to do so under Applicable Laws, or after a Specified Event or Circumstance Outside Our Control occurs, or is reasonably likely to occur, or we have valid reasons for doing so, we may in our sole discretion take any action, including any of the following actions that is fair and reasonable in the circumstances ("**Reserved Actions**"):

- (a) open, combine, correct or close any CFD Margin Trade or close any Countdown or cancel or suspend any Orders on your Account;
- (b) prohibit you from accessing or using your Account;
- (c) suspend or in any way limit or restrict your ability to place any Order or Trade, or declining to action any instruction received from you in relation to an Account;
- (d) amend any Margin, Independent Margin, Attributes, Prices, Variable Rates and Premiums, including those relevant to your Trades or Orders;
- (e) refuse or delay giving effect to your request for a withdrawal of money from your Account;
- (f) cancel any Trades (as if they had never been entered into in the first place) and the effect of such Trades on your Account;
- (g) carry out Roll-Overs where applicable to the Product;
- (h) impose special terms in relation to any Order or Trade which, by virtue of its size, we deem by us to be abnormal by reference to the relevant Product or its volatility or its liquidity;
- (i) close any Account, make any Account Unauthorised To Trade or set an Account to Reduce Only;
- (j) exercise any right of Set-Off, make a Deduction, credit or charge interest under the Agreement or Applicable Law;
- (k) retain any sum you owe to us or any of our Associates;
- (l) suspend the generation/quotation of Prices and/or the execution of Orders by the Platform in respect of any Product; and/or
- (m) remove any Product from the Platform and/or removing your ability to place Trades on a particular Product from an Account.

10.10.2 If we have taken or decide to take any Reserved Action then we will attempt to notify you of this as soon as reasonably practicable, unless Applicable Law prevents us from doing so. When taking any Reserved Action, we may, in our sole discretion, taken into account any prior instructions you have provided to our Client Management Team.

10.10.3 Notwithstanding section 10.10.2, above, we will not have any obligation to provide you with notice before or after taking a Reserved Action where the type of Specified Event described in section 10.9.2(c) has occurred or is reasonably likely to occur in relation to you.

### 10.11 Assignment

10.11.1 If you are in default of any of your obligations under the Agreement, we will be entitled (without prejudice to any other rights we may have) to assign to any Person with immediate effect, our rights in respect of money you owe to us under the Agreement, as well as any security or other remedies available to us in respect of such money. If such assignment is made, then you will, if required by CMC Markets and the assignee, acknowledge in writing that the assignee has assumed our rights and obligations under the Agreement in relation to the relevant money you owe.

10.11.2 You authorise us to take any or all of the steps described in this section and we will provide reasonable written notice to you if we do. You acknowledge that we will not be responsible for any consequences of us taking such steps provided they are in accordance with Applicable Laws. The rights described in this section are in addition to any other rights which we, our Associates or other Persons connected with us may have against you.

## 10.12 Circumstances Outside Our Control

10.12.1 A Circumstance Outside Our Control is the actual existence of, or our reasonable belief of the existence or imminence of, any circumstance that is beyond our reasonable control which prevents us from performing any of our obligations under the Agreement and includes:

- (a) changes in Applicable law or any action taken by an appropriate authority;
- (b) events or circumstances that impair or remove the ability of the Platform to operate on a normal and orderly basis, including any Errors, failures or disruptions to our systems or any other infrastructure (including infrastructure controlled by third parties);
- (c) acts or omissions of any third party for whatever reason, including where we and/or any of our Associates are unable or it is impractical for us and/or any of our Associates, after using reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any trade or asset we deem necessary or appropriate to Hedge our and/or our Associates' price risk relating to Trades;
- (d) natural disasters, natural emergencies and other acts of God;
- (e) man-made emergencies, including, but not limited to fire, explosions, criminal acts, riots, war, armed conflict and terrorist attack;
- (f) a change in the volatility and/or liquidity in the relevant Underlying Market which impacts our ability to determine or display or continue to determine or display a fair and reasonable Price for a Product; and
- (g) any other exceptional event or circumstance over which we have no control.

If we reasonably determine that there is a Circumstance Outside Our Control:

- (h) we will give you notice of such determination as soon as it is practicable and in accordance with Applicable Law;
- (i) we will use all reasonable endeavours to resume our provision of the Platform, Services and/or performance of our obligations under the Agreement as soon as possible;
- (j) provided it is fair and reasonable, we may take an appropriate Reserved Action under section 10.10;
- (k) if applicable, we will handle any Countdowns in accordance with section 3.2.12; and
- (l) any failure by us to perform our obligations under the Agreement caused by a Circumstance Outside Our Control will not be a breach of the Agreement.

Where we are able to resume our provision of the Platform, Services and/or performance of our other obligations under the Agreement following a Circumstance Outside Our Control:

- (m) the value of any CFD Margin Trade you held immediately before the occurrence of a Circumstance Outside Our Control that remains open will be determined by the Price as at the time we are able to resume our provision of the Platform, Services and/or performance of our obligations under the Agreement;
- (n) we may act on any instructions to transmit any order in relation to a CFD Margin Trade received immediately before the Circumstance Outside Our Control; and
- (o) you are responsible for re-instating any Order affected by a Circumstance Outside Our Control.

## 11 DISPUTE RESOLUTION

- 11.1.1 As a CMC Pro Client, CMC Markets is not required by law to provide you with access to an internal dispute resolution process (sections 912A and 1017G of the Corporations Act). You may also be excluded from access to the external dispute resolution scheme through the Australian Financial Complaints Authority ("AFCA"), at AFCA's discretion.

## 12 TAXATION CONSIDERATIONS

### 12.1 Introduction

- 12.1.1 The following is a summary of the ATO Taxation Ruling 2005/15 in regards to trading in CFDs (which include Option CFDs), and is based on the taxation laws as at the date of this Information Memorandum.
- 12.1.2 CMC Markets does not provide financial or tax advice and this summary does not address all of the possible scenarios that may arise. It is important to note that the tax position of each taxpayer will be dependent on personal circumstances and you should consult your own taxation adviser before trading Products.

### 12.2 Taxation ruling

- 12.2.1 Taxation Ruling 2005/15 describes the income tax and capital gains tax consequences of trading in financial contracts for difference, such as CFDs. A summary of Taxation Ruling 2005/15 is set out below. A copy of Taxation Ruling 2005/15 is available at [ato.gov.au](http://ato.gov.au), as is the *Income Tax Assessment Act 1997* (Cth) ("ITAA 1997").

#### 12.2.2 *Gains and losses from trading in CFDs*

The ATO's view is that any gain you make from trading in a CFD will be assessable income while any loss you make from trading in a CFD will be an allowable deduction provided that:

- (a) the CFD trade is entered into as an ordinary part of carrying on a business;
- (b) the profit is obtained, or the loss is incurred, as a consequence of a business operation or commercial transaction for the purpose of profit making; or
- (c) the profit was made in carrying on, or carrying out, a profit-making scheme.

#### 12.2.3 *Capital gains tax (CGT)*

- (a) Where gains and losses are not considered as assessable or allowable (see above), those gains and losses would be an assessable capital gain or capital loss. A gain or loss from a financial contract for difference arising from 'gambling' will not be assessable income or deductible expense. Similarly, a capital gain or capital loss arising from 'gambling' will be disregarded.
- (b) To the extent that a gain from trading in a Product as a result of a CGT event is assessable, a capital gain arising from the event is reduced. To the extent that a loss made from trading in a CFD is deductible, the reduced cost base of the asset is reduced, thereby also reducing the amount of the capital loss.
- (c) In calculating any capital gain or loss, you will be entitled to take into account the costs of acquiring, holding and disposing of the CFD.

### 12.3 Interest and adjustments for dividends

- 12.3.1 Interest may be charged on debit balances. Any interest on debit balances on your Account you pay to CMC Markets will be deductible.

#### 12.3.2 *Holding Costs you pay or receive due to holding a CFD*

Holding Costs you may pay or receive due to holding a CFD will form part of the net gain or loss you make when trading in the CFD.

#### 12.3.3 *Adjustments for distributions*

Any adjustments made to your Account due to a distribution being paid on an Underlying Reference Instrument on which a CFD you hold is based, will form part of the net gain or loss you make when trading in the CFD.

### 12.4 Non-Australian tax residents

- 12.4.1 You should also note that the above comments apply to residents of Australia for taxation law purposes. If you are a non-resident of Australia for taxation purposes (that is, non-Australian tax resident), or unsure of your residency status for taxation purposes, you should also consult your own professional tax adviser.

## 12.5 Other taxes and fees

- 12.5.1 You agree to pay all applicable GST and other taxes and all other fees reasonably incurred by CMC Markets in connection with any Trade and any fee or charge which is subject to GST. Any future imposition of stamp duty or other tax, which may from time to time be levied in respect of Products, will be for the account of, and payable by, you.
- 12.5.2 We are entitled to deduct or withhold from any payment made under the Agreement or credited to any Account, any tax required by law to be deducted or withheld from any such payment or credit. If you make any payment under the Agreement which is subject to such deduction or withholding, you must pay to us an additional amount to ensure that the amount that we actually receive is equal to the full amount we would have received had no deduction or withholding been made.

