

CMC Markets Asia Pacific Pty Ltd

Product Disclosure Statement

Derivative Products issued on the MT4 Platform (PDS)

5 October 2021

AFSL No. 238054 and ABN 11 100 058 213



## Contents

Clause		Page
1	IMPORTANT INFORMATION .....	1
2	KEY FEATURES AND BENEFITS WHEN TRADING CMC MARKETS PRODUCTS.....	5
3	REGULATORY MATTERS.....	6
4	ACCOUNTS .....	8
5	TRADING WITH US .....	9
6	FINANCIAL MATTERS.....	11
7	COMMUNICATIONS.....	15
8	REPRESENTATIONS AND LIABILITY .....	16
9	OUR RIGHTS IN CERTAIN CIRCUMSTANCES.....	18
10	AMENDMENTS AND TERMINATION.....	19
11	SIGNIFICANT RISKS OF TRADING CMC MARKETS PRODUCTS .....	21
12	ORDER EXECUTION POLICY .....	25
13	GENERAL PROVISIONS.....	29
	Schedule 1 - Product terms for Trades.....	34
	Schedule 2 - Definitions.....	37

# 1 IMPORTANT INFORMATION

## 1.1 About this PDS

- 1.1.1 This Product Disclosure Statement (referred to as the "PDS") is issued by CMC Markets Asia Pacific Pty Ltd (referred to as "CMC Markets", "we", "us" or "our") in connection with derivatives products issued by us and traded through the MT4 Platform and the Back Office Platform ("Products"). This PDS is designed to assist you in making an informed decision regarding opening an Account and trading Products. You should note that this PDS contains information specific to Products offered by CMC Markets that is not applicable to products traded through any other platform. This PDS 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 PDS and whether trading CMC Markets Products is a suitable investment for you.
- 1.1.2 The agreement between you and us ("Agreement") consists of this PDS, the CMC Markets Financial Services Guide ("FSG"), the Product Library, any Confirmation and any other terms and conditions published by us from time to time on the Back Office Platform or on our Website. The Product Library contains a list of Products and key information relating to each Product such as its Attributes and Prices and is accessible through the Trading System.
- 1.1.3 We recommend that you consider the Agreement and in particular this PDS and obtain independent financial, taxation and other professional advice, before you apply to open an Account and/or place any Trade or Order with us.
- 1.1.4 The Products described in this PDS are speculative products, and, when 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 11 ("Significant risks of trading CMC Markets Products"). You may incur losses in addition to any fees and costs that apply. Accordingly, the Products may not be appropriate for all investors and you should ensure that you understand the risks involved and seek independent advice if necessary. The prices of Products may change to your disadvantage very quickly.
- 1.1.5 This PDS is dated and is effective from the date noted on the front cover. The current Agreement (including this PDS) supersedes all previous oral or written representations, arrangements, understandings and/or agreements between you and CMC Markets which relate to the Products and Services.
- 1.1.6 The version of this PDS published on our Website at the time of entering into a Trade governs that Trade. Information within this PDS 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, may be updated by us by posting it on our Website at [cmcmarkets.com.au](http://cmcmarkets.com.au). See section 10 ("Amendments and Termination") for more information.
- 1.1.7 If you are receiving advice or services from an Introducing Adviser, you should also refer to their financial services guide.
- 1.1.8 Schedule 2 contains a glossary in which various words and phrases used in this PDS 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

CMC Markets Asia Pacific Pty Ltd	
Registered office & business address	Client Management Team CMC Markets Asia Pacific Pty Ltd Level 20, Tower Three 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	Client Management Team and Account opening queries: 1300 303 888 (only in Australia)
Fax	+61 (0)2 8915 9484
Email	info@cmcmarkets.com.au
Web	cmcmarkets.com.au

## 1.3 What are CMC Markets' Trading Hours?

- 1.3.1 Trading Hours depend on the relevant underlying market's hours of operation. You will find the details of various Trading Hours in the Product Library, which will be updated from time to time. Trading Hours may also be affected by public holidays. It is your responsibility to monitor the Trading Hours of any Product that you wish to trade.

## 1.4 Who is the issuer of the PDS and the Products?

- 1.4.1 CMC Markets is the issuer of this PDS, and the issuer of Products referred to in this PDS.
- 1.4.2 CMC Markets is regulated in Australia by ASIC and holds Australian Financial Services Licence No. 238054.

## 1.5 Applying to trade with CMC Markets

- 1.5.1 Before you begin trading you must complete an application. Before completing the application you should consider this PDS, our FSG (and the financial services guide of your Introducing Adviser where applicable) and the other documents that make up the Agreement. The documents are available on our Website.
- 1.5.2 If CMC Markets, in its discretion, accepts your application, CMC Markets will open the Account.

## 1.6 References to other parties

1.6.1 No other entities or underlying markets have endorsed the Products we issue nor do they accept any responsibility for any statements contained within this PDS. References in this PDS or any other part of the Agreement to an underlying instrument or to an underlying market are included solely for information purposes.

**1.7 CMC Markets does not give personal advice**

1.7.1 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.

1.7.2 Information we provide is general information only. Any information provided to you on our Website, through the Trading Platform, via e-mail, 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 PDS carefully and obtain independent financial, taxation and other professional advice concerning this PDS 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.

**1.8 Regulatory Guide 227**

1.8.1 Regulatory Guide 227 (RG227) issued by ASIC sets out 7 disclosure benchmarks for over the counter contracts for difference. Product disclosure statements must address the benchmarks on an “if not, why not” basis.

1.8.2 The table below set out CMC Markets’ disclosure against the benchmarks for this PDS:

Benchmark	Meets	Explanation
1. Client Qualification	✓	CMC Markets assesses an investor’s qualification for trading at the time of application. See section 4.2 (“Account opening process”) for more information.
2. Opening Collateral	✗	This benchmark requires an issuer to only accept cash or cash equivalents (such as credit cards) as opening collateral when establishing an account and limits credit card payments to \$1000. CMC Markets accepts credit cards as well as BPay and bank transfer but does not place limits on credit card payments. This is done in order to maximise payment flexibility for clients and to not restrict your choice of funding method. See section 6.3 (“Payments and Withdrawals”) and section 11.12 (“Risks of trading on credit”) for more information.
3. Counterparty Risk – Hedging	✓	CMC Markets maintains a written policy to manage its exposure to market risk from open positions. See section 11.18 (“Warning about counterparty risk”) and the risks section of our Website for more information.
4. Counterparty Risk – Financial Resources	✓	CMC Markets maintains and applies policies to ensure that it meets the financial requirements of a holder of an Australian Financial Services

		Licence. See section 11.18 (“Warning about counterparty risk”) for more information. Financial stress tests are done on a global basis by CMC Markets’ related entity, CMC Markets UK plc.
5. Client Money	✓	CMC Markets has a well-defined Client Money policy and holds client money on trust with a tier 1 Australian bank on a fully segregated basis. This means that we do not use client money for any purpose, including meeting obligations incurred by us when Hedging with other counterparties or meeting the trading obligations of other clients. See section 6.1 (“Client Money”) for more information.
6. Suspended or halted underlying assets	✓	CMC Markets does not allow trading in Positions when there is a trading halt or suspension in an underlying instrument. See paragraph 11 of Schedule 1 (“Adjustment Events and Insolvency”) and section 9 (“Our Rights In Certain Circumstances”) for more information.
7. Margin Calls	✓	CMC Markets has a clear policy in relation to Margin and our rights to close out Positions. See Schedule 1 for more information.

## 1.9 Australian CFD Forum – Best Practice Standards

1.9.1 CMC Markets is a founding member of the Australian CFD and FX Forum (“CFD and FX Forum”). The CFD and FX Forum is committed to enhancing efficient operations, transparency and overall investor understanding and confidence in CFDs within Australia and in the Australian CFD industry as a whole. The CFD and FX Forum has established Best Practice Standards (“Standards”) and each member is required to incorporate a statement of compliance regarding these Standards into their respective product disclosure statements. CMC Markets complies with the Standards, each of which is summarised in the table below. More details about the Standards, including detailed information about each Standard and how CMC Markets complies with the Standards is available on our website. The Standards are also available on request by calling 1300 303 888 or by sending an email to [info@cmcmarkets.com.au](mailto:info@cmcmarkets.com.au).

Standard	Explanation
1. Compliance with Standards	Standard requires that members comply with the Standards.
2. RG227 Benchmark 1 – Client Qualification	Standard addresses RG227 Benchmark 1 and requires a written client qualification policy as set out in the Regulatory Guide. See item 1 of section 1.8,
3. RG227 Benchmark 2 – Opening Collateral	Standard addresses RG227 Benchmark 2 and specifies that only certain collateral should be used for new accounts and that a Member’s PDS should explain the member’s policy in this regard. See item 2 of section 1.8,
4. Educational Material	Standard describes the types of educational material which can be used to increase a customer’s or prospective customer’s understanding of Products and what members should take into consideration in this regard.
5. Advertising and Promotional Material	Standard requires that member’s brand advertising or sponsorship activity may mention the member’s name or the product by name for recognition purposes only, but must not convey financial information about Products. Members must also ensure that advertising and promotional material is only published in financial markets based content.

6. Customer Complaints	Standard requires customer complaints to be handled in an efficient and effective manner.
7. RG227 Benchmark 5 – Segregation and Protection of Client Money	Standard addresses RG227 Benchmark 5 and requires full segregation of all client funds in a separate client trust account. See item 5 of section 1.8.
8. Customer Credit Risk	Standard requires management of customer credit risk by real time monitoring, placing limits on customer positions, back testing and stress testing.
9. Risk Warnings and Risk Mitigation Tools	Standard requires members to provide standardised risk warnings which a prospective customer must agree to prior to trading and members must maintain a margin policy. Also, customers must be provided with a range of risk mitigation tools.
10. RG227 Benchmark 6 – Suspended or halted underlying assets	Standard addresses RG227 Benchmark 6 and requires that members not allow new positions to be opened where there is a trading halt over the underlying asset or trading of the underlying asset has been suspended. See item 6 of section 1.8.
11. Benchmark 3 – Counterparty Risk – Hedging	Standard addresses RG227 Benchmark 3 and requires members to have hedging strategies in place and maintain a policy to manage exposure to market risk from client positions. See item 3 of section 1.8,
12. Financial Resource Requirements	Standard addresses RG227 Benchmark 4 and requires members to maintain a policy to maintain adequate financial resources. Members must maintain an NTA of over AUD 2 million or 10% of the average revenue calculated. See item 4 of section 1.8.
13. Training and Competency or Employees	Standard requires member's employees are adequately trained and are accredited in accordance with RG146. Members must also maintain a policy in this regard.
14. Employee Screening	Standard requires members to undertake pre-employment screening of all prospective employees. Members must also maintain a policy in this regard.
15. Dealing with Intermediaries	Standard requires that members will perform an initial due diligence to ensure intermediary relationships are appropriate. Members must also conduct an annual review on all intermediaries.
16. Business Continuity Management	Standard requires that each member has a BCM framework to ensure it can meet its financial and service obligations to customers in the event of a disruption.

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

### 2.1 What are the Products offered under this PDS?

2.1.1 The Products offered under this PDS are instruments that allow you to make a profit or loss from fluctuations in the price of an underlying asset. The price of a Product is based on the price of an underlying asset. However, you do not own or acquire any rights, title or interest in that underlying asset or trade it on an exchange by trading a Product.

2.1.2 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.

2.1.3 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 amount traded;
  - (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 or Commissions relating to the CFD.
- 2.1.4 The balance of your Account will also be affected by other amounts you must pay to us in respect of your Account such as any applicable fees.
- 2.1.5 Your percentage return (profit or loss) on any Trade will also be affected by any applicable Margin for the Trade.
- 2.1.6 There are risks associated with trading in our Products. Some of these risks are set out in section 11 ("Significant risks of trading CMC Markets Products"). You should read and make sure you understand these risks before you trade.
- 2.1.7 Some of the benefits of trading in Products include:
- (a) The Trading Platform offers you the opportunity to trade and invest in Products in global markets all from a single account.
  - (b) CFDs are a leveraged investment. 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. Please remember to 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.
  - (d) CFDs allow fractional trading letting you buy and sell CFDs by fractions of a unit.
  - (e) You pay no account opening fees or ongoing fees (other than trading costs and certain account administration fees that may be applicable in certain circumstances).

### **3 REGULATORY MATTERS**

#### **3.1 Non-advised dealing.**

- 3.1.1 All Trades will be entered into on a principal-to-principal, non-advised and execution only basis. This means that unless we agree otherwise in writing, neither you nor we can act as agent, attorney, trustee or representative for any other person. Other than an Authorised Person appointed in relation to an Account in accordance with clause 4.3.1, you will not permit any person to deal with us on your behalf.

#### **3.2 Complaints and disputes.**

- 3.2.1 We are committed to providing a high standard of service to clients. If you have a query about the quality or level of service, or if we have failed to meet your expectations, we would like the opportunity to investigate this for you.
- 3.2.2 You can make a complaint verbally by calling us or write to us via email or post, through the details provided below. You may also appoint a representative to lodge a complaint with us on your behalf.

Phone: 1300 303 888  
Fax: +61 (0)2 8915 9484



Email: support@cmcmarkets.com.au  
Postal address: PO Box R1879, Royal Exchange NSW 1225, Australia

If we cannot resolve your concerns at the first point of contact, we will raise a complaint on your behalf to our dedicated in-house complaints team for further investigation. They may request additional information and/or supporting documents from you.

Upon receipt of all required supporting documents, our complaints team will conduct a thorough investigation. Once completed, a detailed written final response will be provided to you.

We aim to resolve most issues within 21 days. However, some matters are more complex and can take longer to resolve. If that is the case, we will explain any reasons for the delay and keep you informed of our progress.

3.2.3 We will respond to any communication, complaint, claim or dispute in English. Any translation provided shall be for convenience only. To the extent there is a conflict between the English version and any translation, the English version shall prevail.

3.2.4 Please contact our client management team if you need more information on how complaints are handled by CMC Markets.

3.2.5 If the dispute or difference can't be resolved by us through our internal complaints handling system, you may refer the dispute or difference to Australian Financial Complaints Authority ("AFCA"), which is an independent disputes resolution scheme of which CMC Markets is a member.

3.2.6 You may lodge your complaint by sending the necessary documents and information to:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Australia  
Phone: 1800 931 678 Email: info@afca.org.au www.afca.org.au

3.2.7 Before AFCA will deal with your complaint you must have first lodged a formal complaint with us and given us time to resolve the complaint. Please refer to our dispute handling procedures on our Website for further information.

### 3.3 Order execution and Price sources.

3.3.1 We enter into all Trades with you using Prices quoted through the MT4 Platform or through our client management team. Our Prices are not identical to prices for similar financial instruments or their underlyings quoted elsewhere or by other providers. By entering into Trades via the MT4 Platform or through our client management team you consent to your Orders being executed outside of a regulated market and in accordance with our MT4 OEP.

### 3.4 Duration of the Agreement and your rights to cancel.

3.4.1 The Agreement will become legally binding between you and us on the date that we confirm in writing that we have accepted your application to open an Account. Subject to clause 3.4.2, you may cancel the Agreement by giving us notice in writing within fourteen (14) Calendar Days of this date. Following a valid notice of cancellation, we will return any money that you have transferred to us.