## 12.6 Taxation of financial arrangements

- 12.6.1 The provisions under the ITAA which came into effect as a result of the enactment of the *Tax Laws Amendment (Taxation of Financial Arrangement) Act 2009* (Cth) ("**TOFA**") may apply to taxpayers who meet certain size thresholds or to taxpayers who elect to fall within the TOFA provisions. The TOFA Act only applies to income years commencing on or after 1 July 2010, unless an election to adopt the TOFA provisions early has been made. If the TOFA provisions are applicable to you, then the consequences of trading in financial contracts for difference such as CFDs, may be different from that outlined in this section. You should consult your own taxation adviser before trading in any Products.

## 12.7 FATCA

- 12.7.1 The Foreign Account Tax Compliance Act ("**FATCA**") was enacted by the United States to improve compliance with US tax laws. Under subsequent intergovernmental agreement between the US and Australia, Australian financial institutions are required to collect certain information on US persons including their social security number. CMC Markets then forwards this information to the ATO on an annual basis. The ATO then provides the information to the IRS.
- 12.7.2 FACTA doesn't change any substantive tax rights that the United States or Australia have in respect of their respective citizens or residents and is simply an exchange of information between the two governments on US Persons.

# 13 OTHER CONSIDERATIONS

## 13.1 Your declarations and assurances

- 13.1.1 When your Account is re-classified as a CMC Pro Client Account, and you subsequently access the Platform, when you attempt to place an Order, make a payment into or a withdrawal of money from your Account or when you give us any other instruction, we are entitled to rely on the following declarations and assurances as though you have confirmed them to be true and accurate (and you must notify us immediately in writing if this is not the case):
- (a) your use of the Platform and/or your dealing through our Client Management Team is not for any Improper Use;
  - (b) if you are an individual, you are at least 18 years old;
  - (c) if you are a body corporate, unincorporated association, trust or partnership you are validly existing in accordance with Applicable Law and have obtained all necessary consents and authorisations under your constitutional or organisational documents;
  - (d) except where we have agreed otherwise in writing, you act on your own behalf and not as the agent, attorney, trustee or representative of any other Person;
  - (e) you are not located in, incorporated in, or a resident of, any jurisdiction where it may be unlawful to access the Platform or enter into Trades and/or Option CFDs, including the United States of America;
  - (f) your Orders and/or Trades are not for the purposes of or in connection with any placing, issue, distribution, offer, take-over, merger or other similar corporate finance type transaction;

- (g) you are not connected with the issuer of any Underlying Reference Instrument of a Product in respect of which you have placed an Order, including as a director, employee, agent, contractor or professional adviser of such issuer; and
- (h) you fully own or, in the case of an accepted joint bank account, jointly own, all money you may transfer to us in accordance with the Agreement, and no other Person has any interest in such money.

### 13.2 Transfer or delegation of rights and obligations

- 13.2.1 You may not transfer any of your rights or delegate any of your obligations under the Agreement or grant any use or benefit of any right to any person (including an Authorised Person or Joint Account Holder) without prior written consent.
- 13.2.2 You may not, for any reason, grant any person (including an Authorised Person) the use or benefit of a right under the Agreement, including any rights to money held with us (whether by way of a mortgage, charge or otherwise).
- 13.2.3 We may transfer or delegate any of our rights and/or obligations under the Agreement, which may involve transferring any client money balance held by us on your behalf, to any Person, provided we act in accordance with Applicable Law. We will use reasonable endeavours to provide you with not less than thirty (30) Calendar Days' notice of such transfer or delegation, although we reserve the right to do this with immediate effect in which case we will inform you about the transfer or delegation as soon as reasonably practicable. Where we transfer or delegate any of our rights or obligations under the Agreement to any Person, we may provide that Person with any information relating to you that they may reasonably require.

### 13.3 Debts

- 13.3.1 Where you have opened more than one Account with us, we will treat your Accounts as aggregated for the purposes of satisfying your obligations to us to pay to us any debit balances you may owe. This means any credit balance, including money deposited as Margin, in one Account may be used to discharge any debit balances in respect of another Account. We will provide you with reasonable notice prior to undertaking such set-off
- 13.3.2 Please note that CMC Markets does not aggregate Accounts for the purpose of calculating your Margin requirements or Close-Out Level.
- 13.3.3 Without limiting our other rights under the Agreement any amount we (or any of our Associates) owe to you will, at our election and upon providing reasonable prior notice to you, be Set-Off against any other amounts ("**Other Amounts**") payable by you to us or any of our Associates (whether or not arising under a Product, matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation). To the extent that any Other Amounts are so Set-Off, those Other Amounts will be discharged promptly.

### 13.4 Limitation of liability in respect of the Platform

- 13.4.1 Nothing in this Agreement excludes or limits our liability for any matters that cannot be excluded or limited under Applicable Law.
- 13.4.2 Subject to section 13.4.1 above, we will not be liable to you for any loss which arises as a result of:
  - (a) our compliance with, or our exercising of any of our rights in accordance with, Applicable Laws or the Agreement;
  - (b) your negligence, fraud or breach of the Agreement or Applicable Law;
  - (c) any Specified Event or Circumstance Outside Our Control;
  - (d) any Error arising from unclear or ambiguous instructions from you or an Authorised Person when placing an Order; or
  - (e) any late payment or errors in calculating and/or facilitating payment of any IB Fees due to an Introducing Adviser,

except to the extent that such loss has resulted from our negligence, or breach of the Agreement, provided that such loss is direct and actual loss as a result of our negligence or breach of the Agreement. For the avoidance of doubt, we will not be liable for any loss of profit or opportunity howsoever arising, including but not limited to loss of files, data or use, economic loss, loss of reputation or losses or damages incidental or consequential to the operation of the Platform.

- 13.4.3 We are not responsible for any delays, delivery failures, failures in transmission of any Order or any other communication or any other loss or damage resulting from the transfer of data over mobile or other communications networks and facilities outside of our control.
- 13.4.4 All warranties as to the description, quality, performance or fitness for the purposes of the Client of the Platforms or any component of any such Platform are disclaimed and excluded. Liability for a breach of a condition or warranty in respect of the Products or Services, express or implied, and which cannot be excluded, is limited to the maximum extent permitted by law (at CMC Markets' option) to resupplying the Products or Services or the cost of resupplying the Products or Services.
- 13.4.5 Any features (including charts), market data or third party content available on our Website, Platform or e-mails, are provided on an "as is" and "if available" basis. We and our third party providers have taken all reasonable steps to ensure their accuracy and completeness but we exclude any warranties, undertakings or representations (either express or implied) related to them to the full extent permitted under Applicable Law, including but not limited to:
- (a) with respect to any third party market data or similar information or any features and information provided to you in connection with your use of the Website, the Platform and/or our services:
    - 1. we and our third party providers are not providing trading or investment advice;
    - 2. we and our third party providers are not responsible or liable if any such market data or similar information or any features and information is inadequate, inaccurate or incomplete in any respect;
    - 3. we and our third party providers do not guarantee the timeliness of market data or similar information;
    - 4. we and our third party providers are not responsible or liable for any actions that you take or do not take based on such market data or similar information;
    - 5. you will use market data, features and information for general purposes only as set out in the Agreement;
    - 6. we provide market data or similar information for general purposes only and market data or similar information should not be used as the sole basis for any investment decision; and
    - 7. you will use market data, features or information solely in compliance with Applicable Law; and
  - (b) the information contained in the features or third party content is indicative and may be out of date at any given time. All analysis, resulting conclusions and observation are based upon past performance, patterns and data and will not reflect future performance.
- 13.4.6 For the avoidance of doubt, our third party providers are not responsible for and have not participated in the determination of our Prices and they exclude all warranties, undertakings or representations (either express or implied) relating to your use of our Platform, our Website or the Elements. Without limiting the foregoing, in no such event whatsoever will our third party providers be liable for any loss, regardless of whether they are aware of such loss and whether such liability is based on breach of contract, tort or otherwise.
- 13.4.7 Except in the event of our negligence, wilful default or fraud, we will not be liable for any loss or damage caused by distributed denial-of-service attack, viruses or other technologically harmful material that may infect your computer equipment, computer programs, data or other proprietary material due to your use of our Platform or Website or to your downloading of any material posted on it, or on any website (including our Website) linked to it, provided that we have implemented and maintained commercially reasonable security measures to prevent such attacks and harmful material.
- 13.4.8 Unless expressly stated otherwise in this Information Memorandum, we are not responsible for reminding you or alerting you to any obligation or liability that you may have under the Agreement. Where we do make or provide any such reminders or alerts to you, this is done entirely at our sole discretion and does not represent any obligation or commitment on our part to make or provide any such reminders or alerts to you in the future.
- 13.5 Your obligations if you breach the Agreement**
- 13.5.1 If you believe or have reason to believe that you have breached any term of the Agreement, then you must inform us immediately in writing.
- 13.5.2 You will be responsible for any losses and/or expenses that we suffer which are the result, or which a reasonable person would consider to be the probable result, of you or an Authorised Person being negligent, acting fraudulently or breaching the Agreement or Applicable Law.
- 13.6 Outsourcing**



13.6.1 We may use external service providers in relation to any of our operations in accordance with Applicable Law, who may include Associates or other third parties.

### 13.7 Rights and remedies

13.7.1 The rights and remedies available to you or us under the Agreement do not exclude, and are in addition to, the rights and remedies provided to you or us in accordance with Applicable Law.