3.4.2 Notwithstanding clause 3.4.1, you will not have the right to cancel this Agreement within fourteen (14) Calendar Days of your Account opening if you have, in this period, entered into Trades which have been affected by fluctuations in the financial markets. You may, however, still close your Trades and your Account in accordance with the Agreement.

## **4 ACCOUNTS**

### **4.1 Account and Features**

4.1.1 We offer different Account and features. Depending on your knowledge and experience or client categorisation, some of these may not be available to you. We reserve the right to enable/disable (as applicable) Account features if, in our sole discretion, we determine that a different Account feature (as applicable) is more appropriate for you or if otherwise required by Applicable Law.

### **4.2 Account opening process.**

4.2.1 When we receive your completed application form, we may use your information to conduct any further enquiries about you as we (in our sole discretion) determine are necessary or appropriate in the circumstances. You should provide us with information about any relevant factor that could affect your trading activities with CMC Markets. Where our enquiries include searches with credit reference agencies, they may appear on your credit history. We may also carry out any additional checks or periodic reviews that we (in our sole discretion) determine are necessary or appropriate in the circumstances. You will need to co-operate with us and supply any information that we request promptly.

4.2.2 Trading in our Products may not be suitable for all investors because of the significant risks involved. During the application process CMC Markets may ask questions in order to assess your understanding of and experience with CFDs or related products. Based on your answers we may allow you to open an Account or decline your application and recommend that you first obtain further education or experience, for example, through the use of a demo account. The questions are based on recommendations provided by ASIC contained in Regulatory Guide 227 and do not constitute the provision of personal product financial advice.

4.2.3 We rely on the information that you provide us in your application form or otherwise as being correct and not misleading at all times, unless you notify us otherwise in writing (see clause 7.1.3). In particular, you must notify us as soon as possible in writing if any of the details provided to us in your application form or if your circumstances have subsequently changed.

4.2.4 We use any information we have about you to make an assessment of whether or not investing in Trades and/or operating an Account with us is appropriate for you.

### **4.3 Authorised Persons.**

4.3.1 If you want to appoint an attorney or agent, you must notify us in writing of any person who is authorised to act on your behalf in relation to this Agreement (an Authorised Person). You and/or the Authorised Person will be required to complete such further documentation as we may reasonably require. We may require evidence that the Authorised Person has authority and is appropriate to act on your behalf.

4.3.2 We may revoke or reject the appointment of an Authorised Person if we know or reasonably suspect that such appointment could 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.

4.3.3 We shall be entitled to act upon any instructions of, or Orders transmitted by, any Authorised Person or any person who reasonably appears or purports to be an Authorised Person in relation to your Account, notwithstanding that the person is not, in fact, so authorised.

4.3.4 Notwithstanding clause 4.3.3, we will not be under any duty to accept any instructions or Orders from such Authorised Person if we reasonably believe that the Authorised Person may be acting in excess of their authority. Any action taken by an Authorised Person appointed by you or any person who reasonably appears or purports to be an Authorised Person shall be deemed to be an action by you.

Any information provided by us to an Authorised Person or any person who reasonably appears or purports to be an Authorised Person will be deemed to have been provided by us to you.

4.3.5 Where you have appointed 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 its other clients. We are not responsible for the aggregation and allocation of such orders, and you should consult your Authorised Person for further information on any such order aggregation or allocation.

#### 4.4 **Joint Accounts.**

4.4.1 If you open an Account as 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 appears or purports to be, named on that Joint Account;
- (b) 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;
- (c) the death of any Joint Account Holder will be a Specified Event, and the Joint Account will be closed and the balance will be paid equally to the survivor and the relevant Joint Account Holder's estate; and
- (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.

4.4.2 After a Joint Account has been opened, you cannot 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.

#### 4.5 **Security and Account authentication.**

4.5.1 You are responsible for setting your own password in accordance with the instructions that we will provide to you, as well as keeping all information you hold in your Account confidential. 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 clause 4.5.1, 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.

## 5 **TRADING WITH US**

### 5.1 **Orders.**

5.1.1 In addition to our rights to modify, cancel and/or reject your Orders, we may, in our sole discretion, refuse to accept any instructions for any reason whatsoever.

### 5.2 **Accessing the Trading System.**

5.2.1 We will do our best to make the Trading System and our client management team available when required by you, but we cannot guarantee that the Trading System or our client management team will be available continuously. Subject to clause 8.3.2(b), we will not be liable to you for any loss that arises as a result of the Trading System and/or our client management team being unavailable.

5.2.2 You are responsible for making sure that you are able to access the Trading System when you need to. This includes having access to a device that can connect to the Trading System, maintaining the device so that it functions properly and having adequate internet connectivity.

5.2.3 If you cannot access the Trading System 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 the Trading System directly and we cannot guarantee the availability of our client management team.

5.2.4 Where the Trading System, our Website, e-mails or any other content generated by us contains links to other websites and resources provided by third parties, these links are provided for your information only and we accept no responsibility for them or for any loss or damage that may arise from your use of them.

### 5.3 Information and reports about your trading activity and your Account.

5.3.1 We provide a range of information relating to your Account on and through the Trading System, including:

- (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 in real time through the Trading System;
- (b) where the value of any relevant Trade moves by ten (10) per cent or multiples of ten (10) per cent, we will notify you where required under Applicable Law;
- (c) up-to-date statements of your Positions and any money held by us in respect of your Account as required under Applicable Law

5.3.2 It is your responsibility to regularly access and review the information set out above to ensure that it corresponds with your own records. Subject to clause 5.4, information provided through the Trading System will be conclusive unless we notify you or you notify us in writing of any mistake, error or inaccuracy.

5.3.3 The Trading System will generally update the information set out in clause 5.3.1 in real time. However, from time to time this may not happen immediately due to a Circumstance Outside Our Control (see clause 9.2).

5.3.4 We will retain certain information in relation to your Account that we are required to provide you with in relation to an Order or Trade to the extent and for the duration required by Applicable Law. You may access this information through the Trading System 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 see fit in our sole discretion and without notice to you.

### 5.4 Errors.

5.4.1 From time to time, material errors and omissions may occur in respect of your Trades, your Account, or the Trading System (each an Error). Examples of Errors may include (without limitation): the Trading System 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 Trading System 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.

5.4.2 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 then use reasonable endeavours to investigate whether there has, in fact, been an Error and/or what caused it.

5.4.3 If an Error has occurred, this constitutes a Specified Event and the provisions of clauses 9.1 and 9.3 will apply, and we will inform you of any Reserved Actions we may take, or may have taken, in accordance with clause 9.3.3.

## **6 FINANCIAL MATTERS**

### **6.1 Client money.**

6.1.1 Any money received from you will be deposited and held by us on trust in a segregated trust account established, maintained and operated in accordance with the Australian Client Money Rules. Your money may be held 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.

6.1.2 All client money 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 incurred by us when Hedging with other counterparties. Any obligations incurred by us in connection with such transactions are funded by CMC Markets from our operating cash account. In addition, client money is not used to meet the trading obligations of other clients.

6.1.3 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.

6.1.4 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 invested by us 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, the initial capital invested must either be invested in another investment permitted by the Australian Client Money Rules or deposited by us into a segregated trust account operated in accordance with 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 PDS;
- (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 invested by us. 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 invested by us as permitted by the Australian Client Money Rules.