### 13.8 Rights of third parties

13.8.1 Nothing in this Agreement is intended to confer on any Person (including an Authorised Person) other than you or CMC Markets (or its Associates) any right to enforce any term of the Agreement except that our claims against you under the Agreement may be assigned to third parties that may independently assert these claims against you.

### 13.9 Delay or inaction in exercising rights under the Agreement

13.9.1 Any delay or failure on your behalf to exercise a particular right or take a particular action under Applicable Law or under the Agreement does not mean that you will or we will be unable to exercise that right or take any such action at a later stage. If we agree to waive a term of the Agreement, this will not be construed as waiver of a future breach of the same term, unless we agree in writing.

### 13.10 Notices and Communication

13.10.1 Subject to other sections of this Information Memorandum, any notice or other communication given or made under or in connection with the matters contemplated by this Information Memorandum will, except where oral communication is expressly provided for, be in writing and will be sent to you/us. All communication between you and us, and all documents and information provided under the Agreement and the other documentation described in this Information Memorandum will be in English and you confirm that you possess proper knowledge and understanding of the English language. Any translations are provided for convenience only and you agree that to the extent there is a conflict between the English version and any translation, the English version will prevail. The Platform, including its features and information within it, will be provided in English by default. However, you may be able to select another language for the Platform, its features and information. You should only select another language if you possess a proper knowledge and full understanding of that language. If you select another language, you do so entirely at your own risk.

13.10.2 Where the Agreement requires you to communicate to us in writing, you can send us an email from the email address associated with your Account to [support@cmcmarkets.com.au](mailto:support@cmcmarkets.com.au), contact us via our Platform (if applicable) or send us a letter by post.

13.10.3 Any such notice will be deemed to have been received:

- (a) if delivered personally or by hand, at the time of delivery;
- (b) if posted, within three (3) Business Days of posting;
- (c) if posted on our Website, immediately at the time the information is made available;
- (d) if verbal, whether by phone or face to face, when actually given;
- (e) if by leaving a message on an answering machine or voicemail, one hour after the message was left;
- (f) if sent by email, one hour after sending provided, however, that notice of an Early Termination Date will be deemed to be effective immediately upon being sent by us; and
- (g) if made by us to you via our Platform, one (1) hour after such communication is made available on our Platform.

13.10.4 You may alter the address (including the email address) to which we send communications to you by giving us written notice. However, such alteration will only be effective on the later of the date specified in the notice and the time it was deemed to be received under this section.

13.10.5 In this Information Memorandum, where we refer to communication with you in writing, it includes notice sent by email to the last email address notified by you to us and notification on the Platform.

13.10.6 You agree and acknowledge that you are solely responsible for ensuring we have your current address, phone number and email address.

### 13.11 Superannuation funds

13.11.1 Complying superannuation funds must seek advice from your financial or legal adviser to ensure the superannuation fund is authorised to trade in our Products.

## **13.12 Governing law and Jurisdiction**

13.12.1 This Agreement and any non-contractual obligations arising out of or in connection with the Agreement are governed by, and interpreted in accordance with, the laws of New South Wales, Australia.

13.12.2 The courts of New South Wales, Australia will have non-exclusive jurisdiction to hear all and any disputes or claims (including non-contractual disputes or claims) arising out of or in connection with the Agreement. Nothing in this section 13.12.2 will limit our right to commence proceedings against you in relation to any dispute or claim in any jurisdiction that we consider appropriate, nor will the taking of proceedings in one or more jurisdictions preclude us from taking proceedings in any other jurisdiction, whether concurrently or not, if and to the extent permitted by Applicable Law.

## **13.13 Foreign jurisdiction**

13.13.1 The distribution of this Information Memorandum (and any related documents) in jurisdictions outside Australia may be restricted by law and therefore Persons into whose possession this Information Memorandum (and any related documents) comes should seek advice on and observe any such restrictions. Failure to comply with relevant legislation may violate those laws. This Information Memorandum does not constitute an offer or invitation in relation to a Product in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

## **13.14 Provisions becoming illegal, invalid or incapable of application**

13.14.1 If at any time any term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, all other provisions of the Agreement will remain legal, valid and capable of being applied under the law of that jurisdiction as well as under any other Applicable Law.

## **13.15 Communication of Orders**

13.15.1 Your mere transmission of an Order or instruction to us does not give rise to a binding contract between CMC Markets and you. Any Order you make is subject to CMC Markets accepting your Order and recording such Order as accepted and confirmed to you.

13.15.2 You will be responsible for all internet Orders and internet instructions, and for the accuracy of all other Orders.

## **13.16 Legal and regulatory requirements**

13.16.1 Despite any term of the Agreement in providing our services, we will be entitled to take any action which we reasonably consider to be necessary in our discretion to ensure compliance with the Applicable Law. By trading in Products, you agree to strictly comply with all Applicable Laws. If we reasonably consider you have not done so, we may terminate any Trade with you immediately or withhold payment of any amount to you. We will endeavour to provide prior notice where reasonably practicable under Applicable Laws.

## **13.17 Labour standards and environmental, social and ethical considerations**

13.17.1 We do not take labour standards, or environmental, social or ethical considerations into account when offering Products.

## **13.18 Privacy Statement**

13.18.1 We will require you to provide personal information in the course of transacting with us. CMC Markets collects, maintains, uses and discloses personal information in the manner described in our Privacy Statement. Our Privacy Statement is available on our Website or by calling our Client Management Team (see contact details in section 1.2).

- 13.18.2 For the purpose of this Agreement, "personal information" means information or an opinion about an identified individual, or an individual who is reasonably identifiable, whether the information is true or not, and whether recorded in a material form or not. It may include your name, address, email address, phone number, financial information, personal description and other personal information. "Sensitive information" means personal information about racial or ethnic origin, political opinions, membership of a political association, religious beliefs or affiliations, philosophical beliefs, membership of a professional or trade association, membership of a trade union, sexual orientation or practices, criminal record that is also personal information, health information, genetic information that is not otherwise health information about an individual, biometric information that is to be used for the purpose of automated biometric verification or biometric identification and biometric templates. "Processing" means any action taken to the collection, holding, use or disclosure of personal information' by an APP entity (as defined by the *Privacy Act 1988* (Cth)).
- 13.18.3 We will usually only process your personal information where it is lawful to do so, where you have given your consent, where necessary for the performance of this Agreement, or to comply with our legal obligations. We will only process sensitive information if we meet the specific legal requirements in the *Privacy Act 1988* (Cth). By completing the application and entering into the Agreement you consent to us:
- (a) processing your personal information (including sensitive information) which we will use for the following purposes:
    - i. assessing your Application, including determining the appropriateness of you entering into the Agreement;
    - ii. administration of the Platform;
    - iii. administration of the relationship between you and us;
    - iv. carrying out our obligations under the Agreement;
    - v. assessing our operational and financial risk in relation to you;
    - vi. improving the Website and/or Platform and developing our products and services;
    - vii. providing third party market data or similar information to you to assist you in your use of our Website and/or Platform;
    - viii. seeking legal advice in relation to a matter connected to our business;
    - ix. dealing with our auditors and other professional advisers;
    - x. creating anonymised statistical data;
    - xi. client profiling (including but not limited to targeting advertisements and creating lookalike audiences);
    - xii. disclosing your personal information to any authority to whom we are required to disclose such information by law;
    - xiii. disclosing your personal information to the following entities for the same purposes listed above:
      - A. our subcontractors and service providers who process your personal information on our behalf (these include identity and sanctions checking and credit reference agencies) or who provide services on our behalf;
      - B. our Associates; and
      - C. if applicable, any Joint Account Holder or any person who is an Authorised Person or reasonably appears or purports to be an Authorised Person; and
  - (b) disclosing your personal information to your Introducing Adviser, money manager or other third-party intermediary if you have appointed one, who has been agreed and accepted by us, in connection with this Agreement and the services provided to you by your Introducing Adviser, money manager or other third-party intermediary;
  - (c) acting in accordance with the preferences indicated by you when using your personal information for the purposes of marketing our relevant products and relevant products of our Associates, introducing broker, money manager or any specified third parties. You have the right to ask us not to process your personal information for such purposes and may notify us at any time if you wish to change your personal information preferences by updating your settings on the Platform, contacting our client management team at [support@cmcmarkets.com.au](mailto:support@cmcmarkets.com.au) or sending us a letter by post; and

- (d) transferring, storing and processing your personal information outside of Australia for the purposes set out above, where the level of protection afforded to data may not be the same as within Australia. We will take all steps reasonably necessary to ensure that your personal information is treated securely and in accordance with this Agreement and the *Privacy Act 1988* (Cth) in respect of any such transfer, storage or processing.

13.18.4 You have the right to request access to, or correction of, any personal information we hold about you. Requests can be made in accordance with our Privacy Statement, and in some cases, we may charge a fee to process your request.

13.18.5 You agree that we may record all telephone conversations and/or any communications by other means between you and us. We may use such recordings, or transcripts of such recordings, as well as any emails, recorded chat messages or other communications you send to us through the Platform, for training purposes, for the purposes of investigating any complaint you may make, or for any other legal or regulatory purposes including as evidence in any dispute or anticipated dispute between you and us. We shall retain records of all telephone conversations for the duration required by Applicable Law.