### **6.2 Protections afforded by the Australian Client Money Rules**

- 6.2.1 In accordance with the Australian Client Money Rules, any money received by us on your behalf in relation to dealings in Products must be paid into a segregated trust account on the day it is received by CMC Markets, 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.
- 6.2.2 Money withdrawn or deducted from the segregated trust account in accordance with section 9.1 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.
- 6.2.3 As CMC Markets is the product issuer, you are exposed to the financial and business risks, including credit risk associated with trading with CMC Markets. If CMC Markets were to become insolvent, CMC Markets may be unable to meet some of its obligations to you. Refer to Section 11.18 (“Warning about counterparty risk”) for more information.
- 6.2.4 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 CMC Markets.
- 6.2.5 **Accounts.**
- 6.2.6 At the close of business on each Business Day, we carry out client money reconciliations between money required to be held in the client money bank accounts and client money that is held in the client money bank accounts in accordance with Applicable Law. Any required transfer to or from the client money bank account in respect of your Account will take place on the following Business Day.
- 6.2.7 If there has been no activity on your Account for an extended period of time, we may impose dormant account fees in accordance with the FSG and make a Deduction from your Account in accordance with clause 6.5.1. 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 deal with your money in accordance with Applicable Law. If you later make a valid claim to us we may pay you any amount owed to you by us.
- 6.2.8 We do not accept responsibility for any loss or damage suffered by you as a result of you trading on 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.
- 6.3 **Payments and withdrawals.**
- 6.3.1 You are responsible for making any payments to us that 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 the Back Office Platform).

- 6.3.2 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 Value is in excess of your total Margin requirements (if applicable) or the Amount required to keep the Account Value above the applicable Close-Out Level on any Account). You should consider your Positions, Trades and Pending Orders, the volatility of the particular Product concerned and the relevant markets for the underlying asset, the time it will take for you to make further payments of cleared funds to us and any other matter which you may think relevant.
- 6.3.3 Any payment made by you will only be given effect once our systems have credited it to the relevant Account and it is shown on the Trading System. We cannot guarantee how long this process will take and, subject to clause 8.3.2(b), 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 and/or in any such payment showing on the Back Office Platform and/or the MT4 Platform.
- 6.3.4 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.
- 6.3.5 You may make a request to withdraw money up to the lower of your Available Equity or Cash from your Account as shown on the Back Office Platform at that time. Details on how to make withdrawals of money from your Account are available on our Website or from our client management team upon request.
- 6.3.6 If there is a loss of connection between the Back Office Platform and the MT4 Platform, then withdrawals from your Account may not be possible until the connection is restored. Subject to clause 8.3.2(b), we will not be liable to you for any loss arising as a result of any delay in restoring the connection between the Back Office Platform and the MT4 Platform.
- 6.3.7 Unless we agree otherwise or in order for us to comply with Applicable Law, we will only accept a request for a withdrawal of money from an Account that is given directly by you or certain Authorised Persons. 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 and will only be processed by us where the destination for the money being withdrawn is the same as the origin of your payments made under clause 6.3.1, unless (subject to our prior approval) you have notified us in writing that your payment details have changed.
- 6.3.8 We may in our reasonable discretion refuse or delay giving effect to your request for a withdrawal of money from your Account (in whole or in part), including as a result of any request to close that Account under clause 10.6.1. We will 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 (see clause 9.1).
- 6.4 **Account Currency.**
- 6.4.1 The Account Currency of an Account will be as specified at the time you open the Account, and any payment obligations in relation to that Account must be settled in that Account Currency.
- 6.5 **Our right to deduct money from your Account.**
- 6.5.1 Any money due to us under the Agreement, or required to be deducted by Applicable Law (including for tax purposes), may be deducted from any money held by us in respect of your Account. This is our right to make a Deduction.
- 6.6 **Our right of Set-Off in relation to your Account.**

6.6.1 We may, at any time and without notice to you, apply any positive Cash balances 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 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 notice of the Amount of any debt that remains unsatisfied and such debt is immediately payable to us.

**6.7 Netting of payment obligations between us and you.**

6.7.1 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 obligation will each be automatically satisfied and 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 owes more may pay the excess to the other party and both your and our obligations will be satisfied and discharged.

**6.8 Taxes.**

6.8.1 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.

6.8.2 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. Your tax treatment in relation to Trades may differ according to your circumstances and you may wish to seek independent professional advice in this regard.

**6.9 Commission and other charges.**

6.9.1 There are costs associated with trading with us, including currency conversion costs, commission, holding costs and market data fees:

- (a) Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
- (b) Commission will be charged on each trade, details of the Commission for each Product is available in the Product Library.
- (c) Holding Costs are the fees charged for every night that your position is held. This means the longer you hold a position, the greater the Holding Costs. Any additional cost of borrow will be factored to the holding cost. Details of Holding Costs and how they are calculated are available in the Product Library and examples of Holding Cost calculations are available on our Website.

6.9.2 Details on these costs can be found in our costs disclosure via our Website, the Trading System, in this PDS and in our FSG. 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. Subject to clause 6.9.3, we will give you notice at least ten (10) Business Days before we implement any change to our fees, costs or charges.

6.9.3 Notwithstanding clause 6.9.2, any changes to Commissions will be automatically imposed by the Trading System in accordance with clauses 7.2.2 and 10.4.1. You will have the choice as to whether or not you place an Order based on the Commission applicable to your Order at that time.



- 6.9.4 Where we have changed our Commissions, then corresponding Amounts will be due and payable to us immediately upon execution of an Order on the date specified in our notice to you 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 any failure to do so may result in Account Close-Out.
- 6.9.5 All charges will be made inclusive of any value added taxes or similar consumption taxes as applicable.
- 6.10 **Introduced business.**
- 6.10.1 This clause 6.10 applies if you have been introduced to us by a third party introducing advisor and have agreed with that third party introducing advisor for the payment of fees, commission and/or other remuneration ("Third Party Fees") in respect of such introduction and related services provided by the third party introducing broker to be paid via the Trading System. We will notify you in advance of the effective date of this clause 6.10 and this clause 6.10 will apply from the date specified in that notification.
- 6.10.2 By entering into this Agreement with us, you authorise us to deduct any Third Party Fees payable by you to the third party introducing advisor from any money held by us in respect of your Account and pay this to the third party introducing advisor on your behalf. We will notify you in advance of the basis of calculating deductions.
- 6.10.3 Any deductions will be made inclusive of all taxes, duties or levies, however designated or computed, including but not limited to value added taxes (or similar).
- 6.10.4 It is your responsibility to ensure that there are sufficient funds in your Account to pay any Third Party Fees due to the third party introducing advisor in full.
- 6.10.5 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 Third Party Fees. Where we cease to facilitate or make deductions in respect of the Third Party Fees in accordance with this clause 6.10, any outstanding IB Fees payable must be agreed and settled directly between you and the third party introducing broker.
- 6.10.6 You may withdraw or seek to amend the authorisation given to us under this clause 6.10 for us to facilitate or make deductions in respect of the Third Party Fees on your behalf, by giving us at least one (1) Business Day's notice in writing.

## **7 COMMUNICATIONS**

### **7.1 Communications between you and us.**

- 7.1.1 The Agreement and all communications between us and you in relation to it will be in English. Accordingly, you confirm that you have a proper knowledge and full understanding of the English language. The Trading System, 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 Trading System, 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.
- 7.1.2 You consent to us communicating with you through the Back Office Platform or any system that we make available to you from time to time, by e-mail, by placing such information on our Website and/or by any other method agreed in writing. You also authorise us to communicate with you by letter, telephone, sms or e-mail, to discuss matters in relation to your Account or to inform you about operational changes to the Trading System. You agree that we may record all such communications (see clause 13.1.3).
- 7.1.3 Where the Agreement requires you to communicate to us in writing, you can send us an e-mail from the e-mail address associated with your Account to info@cmcmarkets.com.au or send us a letter by post.

## 7.2 Deemed timing for communications.

7.2.1 Subject to clause 7.2.2 any communication between us and you that is required to be made in writing under the Agreement will be deemed (in the absence of evidence to the contrary) 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 facsimile, one hour after completion of its transmission;
- (g) if sent by email, one hour after sending;
- (h) if made by us to you via the Back Office Platform, one (1) hour after such communication is made available on our Platform; and
- (i) if made by you to us via the Back Office Platform, one (1) hour after such communication is received on our Platform.

7.2.2 Subject to clause 10.4, any changes to Attributes, Prices or Rates (in accordance with clause 10.3.1) will be deemed to have been received immediately.

## 8 REPRESENTATIONS AND LIABILITY

### 8.1 Your declarations and assurances.

8.1.1 Where we provide services to you under this Agreement, we are entitled to rely on the following declarations and assurances as having been confirmed by you to be true and accurate (and you must notify us immediately in writing if this is not the case):

- (a) your use of the Trading System and our services 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 (whether temporarily or permanently), incorporated in, or a resident of the USA or any other jurisdiction where it may be unlawful to access the Trading System or enter into Trades;
- (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 asset 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) subject to clause 8.1.1(d), you fully own or, in the case of money received from an accepted joint bank account jointly own (legally and beneficially) all money you may transfer to us in accordance with the Agreement;

## **8.2 Your obligations if you breach the Agreement.**

- 8.2.1 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.
- 8.2.2 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.

## **8.3 Our liability towards you, and limitations of that liability.**

- 8.3.1 Nothing in the Agreement excludes or limits our liability for any matter that cannot be excluded or limited under Applicable Law.
- 8.3.2 Subject to clause 8.3.1, we will not be liable to you for any loss:
  - (a) which arises as a result of:
    - (i) our compliance with, or our exercising of any of our rights in accordance with, Applicable Law or the Agreement;
    - (ii) your negligence, fraud or breach of the Agreement or Applicable Law;
    - (iii) any Specified Event or Circumstance Outside Our Control;
    - (iv) any Error arising from unclear or ambiguous instructions from you or an Authorised Person when placing an Order; or
    - (v) any late payment or errors in calculating and/or facilitating payment of any Third Party Fees due to a third party introducing advisor.
  - (b) except to the extent that such loss has resulted from our negligence, fraud or breach of the Agreement, provided in all cases that such loss could have been contemplated by you and us at the time of such negligence or breach, and that such loss is not loss of profit or opportunity.
- 8.3.3 We are not responsible for any delays, delivery failures, or 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.
- 8.3.4 Any features, market data or third party content available on the Trading System, our Website 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 exclude any warranties, undertakings or representations (either express or implied) related to them to the fullest extent permitted under Applicable Law, including but not limited to:
  - (a) with respect to any market data or similar information or any features and information provided to you in connection with your use of the Trading System, our Website and/or our services:

- (i) we and our third party providers are not providing trading or investment advice;
  - (ii) we and our third party providers are not responsible or liable if any market data or similar information or any features or information is inadequate, inaccurate or incomplete in any respect;
  - (iii) we and our third party providers do not guarantee the timeliness of market data or similar information;
  - (iv) we and our third party providers are not responsible or liable for any actions that you take or do not take based on market data or similar information or such features and information;
  - (v) you will use market data or similar information and the features and information solely for the purposes set out in the Agreement;
  - (vi) market data or similar information is provided for general purposes only and market data or similar information should not be used as the sole basis for any investment decision; and
  - (vii) you will use Market Data or similar information and the features and 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 observations are based upon past performance, patterns and data and will not necessarily reflect future performance.

8.3.5 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 the Trading System, our Website or the Elements. Without limiting the foregoing, in no event whatsoever shall 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.

8.3.6 Save in the event of our negligence, wilful default or fraud, 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 Trading System or Website or to your downloading of any material posted on it, or on any website (including our Website) linked to it.

8.3.7 Unless expressly stated otherwise in this PDS, 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.

## **9 OUR RIGHTS IN CERTAIN CIRCUMSTANCES**

### **9.1 Specified Event.**

9.1.1 Should a Specified Event occur, be reasonably likely to 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 (see clause 9.3).

### **9.2 Circumstances Outside Our Control.**

9.2.1 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.

9.2.2 If we reasonably determine that there is a Circumstance Outside Our Control, we will give you notice of this as soon as it is practicable and in accordance with Applicable Law. We will use reasonable endeavours to resume our provision of the Trading System, our services and/or performance of our

obligations under the Agreement as soon as possible. Where it is fair and reasonable to do so, we may take an appropriate Reserved Action.

9.2.3 Where we are able to resume provision of the Trading System services and/or performance of our other obligations under the Agreement following a Circumstance Outside Our Control:

- (a) the value of any Trade held immediately before the 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 Trading System services;
- (b) we may act on any instructions to transmit any Order in relation to a Trade received immediately before the Circumstance Outside Our Control, provided it is possible to do so; and
- (c) you are responsible for re-instating or cancelling any Orders affected by a Circumstance Outside Our Control.

### 9.3 **Reserved Actions.**

9.3.1 If we are required to do so under Applicable Law, or a Specified Event or Circumstance Outside Our Control occurs or is reasonably likely to occur, or we have serious grounds or valid reasons for doing so, we may in our sole discretion take any action, including any Reserved Action, that is fair and reasonable in the circumstances.

9.3.2 If we have serious grounds or valid reasons for doing so, we may in our sole discretion set an Account to Reduce Only.

9.3.3 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, take into account any prior instructions you have provided to our client management team.

## 10 **AMENDMENTS AND TERMINATION**

### 10.1 **Amendments to the Agreement in general.**

10.1.1 We may amend any part of the Agreement at any time by giving you notice, subject to clauses 6.9.2, 6.9.3, 9.3, 10.2, 10.3 and 10.4.

10.1.2 Subject to clauses 6.9.1, 6.9.3, 9.3, 10.2, 10.3 10.4 and 10.5, and subject to 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 in order to comply with Applicable Law. If you do not accept the amendment, you will be free to close your Account and/or terminate the Agreement in accordance with clause 10.6 before the amendment takes effect.

10.1.3 For the avoidance of doubt, we may provide you the amended Agreement, including the PDS and/or FSG, 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.

### 10.2 **Amendments to Margin Rates, Margin requirements and Close-Out Level.**

10.2.1 We may from time to time make amendments to Margin Rates, other Margin requirements, and/or Close-Out Level. We will, where possible, provide you with:

(a) three (3) Business Days' notice of increases to the Margin Rates and/or other Margin requirements; and

(b) ten (10) Business Days' notice of amendments to the Close-Out Level,

but we reserve the right to make any amendment under this clause 10.2.1 on shorter notice or without any notice, where it is reasonable to do so.

10.2.2 Following any amendment to Margin Rates, other Margin requirements, and/or Close-Out Level, it is your responsibility to ensure that you have sufficient Account Value and/or reduce your Positions to satisfy your obligations to us under the Agreement.

### 10.3 **Amendments to Prices, Rates and other Attributes.**

10.3.1 We will amend Prices, Rates and Attributes through the Trading System 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 Trading System.

10.3.2 Where we notify you of a change to a limit in relation to an Attribute, you may be required to close any affected Trade within three (3) Business Days.

### 10.4 **Amendments to Commissions, market data fees and administration fees**

10.4.1 Notwithstanding any other clauses under the Agreement, we will provide you with at least thirty (30) Calendar Days' notice for any increase or change in calculation method with respect to Commissions, market data fees and administration fees.

### 10.5 **Removal of Products.**

10.5.1 We may, at any time and in our sole discretion, remove any Products from the Trading System and/or remove your ability to place Trades in respect of a particular Product from an Account. If you have a Trade in any relevant Product being removed, we will use reasonable endeavours to provide you with at least ten (10) Business Days' notice in which to close any Trade that you may hold on such a Product. However, we reserve the right to provide a shorter notice period or no notice at all.

10.5.2 It is your responsibility to cancel any Pending Orders and close any Trades in respect of a Product that is being removed in accordance with clause 10.5.1 at the time and in the manner specified in the notice. If you do not do this, we will do so.

10.5.3 Subject to clause 10.5.2, we may set any Product that is being removed in accordance with clause 10.5.1 to Reduce Only.