13.18.6 You agree that we may disclose any information we hold about you or your Account (including any personal information that is subject to data protection laws) to any Official Body if required by that Official Body or Applicable Law.

13.18.7 You agree to keep all information that you hold relating to your Account, including any emails and letters and any promotions that we send to you, confidential at all times.

### 13.19 Interpretation

13.19.1 The definitions contained in the Glossary in section 14 apply to this Information Memorandum unless the context otherwise requires. In this Information Memorandum, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) where a word or phrase has a defined meaning any other part of speech or grammatical form in respect of such word or phrase has a corresponding meaning;
- (c) headings are inserted for convenience only and do not affect the interpretation of this Information Memorandum;
- (d) a reference to any party includes a reference to that party's executors, administrators, successors, substitutes and permitted assigns and any Person taking by way of novation;
- (e) a reference to any thing (including any amount) is a reference to the whole or any part of it and a reference to a group of Persons is a reference to any one or more of them;
- (f) a reference to the words 'including', 'for example' or 'such as' when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (g) a reference to 'trading' in Products describes any activity that involves entering into a trade by 'opening' a Trade, altering a Trade or terminating a trade by 'closing' a Trade, or where applicable, exercising an Option CFD. We have used phrases such as 'trading Products' and 'trade Products' for simplicity's sake to refer to any opening, establishment, alteration to, and closing of, a Trade, and where applicable, exercising an Option CFD;
- (h) if a Confirmation and any other document forming part of the Agreement are inconsistent, the Confirmation will prevail to the extent of that inconsistency;
- (i) the parties agree that the various documents comprising the Agreement constitute one single agreement between the parties. Each transaction contemplated by the various documents comprising the Agreement is entered into (as applicable) in reliance on the fact that each of the documents comprising the Agreement relating to those transactions form a single agreement between the parties, and the parties would not otherwise enter into any transaction contemplated by them; and
- (j) unless otherwise provided for in any document comprising the Agreement, if the day on which or by which a party must do something under the Agreement is not a Business Day, the parties agree that the party may do it on or by the next Business Day.

### 13.20 Survival of terms in the Agreement

13.20.1 The last paragraph of section 2.20, section 13 and the Glossary will continue to apply after closure of your Account and/or termination of the Agreement.

### 13.21 Intellectual Property

13.21.1 We or our licensors own all Elements. Except as expressly granted in the Agreement, you do not acquire any rights, title or interest in or to our Platform, our Website or the Elements.

13.21.2 We hereby grant you a personal, non-exclusive, royalty-free revocable and non-transferable licence, to access and make personal and non-commercial use of the Platform and our Website for the limited purpose of trading in accordance with the Agreement. No other rights are granted in respect of our Platform or Website. In the event you do or attempt to do any of the prohibited matters set out in section 13.21.3 below or we reasonably suspect that you have done or attempted to do any of these prohibited matters, this licence and the Agreement will be immediately revoked without further notice to you and you will have no further rights in or to our Platform, our Website or any of the Elements.

13.21.3 You must not:

- (a) copy, reproduce, translate, duplicate, use, modify, adapt, alter, enhance, reverse engineer, decompile, decode, disassemble or reverse assemble the operation of, or create derivative works of, our Platform, Website or any of the Elements (or cause or permit any other Person to do any of the foregoing) except as expressly provided for in the Agreement;
- (b) create or develop any hyperlink or other form of internet weblink to the Platform or Website except with our express prior written consent;
- (c) distribute, re-distribute, sell, re-sell, transmit, re-transmit, publish, make available, sub-license, transfer, rent, lend, re-circulate, repackaging, disclose, display or make commercial use of our Platform, our Website, any of the Elements or any of the materials we have provided in relation to the Agreement (either in whole or in part);
- (d) download or copy your Account information other than if required to do so by an Official Body or for personal use in accordance with the provisions of the Agreement;
- (e) download or copy Account information relating to any other Client;
- (f) carry out any data collection, or use data mining, screen-scraping, optical recognition software, image makers, robots or any other similar or like data gathering and extraction tools on the Platform or the Elements;
- (g) use any software, algorithm, robot, applications, tools, codes or computer or electronic devices or equipment on the Platform for non-human and/or high frequency trading;
- (h) with the exception of application programming interfaces (APIs) which are not used for any Improper Use:
  - i. use any software, algorithm, robot, applications, tools, codes, computer, electronic devices or equipment on our Platform for non-human and/or high frequency trading; or
  - ii. make use of our Platform or any of the Elements for automated purposes;
- (i) knowingly introduce any software viruses, trojans, worms, logic bombs, time bombs, "back doors" or back door devices, "drop dead devices", malware, or any other material, software or code which:
  - i. is or is likely to be malicious or technologically harmful, destructive, or disabling or anything analogous to the foregoing to our Platform or any of the Elements;
  - ii. damages, disrupts, impairs, erases or adversely affects the normal operation of the Platform or any of the Elements;
  - iii. assists in or enables theft or alteration of data or content from the Platform or any of the Elements; or
  - iv. provides unauthorised access to the Platform or any of the Elements.
- (j) permit or cause unauthorised access or attempt to gain unauthorised access to the Platform or any of the Elements, including the server on which our Platform or any of the Elements is stored or any server, computer or database connected to the Platform or any of the Elements;

- (k) attack the Platform via a denial-of-service attack or a distributed denial-of-service attack;
- (l) use our Platform, our Website, any of the Elements or any of the materials we have provided in relation to the Agreement (either whole or in part) in any way which would constitute (in our reasonable opinion) Improper Use; or

(m) do, or permit, any act or thing (or omit to do any act or thing) analogous to any of the foregoing,

and any of the above acts may be a Specified Event that entitles us to take a Reserved Action (see sections 10.9 and 10.10).

13.21.4 We may, upon prior written notice, audit your use of market data or similar information made available to you on the Platform to ensure compliance with this Agreement. You agree to fully cooperate with us in connection with any audit and to promptly supply any information that we request.

13.21.5 While we will use reasonable endeavours to implement and maintain commercially reasonable measures to safeguard our Platform and services from threats, we will not be liable for any loss or damage caused by a distributed denial-of-service attack, viruses or other technologically harmful material that may infect your computer equipment, computer programs, data or other proprietary material due to your use of the Platform or to your downloading of any material posted on it, or on any Website linked to it, unless such loss or damage is a result of our negligence, fraud or wilful default.

## 13.22 Transaction Reporting

13.22.1 Where we are required under Applicable Law to report transactions with you to ASIC or otherwise, you will need to obtain and provide us with a valid Legal Entity Identifier (LEI) or such other information as we may require before you can place Orders via our Platform or through our Client Management Team.

## 13.23 Trading through our Client Management Team

13.23.1 In addition to entering into Trades through the Platform you may contact our Client Management Team to place an Order in respect of a Manual Product. We may in our sole discretion, acting reasonably, refuse any request to enter into any Trade or Order in relation to a Manual Product, regardless of whether or not you have previously entered into Trades or placed Orders on that particular Manual Product.

## 13.24 Manual Products

13.24.1 Information on any Manual Product will only be available through the Product Library once you have contacted our Client Management Team in order to commence trading in that Manual Product.

13.24.2 Information about an executed Trade with respect to Manual Products will be available once it has been input by our Client Management Team.

## 13.25 Orders and Order Execution

13.25.1 You must contact our Client Management Team to enter into or close a Trade in relation to a Manual Product or a Trade which requires a Manual Order. Our Client Management Team can also place Orders on your behalf through the Platform on Products which are not Manual Products and/or which do not require a Manual Order. Unlike Trades you place on the Platform for Products which are not Manual Products, Trades in Manual Products are not fully automated.

13.25.2 When you place an Order through our Client Management Team to enter into or close a Trade in relation to a Manual Product or which otherwise requires a Manual Order, the member of the Client Management Team will quote the relevant Price and other related terms for that Order which you will be free to accept or reject.

13.25.3 An Order (including a Pending Order and a Manual Order) placed through our Platform (whether by you directly or through a member of the Client Management Team) will only be deemed to be received by our Platform at the time at which our Platform actually receives it, which may not be immediately after you submit that Order (for example, due to poor internet connectivity or the time it takes for our Client Management Team to input the Order into the Platform on your behalf).

13.25.4 To enter into or close a Trade on a Manual Product or which requires a Manual Order, you must contact our Client Management Team. You will need to specify the Product and agree with the member of the Client Management Team whether you wish to enter into a buy Trade or sell Trade (which may include a long Option CFD or short Option CFD, as applicable), the type of Order, the Price at which you wish to buy or sell (as applicable), the number of Units (which may be calculated by the member of the Client Management Team based on the amount you specify), any Boundary (if relevant) and the Stop Loss Order and/or Take Profit Order that you wish to apply to that Trade (if any) along with any other information relevant to the Order. Once a member of our Client Management Team has accepted and/or executed your Order, the member of our Client Management Team will input the relevant information onto the Platform.



13.25.5 A Manual Order will be deemed to be received when the relevant member of the Client Management Team has confirmed the Order in writing or verbally to you.

13.25.6 Manual Orders may only be modified or cancelled through our Client Management Team. Trades on Manual Products which require a Manual Order to be closed can only be closed through our Client Management Team.

13.25.7 Orders and/or Trades placed and/or entered into through our Client Management Team (including Limit Orders which may be placed outside of Trading Hours) will generally also be executed on a 'first come, first served basis'.