### 10.6 **Closing your Account or terminating the Agreement.**

10.6.1 Subject to clause 6.3.8, you may close your Account by giving us notice in writing. If you do not cancel any Pending Orders, close any Trades on your Account or withdraw any money due to you before giving us such notice of termination, we will cancel any Pending Orders and close any Trades 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.

10.6.2 We may close any Account by giving you notice in writing. Subject to clause 10.6.3, this will take effect on the date specified in such notice being no less than ten (10) Business Days after the date of the notice. Unless our notice of termination 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 Trades

during the time between: (i) when we give you the notice; and (ii) when your Account is due to close in accordance with the notice. If you do not do this or giving you notice is not possible, we will cancel any Pending Orders and close any Trades on your Account and then attempt to return any money due to you.

10.6.3 If we have serious grounds or valid reasons for doing so, we may terminate the Agreement or set an Account to Reduce Only or Unauthorised to Trade with less than ten (10) Business Days' notice, including immediately. We will cancel any Pending Orders and close any Trades on your Account at the time and in the manner specified in the notice.

10.6.4 Unless otherwise agreed, the Agreement will automatically terminate following the closure of all of your Accounts by you or us. When you or we close an Account and/or the Agreement terminates we may exercise any right that we have under clause 6.5.1 to make a Deduction or under clause 6.6.1 to exercise our right of Set-Off.

## **11 SIGNIFICANT RISKS OF TRADING CMC MARKETS PRODUCTS**

### **11.1 Risks**

11.1.1 This section 11 sets out 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.

11.1.2 **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. 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.**

11.1.3 As there is no cooling off regime associated with OTC derivatives, subject to section 5.4 ("Errors"), you are not able to cancel a Trade once it has been entered into.

### **11.2 Appropriateness of Trades.**

11.2.1 You should always carefully consider whether to invest in Trades and acquaint yourself sufficiently with them to understand the risks involved. Any decision to invest is entirely at your own risk.

### **11.3 We do not provide investment, tax, legal, regulatory or financial advice.**

11.3.1 We do not provide investment, tax, legal, regulatory or financial advice relating to investments or possible Trades. Any information we provide to you, including any information provided by our client management team, is purely factual and does not take into account your personal circumstances. Therefore, you may wish to obtain independent professional advice from a suitably qualified advisor on any investment, financial, legal, regulatory, tax or similar matter before opening an Account with us or entering into any Trades.

### **11.4 Our Trades are OTC products.**

11.4.1 When you enter into any Trade with us, you will be entering into an off-exchange (known as an 'over-the-counter', or 'OTC') contract, which is non-transferable. This means you will enter into Trades directly with us, and also that those Trades can only be closed with us. This involves greater risk than investing in a transferable financial instrument traded on a regulated market or Trading Venue such as a share or dealing in an exchange-traded derivative, because your ability to open Trades and close Trades is solely dependent on the Trading System and/or our client management team being in a position to accept Orders from you and to execute them. In certain circumstances it may not be possible to open or close Trades with us.

- 11.4.2 In addition, all of your Trades with us are settled in cash, and you do not have any rights to any underlying instrument (as applicable).
- 11.4.3 You can only profit from our Trades through changes in our Prices. These are different from other transferable financial instruments traded on regulated markets where you can profit from real market fluctuations and where you may be entitled to dividends or interest.
- 11.4.4 Our Prices take into account current exchange and market data from various sources. This means that our Prices may not be identical to prices for similar financial instruments or the relevant underlying instrument quoted on an exchange or other Trading Venues.
- 11.5 **Negative balance protection and losses from your Trades**
- 11.5.1 Retail Clients cannot lose more than their Invested Capital. If at any time you have a negative Cash value on your Account, we will waive our right to claim the deficit and will return the Account balance to zero (0). Please note, this may not happen immediately. You are still obliged to ensure that your Account Value is at all times above the applicable Close-Out Level displayed on our Platform. We retain the right to close any open Trades if you fail to maintain sufficient funds on your Account to keep your Account Value above the applicable Close-Out Level. You should not rely on Stop Orders (where available) as they are not guaranteed as they are subject to slippage.
- 11.5.2 The amount of loss for an individual Trade will be the amount that you owe us when that Trade is closed. Trades involve leverage (also known as 'gearing' or 'margining'), which means that the effects of small movements in Price are multiplied and may have large impacts on the value of your Positions, both in respect of profits made and losses incurred and the higher the leverage rate, the higher the risk involved.
- 11.5.3 It is therefore important that you monitor your Trades closely and the rate of leverage utilised. A small movement in Price may have a large impact on your Trades and Account and may result in immediate Account Close-Out.
- 11.5.4 There are costs associated with trading with us. Depending on the Trades you enter into, and how long you hold them for, we may require you to pay Commission and/or Holding Costs. If you keep Trades open for an extended time, the aggregate Holding Costs may exceed the amount of any profits or increase your loss.
- 11.6 **Your Trades and Positions are at risk of being closed in some circumstances.**
- 11.6.1 The automatic closure of your Trades and/or Positions by the Trading System is intended to prevent you incurring further losses and we may close all Trades and/or Positions on your Account, not just Trades that are making a loss. However, we do not guarantee such closure and you must not rely on it. It is your responsibility to monitor your Positions and your Account Value closely. To prevent Account Close-Out, you should keep an Amount in your Account that allows sufficient headroom to keep your Positions open in case of sudden changes to the required initial Margin Amount resulting from Price movements. It is important to note that an Amount deposited into your Account (which appeared to be sufficient) can very quickly become insufficient, due to rapidly changing market conditions.
- 11.6.2 If an Account Close-Out is triggered outside of Sydney office hours, the relevant Account Close-Out procedure may be delayed. The balance on your Account may be significantly lower by the time we are able to contact you (e.g. due to market movements).
- 11.7 **Market circumstances may impact your Trades.**
- 11.7.1 The Trading System and the information provided by our client management team, is dependent on the availability of prices and liquidity from the execution venues we or our underlying brokers use. As a result, market circumstances may impact on your ability to place an Order or close a Trade and we



may be unable to execute a Pending Order. We may be unable to execute your Orders where we cannot enter into a corresponding transaction to hedge our own risk. Additionally, when we enter into a corresponding transaction to hedge our risk, this influences the Prices we quote on the MT4 Platform and/or through our client management team.

- 11.7.2 Financial markets may fluctuate rapidly and this will impact Prices. Any movements in Prices displayed will have a direct and real time effect on your Trades and Account. One form of price volatility that can happen regularly is 'gapping', where there is a sudden shift in price from one level to another, caused (for example) by unexpected economic events or upon the market opening. In periods of price volatility there may not always be an opportunity for you to place an Order between two Prices, or for the Trading System and/or our client management to execute a Pending Order at a Price between those two Prices. Price volatility of this kind can result in your Order being executed at the next available Price and you incurring significant losses if the Price is less favourable on an affected Trade.
- 11.7.3 As a result of fluctuations in financial markets and/or technical considerations, there is a risk that the Price which you see through your device and/or which is provided by our client management team when you place an Order will not be identical to the Price at which the Trade is executed at or settled against and that the corresponding difference puts you at a disadvantage. We attempt to generate Prices on a continuous basis and to have the currently applicable Prices shown on the MT4 Platform as quickly as possible. However, technical conditions may lead to a change in the applicable Price between the time an Order is placed and the time it is received by us or executed by the Trading System. If such changes occur, the Order is generally executed at the Price applicable when it is executed by the Trading System.
- 11.7.4 There may be changes made by the brokers with which we hedge our price risk relating to Trades, including changes (that have or purport to have retrospective effect) to prices or cancellations of contracts we may have with them, which would each constitute a Circumstance Outside Our Control. We have certain rights and may take certain actions (including Reserved Actions) in respect of Circumstances Outside Our Control, including for example the right to cancel or reprice any Trade, where to do so would be fair and reasonable in the circumstances.
- 11.8 **Technical risks and other circumstances may affect your Trades.**
- 11.8.1 There is a risk that other circumstances may prevent us from executing Orders, or prevent you from accessing the Trading System and/or our client management team, such as system errors or outages. Such circumstances may pose a significant risk to the execution of your Orders.
- 11.9 **Different Products pose different risks.**
- 11.9.1 Each of the Products poses specific risks which can differ widely, for instance with regard to the range and speed of fluctuations in Prices or with respect to liquidity. Therefore, you should ensure that you understand the specific risks of a Product before you open a Trade on that Product. Certain Products, such as Trades on cryptocurrencies, are more volatile than others and may be even more susceptible to sharp and sudden movements in Price, which could affect the value of your Positions. Therefore, you should ensure that you understand the specific risks of a Product before you open a Trade on that Product.
- 11.10 **Automated Trading**
- 11.10.1 Automated Trading is available via third parties on the MT4 Platform. You should not enter into Trades using Automated Trading unless you fully understand the risks involved. If you are in any doubt you should seek independent professional advice.
- 11.10.2 CMC Markets does not recommend or endorse any use of Automated Trading and you are responsible for all Trades you enter as the result of using Automated Trading. You are also responsible for ensuring that you have sufficient funds in your Account to satisfy any Trades automatically opened with Automated Trading.

- 11.10.3 Automated Trading is only available when you are logged into the MT4 Platform and connected to the internet. If you are not logged in to the MT4 Platform and connected to the internet, Automated Trading will not be triggered.
- 11.11 **Foreign Markets.**
- 11.11.1 Foreign markets will involve different risks, which can impair our ability to generate Prices. The potential for profit or loss from Trades relating to foreign markets will also be affected by fluctuations in foreign exchange rates and you should consider how such fluctuations may affect you before entering into a Trade.
- 11.11.2 In particular, where the relevant Product Currency is different to the relevant Account Currency, any Margin requirement, holding costs, realised and unrealised losses or profits will be converted to the Account Currency at the Currency Conversion Rate. Depending on the Currency Conversion Rate and currency fluctuations, this may have an impact on your Account Value and on any eventual profits that you make or losses that you incur.
- 11.12 **Risks of trading on credit.**
- 11.12.1 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 should not rely on being able to redeem borrowed funds with any profits from Trades.
- 11.13 **Past performance is not indicative of future performance.**
- 11.13.1 You should bear in mind that any past performance, simulation or prediction is not indicative of future performance. Therefore, you cannot and must not make any assumptions as to future performance based on any past performance, simulation or prediction.
- 11.14 **We cannot guarantee protection of your money.**
- 11.14.1 Full details on how we will treat your money are provided elsewhere in this PDS and you should ensure that you have read the PDS carefully before opening an Account with us or entering into any Trade.
- 11.15 **Tax treatment may vary.**
- 11.15.1 The tax treatment of your trading activities depends on your individual circumstances, and may be subject to change in the future.
- 11.16 **Access to the client management team.**
- 11.16.1 We will do our best to make the client management team available when required by you. However, during periods of high demand and due to other Circumstances Outside Our Control, we cannot promise that you will always be able to access a member of the client management team. This may prevent you from taking quick actions and increases the risk associated with Products.
- 11.17 **Cryptocurrencies**
- 11.17.1 Cryptocurrencies, which are generally unregulated in themselves, are high-risk, speculative investments, which will impact any cryptocurrency Trades that you enter with us.
- 11.17.2 The value of cryptocurrencies, and therefore the value of Trades linked to them, is extremely volatile. They are vulnerable to sharp changes in price due to unexpected events or changes in market sentiment. 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 Trades based on other Products.

11.17.3 You should only invest in cryptocurrency Trades if you consider that you have the knowledge and experience of, and fully understand the risks associated with, both CFDs and cryptocurrencies.

#### 11.18 **Warning about counterparty risk**

11.18.1 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.

11.18.2 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.

11.18.3 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.

11.18.4 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.

11.18.5 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.

11.18.6 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.

## **12 ORDER EXECUTION POLICY**

### **12.1 Summary**

12.1.1 This section sets out a summary of CMC Markets' order execution policy in respect of its Accounts (OEP).

### **12.2 Key points.**

12.2.1 The MT4 Platform is licensed to CMC Markets by MetaQuotes Software Corp ("MetaQuotes"), a third party entirely unconnected to CMC Markets. We use the MT4 Platform's order management and order triggering software in conjunction with our Prices and Order execution. The MT4 Platform is a standalone trading platform from our other trading platforms.

12.2.2 CMC Markets is the sole execution venue for your Orders. This means that your Orders are executed via a bilateral transaction with us as the counterparty to your trades, through the Trading System

and not through a transaction on any Trading Venue or other external execution venue. We will not use any other execution venues to execute your Orders.

- 12.2.3 The Trading System is fully automated for pricing and Order execution. CMC Markets rely on MetaQuotes' software to provide us with Order data, including Pending Orders. In the event of differences between the Back Office Platform and the MT4 Platform, we will take all reasonable steps to reconcile the difference as appropriate.
- 12.2.4 Our Prices are electronically generated by the Trading System, and such Prices may be different to prices generated by Trading Venues, other markets, execution venues/providers or CMC Markets' other trading platforms.
- 12.2.5 By placing an Order, you are giving the Trading System an instruction to place that Order on your Account on the basis of the Prices generated by the Trading System. Please see our Website for further details on how your Orders are placed and executed, as well as further details on pricing.
- 12.2.6 As a result of rapid price movements, the Price at which the Trading System executes an Order for a Trade may be less favourable to you than the Price displayed on the Trading System when you place the Order..
- 12.2.7 An Order will only be deemed to be received by the Back Office Platform at the time at which the Back Office Platform actually receives it, which may not be immediately after you submit that Order in the MT4 Platform.
- 12.2.8 It is possible that before the Back Office Platform receives a Limit Order, Take Profit Order, Stop Order or Stop Loss Order from the MT4 Platform, numerous Price updates will have occurred, see clause 12.3.2 for more detail.
- 12.2.9 In accordance with clause 4.3.5 of this PDS, where you have appointed an introducing broker, discretionary investment manager or similar person as an Authorised Person to act on your behalf and that person also acts on behalf of other clients of CMC Markets, the Authorised Person may decide to place a single, aggregated order for Trades for multiple clients in respect of a Product and then allocate a portion of that order to you to represent your Order. We are not responsible for the aggregation and allocation of such orders, and such aggregation and allocation may operate to your disadvantage.

### 12.3 How the Trading System handles the different types of Orders.

- 12.3.1 This section provides information on the different types of Orders.
- 12.3.2 Orders listed below are managed and triggered in the MT4 Platform and executed by CMC Markets.

Market Order	The Trading System will execute a Market Order to sell at the first available Bid Price and a Market Order to buy at the first available Ask Price, and will do so as soon as possible after the Order is accepted, provided the Market Order is made during Trading Hours and that the Platform is available at the time the Market Order is made.
Limit Order / Take Profit Orders	<p>A Limit Order or Take Profit Order to buy at a Target Price will be executed at the Target Price or lower, when the Ask Price is equal to or lower than the Target Price.</p> <p>A Limit Order or Take Profit Order to sell at a Target Price will be executed at the Target Price or higher, when the Bid Price is equal to or higher than the Target Price.</p>
Stop Order / Stop Loss Order	A Stop Order or Stop Loss Order to buy at a Target Price will be executed when the Ask Price is equal to or higher than the Target Price and will be executed at the first available Ask Price at the time the Trading System

executes the Order or at the target price if the first available Ask Price is lower than the Target Price.