13.25.8 The Price at which an Order will be executed may be less favourable to you than the Price displayed on our Platform and/or the Price provided by our Client Management Team when you placed the Order (for instance due to market movements between the time you and/or our Client Management Team, acting on your behalf, submit the Order and the time that the Platform executes your Order).

13.25.9 Order Cluster limits may, in our sole discretion, be waived for Manual Orders placed or Trades entered into through our Client Management Team.

### **13.26 Account Close-Out – Manual Products**

13.26.1 We will aim to provide you with at least ten (10) Business Days' notice in which to close any Trade in relation to a Manual Product, if we decide (at any time in our sole discretion) to cease offering the ability to trade via the Client Management Team. We may, if in our reasonable opinion, it is necessary and fair to do so, reserve the right to provide a shorter notice period or no notice at all.

13.26.2 Unless our notice specifies otherwise, you will be allowed to cancel any Pending Orders and/or close any Trades in respect of any Manual Product during the time between:

- (a) when we give you the notice; and
- (b) when your Account status is due to be changed and/or your access to the Client Management Team for the purpose of offering the ability to trade via the Client Management Team is due to terminate in accordance with the notice.

13.26.3 If you do not do this, we will cancel any Pending Orders and close any Trades in respect of that Manual Product, at the time and in the manner specified in the notice (if applicable) and, as far as our Client Management Team see fit in their sole discretion, acting reasonably, taking into account any prior instructions you have provided.

## 14 GLOSSARY

14.1 This Glossary is to be read in conjunction with this Information Memorandum.

Absolute Close-Out Level	The Amount displayed on the Platform, as further described in section 5.4.2.
Account	Any CMC Pro account(s) for trading Trades as CMC Pro Client that you hold with us. Including any Joint Account.
Account Close-Out	The process described in section 5.4 in which the Platform may close the whole or a portion of your CFD Margin Trades and/or Positions and includes Full Account Close-Out and Alternative Account Close-Out.
Account Currency	The currency in which your Account is denominated and in which all Deductions and credits will be made in accordance with this Information Memorandum.
Account History	The history of Orders, Trades and other adjustments to your Account available on the Platform.
Account Netting	<p>Except in relation to Option CFDs, the default function on your Account that automatically combines any CFD Margin Trades on your Account that would otherwise be open at the same time in respect of the same Product into one single net CFD Margin Trade. You may elect to disable Account Netting on the Platform, although you may be charged additional fees and you may be required to provide Margin for both sides of a CFD Margin Trade.</p> <p>In respect of Option CFDs, Account Netting applies and cannot be disabled, and will automatically combine any Option CFDs on your Account that have the same Underlying Reference Instrument, Expiry Date, Strike Price and are of the same type that would otherwise be open into one single Option CFD.</p>
Account Revaluation Amount	The sum of your Cash and any Net Unrealised Profit Or Loss (Mid-Price), which is displayed on the Price Ladder or Order Book on the Platform and updated in real time and calculated as further described in section 2.25.
Account Sign-In Details	Has the meaning given to that expression in section 2.9.1.
Account Value	The sum of your Cash and any Net Unrealised Profit or Loss (as applicable) displayed on the Price Ladder or Order Book, that is displayed on the Platform and updated in real time.
Adjustment Event	In respect of a Product, where the Underlying Reference Instrument is an index, any changes to the index including but not limited to the announcement of a successor index.
AFCA	The Australian Financial Complaints Authority or any replacement external dispute resolution scheme of which CMC Markets becomes a member.
Agreement	Has the meaning set out in section 1 above.
Alternative Account Close-Out	The closing of the whole or a portion of your CFD Margin Trade Positions in an Account by the Platform in accordance with the Account Close-Out preferences you have set on the Platform.
Amount	An amount of money in the Account Currency.
Applicable Laws	<p>Means:</p> <ul style="list-style-type: none"> <li>(a) applicable provisions of laws and regulations including all relevant rules of government agencies, exchanges, trade and clearing associations and self-regulatory organisations, that apply to you and CMC Markets, this Agreement, our Website or the Platform and the transactions contemplated by this Agreement;</li> <li>(b) applicable laws, procedures, standards and codes of practice that apply in relation to you and CMC Markets, this Agreement and the transactions contemplated by this Agreement, including the Corporations Act, the <i>Australian Securities and Investments Commission Act 2001</i> (Cth), ASIC Policy, the <i>Privacy Act 1988</i> (Cth) and the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth); and</li> <li>(c) applicable rules, regulations, customs and practices from time to time of any exchange, licensed financial market, clearing house,</li> </ul>

	licensed clearing and settlement facility, or other organisation or market involved in the conclusion, execution or settlement of a transaction or CFD and any exercise by any such exchange, clearing house or other organisation or market of any power or authority conferred on it.
Application	The Application and account opening documentation you have completed and submitted to CMC Markets regarding the account in relation to which you applied to be re-classified and have been re-classified by CMC Markets as a CMC Pro Client, whether electronically or in hard copy.
ASIC	Australian Securities and Investments Commission or any regulatory body which replaces it or performs its functions.
Associate	Any Related Entity of CMC Markets, including but not limited to CMC Markets UK plc.
ASX	ASX Limited operating the financial market known as the Australian Securities Exchange.
ATO	The Australian Taxation Office.
Attributes	The various limitations, restrictions and features (as applicable) that apply to Orders and Trades in respect of each Product, which we may amend from time to time in accordance with sections 10.4 and 10.5. Attributes include, but are not limited to, trade limits (including Product Limits, Order Cluster Limits, GSLO Cluster Limits and GSLO Limits) and tier sizes, minimum distances, minimum trade sizes, Trading Hours, Expiry Dates and Expiry Times, Spreads, Option CFD type, Strike Price, pricing methodology, intrinsic value of an Option CFD including "in the money" and "out the money", composition of basket Products and key dates.
AUD, A\$ and \$	Australian dollars, unless specified otherwise in this Information Memorandum.
Australian Client Money Rules	The provisions in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with client money and property and the <i>ASIC Client Money Reporting Rules 2017</i> (Cth).
Australian Financial Services Licence	Licence required by CMC Markets to trade and make a market in financial products.
Authorised Person	Any one or more Person(s) appointed by you in accordance with section 7.2.
Auto Roll-Over	The process by which a CFD Margin Trade on a particular Forward (and any Pending Order attached to that Forward) is closed automatically by the Platform and/or our Client Management Team and an equivalent CFD Margin Trade is automatically entered into (and an equivalent Pending Order, except any Limit Order or Stop Entry Order, is placed) on a Forward with the same Underlying Reference Instrument(s) and the next arising Expiry Date, as described more fully in the Order Execution Policy.
Available Cash	The lower of your Cash or your Available Equity on an Account, which will be displayed on the Platform.
Available Equity	The Amount that is calculated in accordance with section 2.23.
Boundary	In respect of any Market Order or Stop Entry Order, the price level you have specified when placing the Order which would result in the Order being automatically cancelled by the Platform if the Price of the relevant Product at the time the Order would otherwise be executed is: (a) in the case of an Order to buy, greater than the price level you have specified; or (b) in the case of an Order to sell, less than the price level you have specified.
Business Day	Any day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, New South Wales, Australia.
Buy Price	The Price at which a buy CFD Margin Trade (including a long Option CFD) is entered into and at which a sell CFD Margin Trade (including a short Option CFD) is valued and closed.
Calendar Day	Each day of the year ending at 5pm New York time.

Call Option	In relation to Option CFDs: (a) if you are a buyer, the right (but not obligation) to buy a specific Product in the Underlying Market at the Expiry Date at the Strike Price, solely on a cash settled basis; or (b) if you are the seller, the obligation to sell a specific Product at Strike Price if the buyer exercises their right to buy, in exchange for the Premium, solely on a cash settled basis.
Cash	An Amount calculated in accordance with section 2.22.
Cash Settlement Date	The date and time at which any CFD Margin Trade in relation to a particular Forward which has reached its Expiry Date, will be closed and settled by an Amount becoming due and payable from you to us or from us to you.
CFD	A contract for difference, including any cash settled contract the purpose or intended purposes of which is to secure a profit or avoid a loss by reference to (a) the value or price of a property or any description; and (b) any index or other factor designed for that purpose in the contract.
CFD Margin Trade	A CFD on a Product, which seeks to confer similar economic benefits to an investment in the relevant Underlying Reference Instrument, entered into between you and us through our Platform on an Account. An Option CFD is a type of CFD Margin Trade.
Circumstance Outside Our Control	Has the meaning given to that expression set out in section 10.12.
Cleared Funds	Funds that have been deposited with CMC Markets (and which are immediately available to CMC Markets) and have been applied to your Account.
Client	A client of CMC Markets or the CMC Markets Group.
Client Management Team	The CMC Markets team which answers Client queries. The Client Management Team can be contacted by calling 1300 303 888 (only in Australia) or by emailing <a href="mailto:support@cmcmarkets.com.au">support@cmcmarkets.com.au</a> .
Close-Out Level	The level calculated in accordance with section 5.4.2, at which the Platform may close all or a portion of your CFD Margin Trades, as necessary.
Close-Out Percentage Level	The percentage displayed on the Platform that is used to calculate your Standard Close Out Level (if applicable) in accordance with, section 5.4.2.
Close-Out Warning Level	The warning level that we may set on the Platform. See section 9.14 for more information.
CMC Currency Conversion Rate	The relevant currency exchange rate at the relevant time which we will convert values in a Product Currency into the Account Currency.
CMC Markets	CMC Markets Asia Pacific Pty Ltd ABN 11 100 058 213.
CMC Markets Group	CMC Markets Plc (Registered number 05145017) and its Associates.
CMC Pro Client	A Client of CMC Markets who CMC Markets has at the relevant time categorised as a Wholesale Investor, Professional Investor or Sophisticated Investor.
Commission	An amount charged when opening and closing a Position as specified in the relevant Product Library and which we may amend from time to time in accordance with sections 10.4.1 and 10.5.
Confirmation	A form of notification, which will be provided through the Platform. We will not send you any confirmations of Orders or Trades by any other means, including by post or email.
Corporate Action	Any action or event, whether temporary or otherwise, in relation to an Underlying Reference Instrument of a Product, or in relation to the issuer of such Underlying Reference Instrument, which would have an effect on the value, legal characteristics or ability to trade the Underlying Reference Instrument or a financial derivative based on or referencing such Underlying Reference Instrument, including: distributions or the grant of entitlements to existing holders of rights in the Underlying Reference Instrument, dividend payments, the granting of rights to purchase, subscribe or receive any asset(s) (whether for free, on preferential payment terms or otherwise) or cash, placings, rights issues, bonus/scrip issues, capitalisation issues and similar issues,

	mergers or takeovers relating to the issuer of the Underlying Reference Instrument, sub-divisions, splits, reductions (including share buy-backs), consolidations, reclassifications, restructurings, cancellation or suspension of listing of the Underlying Reference Instrument or the issuer of the Underlying Reference Instrument, and any action or event analogous to any of the foregoing or otherwise that may have a diluting or concentrative effect on the value of the Underlying Reference Instrument.
Corporations Act	<i>Corporations Act 2001 (Cth).</i>
Countdown	A Product where your profit or loss is a fixed amount dependent on whether the Price of an Underlying Reference Instrument goes up or down over a specified timeframe as further described in section 3.2.12.
Countdown Opening Price	The reference Price applicable when a Countdown is entered into, generated by and displayed on the Platform.
Countdown Profit	The profit received on a Countdown where you have correctly predicted the outcome as further described in section 3.2.12.
Deduction	Any money due to us under the Agreement, or required to be deducted by an Applicable Law (including for tax purposes).
Draw Percentage	The percentage specified in the Product Library that will be used to determine the amount to be returned to your Account in respect of a Countdown that expires at an unchanged level as further described in section 3.2.12.
Early Termination Date	A date designated as such by us in accordance with section 2.31.
Elements	Has the meaning set out in section 13.20.
Error	Has the meaning set out in section 2.29.
Event of Default	The occurrence of any of the events listed in subsections (a) to (i) in section 10.9.
Expiry Date	The last possible date and time at which any CFD Margin Trade or Pending Order in relation to a particular Forward or Option CFD (as applicable) will automatically expire, as specified in the Product Library.
Expiry Time	The last possible time at which any CFD Margin Trade or Pending Order in relation to a particular Forward or Option CFD (as applicable), will automatically expire, as specified in the Product Library.
Forward	A CFD Product with a fixed Expiry Date.
Full Account Close-Out	The closing of CFD Margin Trades on an Account by the Platform in accordance with the preferences you set, as described in section 5.4.4.
Gapping	The exposure to loss from failure of market prices or rates to follow a 'smooth' or continuous path due to external factors such as world, political, economic and specific corporate events.
GSLO Cluster Limit	The maximum permitted size of an Order Cluster where the relevant Pending Orders contain Guaranteed Stop Loss Orders, as specified in the Product Library.
GSLO Limit	The maximum buy or sell Position (as applicable) covered by any Guaranteed Stop Loss Order(s) in respect of the relevant Product, as specified in the Product Library.
GSLO Minimum Distance	<p>The minimum distance specified in the Product Library between the Target Price and the Level 1 Sell Price or the Level 1 Buy Price (as applicable) at the time of placing a Guaranteed Stop Loss Order (including by modifying another type of Pending Order) in respect of a Product, where:</p> <p>(i) in respect of a Guaranteed Stop Loss Order to buy, the Target Price is greater than or equal to the minimum distance plus the Level 1 Buy Price; and</p> <p>(ii) in respect of a Guaranteed Stop Loss Order to sell, the Target Price is less than or equal to the Level 1 Sell Price minus the minimum distance.</p>
GSLO Premium	The Amount required to be paid to us to place a Guaranteed Stop Loss Order (including by modifying another type of Pending Order).
GSLO Premium Refund	The portion of the GSLO Premium that will be refunded to you if the relevant Guaranteed Stop Loss Order is cancelled, removed, corrected or closed (including by modifying it to another type of Pending Order)

	before it has been executed, as specified in the Product Library.
GSLO Trade	Has the meaning set out in section 5.1.2.
GST	Goods and Services Tax.
Guaranteed Stop Loss Order or GSLO	An instruction to place an Order in accordance with the relevant conditions set out in section 3.2.9.
Hedge/Hedged/Hedging	An investment made in order to reduce the risk of adverse price movements in a financial instrument, by taking an offsetting position in a related financial instrument.
Holding Cost	The Amount calculated in accordance with section 4.3. Historic Holding Costs can be found in the Product Library.
Holding Rates	Together, the Holding Rate Buy and Holding Rate Sell, which may be amended from time to time in accordance with section 4.3.
Holding Rate Buy	With respect to a Product for which a Holding Cost applies, the rate that is applied in respect of buy CFD Margin Trades that are held at the Holding Time, specified in the Product Library.
Holding Rate Sell	With respect to a Product for which a Holding Cost applies, the rate that is applied in respect of sell CFD Margin Trades that are held at the Holding Time, specified in the Product Library.
Holding Time	With respect to any particular Product, the time at which any Holding Cost will be calculated and charged to your Account, as specified in the Product Library from time to time.
IB Fees	Has the meaning set out in in section 8.4.
Improper Use	Any use or suspected use of our Platform or our Website or activity in relation to an Order (including a Pending Order) or a Trade that amounts to: (a) an unlawful act or a breach of Applicable Law, whether directly or indirectly; (b) a breach of the Agreement; (c) a failure to observe reasonable commercial standards of fair dealing; or (d) dishonesty or malice.
Independent Margin	The Amount we specify from time to time which: (a) you are required to hold in your Account over and above your Total Position Margin (a positive Independent Margin); or (b) reduces the Amount which you are required to hold in your Account to less than your Total Position Margin (a negative Independent Margin), at any given time, as shown on the Platform.
Index CFD	A CFD where the Underlying Reference Instrument relates to a share index future.
Insolvency Event	Means: (i) the appointment of a receiver, administrator, manager, administrative receiver or similar officer in relation to you; (ii) if any encumbrancer takes possession of or sells, all or any part of your assets or business; (iii) you are deemed unable to pay your debts as they become due; (iv) an application is made for an interim order, or a proposal is made for you to enter into a voluntary arrangement, or you enter into a deed of arrangement, or a bankruptcy petition is presented to a court in respect of you; (v) if you are a body corporate, a resolution is passed or an order is made for your winding up, dissolution or administration; or (vi) if you become bankrupt or insolvent or any event that is analogous to those set out in paragraph (i), (ii), (iii), (iv) or (v) of this definition applies to you.  If you are a partnership or have a Joint Account, the occurrence of any of the events listed in (i) to (vi) above in relation to any one partner or Joint Account Holder shall constitute an Insolvency Event.



Introducing Adviser	Any intermediary who offers a financial service to enable you to trade with CMC Markets.
Invested Capital	The sum of any successfully received money paid by you to us plus all Realised Profits less the Amount of any money you have withdrawn.
Joint Account	An Account held in the name of two or more Persons.
Joint Account Holder	Any one or all Persons (as applicable) in whose name a Joint Account is held.
Last Roll-Over Date	The last possible date and time at which a CFD Margin Trade or Order on a particular Forward may be subject to a Manual Roll-Over or de-selected (or re-selected) for an Auto Roll-Over, as specified in the Product Library.
Last Trade Opening Date	The last possible date and time at which you can enter into or extend a CFD Margin Trade or modify an existing Order (including a Pending Order) on a particular Forward, as specified in the Product Library. For the avoidance of doubt, Orders (including Pending Orders) and Margin Trades in the relevant Forward may be cancelled or closed after this date.
Level 1 Buy Price	The first Buy Price displayed on the Price Ladder or Order Book, in relation to a Product.
Level 1 Mid Price	The Level 1 Buy Price and Level 1 Sell Price of a Product at any given time added together and divided by two (2).
Level 1 Price	The Level 1 Sell Price and/or Level 1 Buy Price, as applicable.
Level 1 Sell Price	The first Sell Price displayed on the Price Ladder or Order Book in relation to a Product.
Limit loC Order	Has the meaning given to that term at section 3.3.2.
Limit Order	An instruction to place an Order to enter into a CFD Margin Trade at a specified price in accordance with relevant conditions as set out in section 3.2.5.
Manual Order	An Order: (a) in relation to a Manual Product; or (b) which requires the consent of our Client Management Team to vary the terms of the Agreement in relation to that Order (including Pending Orders) or Trade and, in particular, to vary any of the Attributes or the Price generated by the Platform.
Manual Product	A Product in respect of which we will only accept Orders or allow you to enter into Trades through our Client Management Team.
Manual Roll-Over	The process by which a CFD Margin Trade on a particular Forward (and any Pending Order on that Forward) is closed by the Platform at your specific request and an equivalent CFD Margin Trade is entered into (and an equivalent Pending Order is placed) on a Forward with the same Underlying Reference Instrument(s) but with the next available Expiry Date.
Margin	The amount of money you are required to pay us or hold in your Account in order to place an Order for a CFD Margin Trade.
Margin Rate	With respect to any CFD Margin Trade, the percentage rate applicable to each Tier of a CFD Margin Trade, as specified in the Product Library from time to time, or in respect of an Option CFD, the percentage rates used to calculate the Margin requirement for any given Order for an Option CFD.
Market loC Order	Has the meaning given to that term at section 3.3.4.
Market Order	An instruction to place an Order for a CFD Margin Trade in accordance with relevant conditions as set out in section 3.2.
Netting Gain	Has the meaning given to it in the definition of "Netting Loss".
Netting Loss	The amount that we reasonably determine in good faith to be our total losses or costs in connection with Outstanding CFD Margin Trades and Outstanding Countdowns as of the Early Termination Date (or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable). That amount includes any loss of bargain, cost of funding or any loss or cost incurred as a result of terminating, liquidating, obtaining or re-establishing any Hedge or related trading position and taking into account any Margin requirements pursuant to the Agreement.

	<p>If we determine that we would gain a benefit in such circumstances rather than incur a Netting Loss, this will be referred to as a "Netting Gain". No amount will be included more than once in calculating any Netting Loss or Netting Gain.</p> <p>We will determine our Netting Loss or Netting Gain by reference to relevant rates or prices (including, without limitation, any Prices) from the Platform. If the Platform is unavailable, we will determine our Netting Loss or Netting Gain by reference to quotations of relevant rates or prices from the relevant underlying market from one or more third parties including, without limitation, dealers in the relevant markets, information vendors, brokers and other sources of market information.</p>
National Guarantee Fund (NGF)	The National Guarantee Fund administered by the ASX.
Net Unrealised Loss	An Amount that is the aggregate of Unrealised Profit Or Loss for all CFD Margin Trades on your Account and which you would owe us if those CFD Margin Trades were closed at that time.
Net Unrealised Profit	An Amount that is the aggregate of Unrealised Profit Or Loss for all CFD Margin Trades on your Account and which we would owe you if those CFD Margin Trades were closed at that time.
Net Unrealised Profit or Loss	An Amount that is the aggregate of the Unrealised Profit Or Loss for all CFD Margin Trades on your Account, based on the Level 1 Price. This will be a negative figure in the event of a Net Unrealised Loss and a positive figure in the event of a Net Unrealised Profit.
Net Unrealised Profit or Loss (Mid Price)	An Amount that is the aggregate of the Unrealised Profit Or Loss for all CFD Margin Trades on your Account, based on the Level 1 Mid-Price. This will be a negative figure in the event of a Net Unrealised Loss and a positive figure in the event of a Net Unrealised Profit.
Non-Private Investor	<p>Means that you meet at least one of the conditions set out below:</p> <p>(a) your Account has not been opened in a personal capacity (i.e. the Account has been opened in connection with a trade or business or in connection with a trust that has a professional trustee);</p> <p>(b) you are currently registered or qualified as a professional securities trader or investment adviser with any national or state exchange, regulatory authority, self-regulatory body, securities agency, professional association or professional body;</p> <p>(c) you currently act as an investment adviser; or</p> <p>(d) you use your Account for any purpose other than the management of your personal funds including (but not limited to) acting as a trader to the public or for the investment of corporate funds.</p>
Official Body	Any local, state, national or supra-national public body that is relevant to our Platform and our financial trading activities with you, including the Australian and NSW governments, ASIC and other relevant financial services regulatory bodies, the Reserve Bank of Australia, the ATO, a state fair trading body, the police, Interpol, the courts, the Australian Customs Service and/or any other tax authority, which is in existence from time to time.
Offset	The adjustment that may be made to the Holding Rates applicable to Products for the purposes of section 4.3.
Offset Threshold	The Cash level above which an Offset may be applied.
Opening Trade Price	In respect of a CFD Margin Trade, the Price at which such CFD Margin Trade was entered into.
Option CFD	<p>A CFD where the Underlying Reference Instrument is an option. It is not a traded option and cannot be exercised by or against you or result in the acquisition or disposal of any Underlying Reference Instrument to or by you.</p> <p>For further details please see section 2.3.</p>
Order	An offer you have submitted or which has been submitted on your behalf through the Platform, including through our Client Management Team, to enter into or to close a CFD Margin Trade. Unless specified or the context suggests otherwise, all references to Orders include Pending Orders. Order includes a Manual Order and Orders for Manual Products.
Order Book	The portion of an Order ticket that displays the Level 1 Buy Price and

	Level 1 Sell Price for an Option CFD, as generated by our Platform from time to time.
Order Cluster	One or more Pending Orders in the same direction on a particular Product which all have a Target Price within the Order Cluster Range.
Order Cluster Limit	The maximum permitted size of an Order Cluster, as specified in the Product Library.
Order Cluster Range	The range of Target Prices for Pending Orders in the same direction relating to a particular Product, as specified in the Product Library, which may be expressed as a percentage and/or as an absolute value.
Order Execution Policy	The policy under which we execute Orders set out in section 3.
OTC	Over the counter. OTC products are not traded on an exchange but are negotiated between two parties. Please see section 9.5 for further information.
Other Amount	Has the meaning given to this term in section 13.3.
Outstanding CFD Margin Trade	Has the meaning set out in section 2.32 above.
Outstanding Countdown	Has the meaning set out in section 2.31 above.
Payout	Has the meaning set out in section 3.2.12.
Pending Order	An order with a Target Price that has not been executed since that Target Price was specified.
Person	Reference to a Person includes bodies corporate, unincorporated associations, partnerships and individuals.
Platform	The proprietary electronic investment platform known as The CMC Markets Platform (and formerly known as the Next Generation Platform) by which CMC Markets will provide Services to you, as amended and varied from time to time.
Position	The net sum of all Trades in a particular Product in an Account at any given time.
Position Limit	The maximum buy or sell Position (as applicable) permitted by the Platform for the relevant Product, as specified in the Product Library.
Position Margin	This is a term referred to on the Platform and is the amount of money you are required to pay us or hold in your Account to place a non-GSLO Trade or a short Option CFD.
Position Margin Rate	The rate expressed as a percentage and shown on our Platform, that is calculated in accordance with section 5.1.1.
Premium	The amount you are required to pay us to place an Order for a long Option CFD or you are entitled to receive on the Expiry Date when you place a sell Order for a short Option CFD.
Price	The Buy Price or Sell Price of a Product, which is generated by our Platform and/or provided by our Client Management Team (and may be indicated as "Price", "CMC Price" or other similar variations) from time to time, including by reference to the Order size and Price Depth.  Please see section 2.11 for more information.
Price Depth	The feature of the Platform that quotes multiple Prices for a particular Product, to reflect the different Prices for different sized Orders in that Product, or, in the case of Option CFDs, different portions of an Order, which may be displayed on the Platform via the Price Ladder or such other Platform feature made available from time to time.
Price Ladder	The portion of an Order ticket that displays multiple Buy Prices and Sell Prices for a Product, to reflect the Price Depth for different sized Orders in that Product, as generated by the Platform from time to time.
Pricing Error	An event in relation to the underlying asset(s) of a Product which prevents our Platform from determining or displaying a valid Price.
Prime Close-Out Level	The term is referred to on the Platform and means, in relation to any Account, the applicable level at which our Platform may close the whole or a portion of your GSLO Trades, as necessary.
Prime Close-Out Percentage Level	In relation to CFD Margin Trades on an Account, the percentage displayed on the Platform that is used to calculate your Prime Close-Out Level in respect of GSLO Trades (if applicable).
Prime Margin	This term is referred to on the Platform and is the amount of money you are required to pay us or hold in your Account to place a GSLO Trade, being the Amount calculated in accordance with section 5.1.2.

Prime Margin Requirement	With respect to GSLO Trades, an Amount equal to Total Prime Margin plus Independent Margin (if any) as further described in section 5.4.2.
Prime Reset Level	In relation to any Account with GSLO Trades, upon an Alternative Account Close-Out method being selected, the target level for your Account Revaluation Amount during any Alternative Account Close-Out which is an amount equal to the sum of your Prime Margin Requirement multiplied by the percentage displayed on the Platform at any given time.
Privacy Statement	The Privacy Statement of CMC Markets, which explains how we collect personal information and maintain, use and disclose that information. It also includes some information about your rights.
Private Investor	Means that you meet all of the conditions set out below: (a) your Account has been opened in a personal capacity. (i.e. the Account has not been opened in connection with a trade or business or in connection with a trust that has a professional trustee); (b) you are not currently registered or qualified as a professional securities trader or investment adviser with any national or state exchange, regulatory authority, securities agency, self-regulatory body, professional association or professional body; (c) you do not currently act in a capacity as an investment adviser, whether or not you have at some point been qualified to do so; and (d) you use your Account solely for the management of your personal funds and not for any other purposes including as a trader to the public or for the investment of corporate funds.
Product	An instrument we generate upon or in relation to which you enter into Trades including CFD Margin Trades and Countdowns. Details of all Products on which we may accept Orders are listed in the Product Library. Product includes a Manual Product.
Product Currency	The currency that a particular Product is usually denominated.
Product Library	The section of the Platform that contains the list of Products and key information in relation to each Product, including their Attributes and any relevant Variable Rates.
Product Limit	The maximum number of open CFD Margin Trades, Positions and/or Pending Orders that could result in opening a new Position that you can have on your Account at any given time, as specified in the Product Library.
Professional Investor	A Client who is not a retail client pursuant to the definition of Professional Investor under section 9 and section 761G(7) of the Corporations Act, and who CMC Markets has agreed to categorise as a Professional Investor, on the basis that CMC Markets is satisfied on reasonable grounds that the Client meets the requirements of the Corporations Act and any relevant CMC Markets policy from time to time.
Protected Market IoC Order	Has the meaning given to the term at section 3.3.2.
Put Option	In relation to Option CFDs: (a) if you are a buyer, the right to sell (but not an obligation) a specific Product in the Underlying Market at the Expiry Date at the Strike Price, solely on a cash settled basis; and (b) if you are a seller, the obligation to buy the specific Product at the Strike Price if the buyer exercises their right to sell, in exchange for the Premium, solely on a cash settled basis.
Realised Loss	With respect to a CFD Margin Trade, an Amount equal to the Unrealised Profit Or Loss at the time at which such CFD Margin Trade is closed, where the Amount is negative.
Realised Profit	With respect to a CFD Margin Trade, an Amount equal to the Unrealised Profit Or Loss at the time at which such CFD Margin Trade is closed, where the Amount is positive.
Reduce Only	A restriction placed on an Account or Product (as applicable) which prevents you from increasing your Positions. You will be permitted only to place Orders to close CFD Margin Trades and/or cancel any Pending Orders.

Related Entity	Has the meaning given to the term in the Corporations Act.
Relevant Interest Rate	The interest rate calculated with reference to the interbank overnight cash borrowing rate applicable to the currency that a Product is valued in.
Reserved Action	An action described in section 10.10.
Reset Level	In relation to any CFD Margin Trades on an Account, upon an Alternative Account Close-Out method being selected, the target level for your Account Revaluation Amount during any Alternative Account Close-Out, which is a percentage of your Total Margin multiplied by the percentage displayed on the Platform at any given time.
Roll-Over	Any Auto Roll-Over or Manual Roll-Over.
Sell Price	The Price at which a sell CFD Margin Trade (including a short Option CFD) is entered into and at which a buy CFD Margin Trade (including a long Option CFD) is valued and closed.
Services	The services to be provided by CMC Markets under the Agreement.
Set-Off	Has the meaning set out in section 7.8.
Settlement Amount	The amount calculated by us, being the sum of: (a) the aggregate of our Netting Loss or Netting Gain in respect of each Outstanding CFD Margin Trade and Outstanding Countdown; and (b) any Unpaid Amounts owing to us; minus any Unpaid Amounts owing to you.
Settlement Price	In respect of Countdowns, The reference price used to determine whether or not you have won or lost a Countdown which is displayed or described on our Platform.  In respect of Option CFDs, the reference price used to determine the Realised Profit or Realised Loss, which is displayed or described on our Platform and will be based on relevant indices or, where such indices are not available, via a Price determined by us acting reasonably.
Share CFD	A CFD where the Underlying Reference Instrument is a security of a company.
Shield Mode	An Account setting with the features described in section 2.31. Shield Mode cannot be enabled for Option CFDs.
Sophisticated Investor	A Client who is not a retail client pursuant to section 761GA of the Corporations Act, and who CMC Markets has agreed to categorise as a Sophisticated Investor, on the basis that CMC Markets is satisfied on reasonable grounds that the Client meets the requirements of the Corporations Act and any relevant CMC Markets policy from time to time.
Specified Event	An event as set out in section 10.9.
Spread	In respect of a particular Product, the difference between the Buy Price and the Sell prices of a CFD at any given time.
Stake	The amount that you wish to be the subject of a Countdown.
Standard Close-Out Level	This is a term referred to on the Platform and means, in relation to any Account, the applicable level at which the Platform may close the whole or a portion of your Standard Trades, as necessary, and as further described section 5.4.2.
Standard Trade	Any whole and/or partial CFD Margin Trade that is not covered by a Guaranteed Stop Loss Order.
Stop Distance	In respect of a Trade to which a Trailing Stop Loss Order is attached, the distance, as you have specified, between the most favourable Price in respect of that Trade and the Target Price, as modified by the Platform and/or our Client Management Team.
Stop Entry Order	An instruction to place an Order to open a Trade at a specified price in accordance with the relevant conditions as set out in section 3.2.
Stop Loss Order	An instruction to place an Order to close a Trade in accordance with the relevant conditions set out in section 3.2.7.
Strike Price	In respect of an Option CFD, the price at which the Underlying Reference Instrument may be bought or sold.
Target Price	The Price at which you wish to enter into or close a CFD Margin Trade (as appropriate) as specified in a Stop Loss Order, Trailing Stop Loss



	Order, Limit Order, Stop Entry Order or Take Profit Order.
Tier	With respect to any Product, the range(s) of Units as specified in the Product Library from time to time.
Tier Size	With respect to your Position in any Product, the portion of that Position, expressed as a number of Units, falling within a particular Tier.
Total Margin	An Amount that is the sum of your Total Position Margin, your Total Prime Margin and any Independent Margin.
Total Prime Margin	The sum of the Prime Margin required for all GSLO Trades on an Account at any given time.
Total Position Margin	The sum of the Position Margin required for all CFD Margin Trades on an Account at any given time.
Trade	A trade entered into between you and us through the Platform. Unless specified or the context suggests otherwise, all references to Trades include CFD Margin Trades and Countdowns.
Trade Margin	With respect to a CFD Margin Trade in any Product, the increase or decrease in your Position Margin resulting from a CFD Margin Trade.
Trading Hours	In respect of a Product, the times during which our Platform generates Prices and/or our Client Management Team provides Prices and Price Depth and during which you may give instructions or place Orders for Trades on that Product, as specified in the Product Library from time to time. For any particular Forward, the Trading Hours shall apply subject to the Key Dates for the relevant Product set out in the Product Library.
Trailing Stop Loss Order	An instruction to place an Order in accordance with the relevant conditions set out in section 3.2.8.
Unauthorised to Trade	A restriction placed on an Account which suspends your ability to place any Order, CFD Margin Trade or Countdown or to give any instruction in relation to that Account.
Underlying Instrument Entity	An entity that is the issuer of an Underlying Reference Instrument.
Underlying Market	The underlying market in which the Underlying Reference Instrument is traded.
Underlying Reference Instrument	The asset, security, commodity, futures contract, index or sector, with reference to which the value of a Product is determined.
Units	The number of CFDs that are the subject of a CFD Margin Trade.
Unpaid Amount	With respect to an Early Termination Date, the sum of: (i) in respect of all Outstanding CFD Margin Trades and Outstanding Countdowns, the aggregate of any amounts that became payable on or prior to the Early Termination Date and which remain unpaid as at the Early Termination Date; and (ii) any other amounts due pursuant to this Agreement that became payable on or prior to the Early Termination Date and which remain unpaid as at the Early Termination Date.
Unrealised Profit or Loss	The Amount calculated in accordance with section 2.27. The Unrealised Profit Or Loss displayed on the Platform, at any time, may not accurately reflect the Realised Profit or Realised Loss that would be gained or incurred if you closed one or all of your Trades immediately, particularly where a Trade may be closed at a Price that differs from the Level 1 Price. The Unrealised Profit Or Loss in respect of CFD Margin Trades displayed on the Platform will always be based on the current Level 1 Price.
US Person	A current or former citizen or national of, or individual currently or formerly resident in, the United States of America, a partnership or corporation organized in the United States of America or under the laws of the United States of America or any State thereof, a trust if (i) a court within the United States of America would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US Persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that was a citizen, national or resident of the United States of America.
Variable Rates	The rates that vary automatically from time to time in accordance with section 10.5 without notice being given to you, and which apply to Trades entered into on that Product, that is, the Relevant Interest Rate,



	the CMC Currency Conversion Rate, Holding Rates, the Offset Threshold and any Offset (as applicable).
We, us, our	References to 'we', 'us' or 'our' should be treated as references to CMC Markets Asia Pacific Pty Ltd.
Website	<a href="http://cmcmarkets.com/en-au">cmcmarkets.com/en-au</a> .
Wholesale Investor	A Client who is not a retail client pursuant to section 761G(7) of the Corporations Act, and who CMC Markets has agreed to categorise as a Wholesale Investor, on the basis that the Client meets the requirements of the Corporations Act and any relevant CMC Markets policy from time to time.
Win Percentage	The percentage specified in the Product Library that will be used to determine the Countdown Profit in respect of a particular Product as further described in section 3.2.12.
You	References to 'you' and 'your' should be treated as references to the Client (or his or her representative, where applicable) and includes individuals, companies or other entities that we may permit to open Accounts from time to time.

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