A Stop Order or Stop Loss Order to sell at a Target Price will be executed when the Bid Price is equal to or lower than the Target Price and will be executed at the first available Bid Price at the time the Trading System executes the Order or at the target price if the first available Bid Price is higher than the Target Price.

Stop Orders and Stop Loss Orders are not guaranteed and may be subject to gapping. It is not possible to attach guaranteed stop loss orders to Positions on the Trading System.

#### Trailing Stop

A Trailing Stop is an algorithm that manages Stop Loss Orders.

A Trailing Stop will automatically place a Stop Loss Order on a Trade once that Trade is in profit by at least the points value of the Trailing Stop (e.g. if the value of the Trailing Stop is 15 points then the Trade will need to be in profit by at least 15 points for the Stop Loss Order to be placed). Subsequently, if the Trade becomes more profitable the Trailing Stop will adjust the Stop Loss Order to keep the distance from the Price of the Stop Loss Order equal to the points value of the Trailing Stop. The Stop Loss Order will be executed as described above.

A separate Stop Loss Order can be placed on a Trade alongside a Trailing Stop. In this scenario, as only one Stop Loss Order can exist on a Trade at a time, once the Trailing Stop is activated it will adjust the previous separately placed Stop Loss Order.

#### **Important:**

If multiple Trades in the same Product have a Trailing Stop associated with them, only the most recent Trailing Stop to be activated is adjusted.

A Trailing Stop will only work whilst you remain logged in to your MT4 Account and the MT4 Platform and are connected to the internet.

12.3.3 Opening a new Trade in the opposite direction to an existing Trade will not close the original Trade as there is no netting in place on Trades placed on the Trading System.

12.3.4 You cannot open, amend or close Orders on the Back Office Platform. You must use the MT4 Platform to trade with CMC Markets. To view your Orders, you must log in to the MT4 Platform.

12.3.5 The Back Office Platform will display all your open Trades and Positions. However, any attached Orders will not be displayed in the Back Office Platform.

12.3.6 The Trading System does not check available funds when a Pending Order is placed. If you do not have funds to cover the Order at the time of execution, the Pending Order will be cancelled.

#### 12.4 **Factors we consider when determining best execution.**

12.4.1 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.

12.4.2 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.

## **12.5 Prices generated by the Trading System.**

12.5.1 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).

12.5.2 The Prices of Products are generated electronically by the Trading System. 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 execution obligation. However, Prices may not match prices that you see elsewhere (including prices quoted on Trading Venues or by other providers). Prices include our reasonable Margin.

12.5.3 Spread is the difference between the Bid Price and the Ask Price. As CMC Markets is a market maker, these Prices represent where CMC Markets will buy Products at the Bid Price and sell Products at the Ask Price. These Prices may not be the same as prices quoted in the relevant underlying market.

12.5.4 Market fluctuations and technical conditions, in addition to Circumstances Outside of Our Control, may mean that the Prices you see on your device 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 an Order is placed by you and the time the relevant Order is received by us or the Order is executed or settled by the Trading System, the Order is generally executed at (or by reference to) the Price when the Order is executed or by the Trading System. This may either be to your advantage or disadvantage.

12.5.5 There will be times when circumstances may prevent the Trading System from generating Prices or affect the Prices being generated. Please refer in particular to clauses 5.2 ("Accessing the Trading System") and 9.2 ("Circumstances Outside Our Control") as well as paragraph 11 of Schedule 1 ("Corporate Actions, Adjustment Events and Insolvency") of this PDS for more information.

12.5.6 Please refer to the 'Our Pricing' section of the Website for further information on pricing.

## **12.6 Currency Conversion Rates generated by the Trading System.**

12.6.1 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 Currency Conversion Rate and applied to your Account.

12.6.2 As with Prices, the Currency Conversion Rate for any particular currency pair is generated electronically by the Trading System and may not match currency conversion rates that you see elsewhere (including official currency conversion rates).

12.6.3 Where relevant, we will provide you with the Currency Conversion Rate used to convert amounts in a Product Currency into your Account Currency.

## **12.7 Size, speed and likelihood of execution.**

12.7.1 The Trading System executes Orders on an automated basis and does not rely on any manual intervention or dealing.

12.7.2 The Trading System will, apart from in a limited number of exceptions, execute Orders as soon as practicable following receipt. The Trading System will only execute Orders during Trading Hours.

12.7.3 The Trading System will accept or reject Orders or the modification of Pending Orders in accordance with their respective Attributes and this PDS, including if any applicable limits would be breached

and/or you have or would have an insufficient Account Value to cover your Margin, where your Account Value is below the applicable Close-Out Level or you have insufficient Cash to pay any Commission or other premium (if applicable).

12.7.4 If the Trading System 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 any applicable limit where market restrictions apply, where you have or would have an insufficient Account Value to cover your Margin, where your Account Value is below the applicable Close-Out Level or any circumstance under clauses 5.2 (“Accessing the Trading System”) and 9.2 (“Circumstances Outside Our Control”) as well as paragraph 11 of Schedule 1 (“Corporate Actions, Adjustment Events and Insolvency”) of this PDS.

12.7.5 The Trading System automatically takes into account the size of your Orders at the point of execution.

## 12.8 How your Trades are closed without instructions from you.

12.8.1 There are some circumstances where the whole or a portion of your Trades will be closed without instructions from you. This includes where Account Close-Out occurs, where you fail to reduce any Position to below the applicable limit within the relevant time limit specified by us or where we exercise our rights to close your Trades.

12.8.2 Unless closed by you or us beforehand, any Trade will be closed and settled by the Trading System automatically at the time and date of expiry on a Forward (and any Pending Order will also be cancelled on this basis).

12.8.3 If your Account falls below the Account Value, the Trading System will initiate a full Account Close-Out and will close all Trades in Products that are currently pricing at the prevailing price when the liquidation orders are received.

## 12.9 Specific instructions.

12.9.1 Your Orders can only be executed on the Trading System 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.

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

## 12.10 Monitoring and review.

12.10.1 We will regularly monitor and review our policies and procedures and associated arrangements in order to ensure we comply with our regulatory obligations, making appropriate amendments if necessary.

12.10.2 You can find our most recent execution quality data on our Website.

12.10.3 We will notify you in writing of any material changes to this document.

# 13 GENERAL PROVISIONS

## 13.1 Privacy and Data protection.

13.1.1 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.

- 13.1.2 The Agreement (together with our Privacy Statement) sets out the basis on which any personal data you provide us will be processed by us. In connection with the Agreement, you will be providing us with personal data by filling in the application or other forms on the Website and/or the Back Office Platform or by corresponding with us by phone, e-mails or otherwise. Such personal data may be held on paper, electronically or otherwise. We recognise the need to treat the personal data in an appropriate and lawful manner.
- 13.1.3 You agree that we may record all telephone conversations and/or any communications by other means between you and us, and use such recordings, or transcripts of such recordings, as well as any e-mails, recorded chat messages or other communications you send to us through the Back Office 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.
- 13.1.4 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.
- 13.1.5 You agree to keep all information that you hold relating to your Account, including any e-mails and letters and any promotions that we send to you, confidential at all times.

## 13.2 Intellectual Property.

- 13.2.1 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 the Trading System, our Website or the Elements.
- 13.2.2 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 Trading System and our Website for the limited purpose of trading or speculating in accordance with the Agreement. No other rights are granted in respect of the Trading System or our Website. In the event you do or attempt to do any of the prohibited matters set out in clause 13.2.3 or we reasonably suspect that you have done or attempted to do any of these prohibited matters, this licence and the Agreement shall be immediately revoked without further notice to you and you shall have no further rights in or to the Trading System, our Website or any of the Elements.
- 13.2.3 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, the Trading System, our 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 Trading System or our Website except with our express prior written consent;
  - (c) distribute, re-distribute, sell, re-sell, transmit, re-transmit, publish, make available, sub-licence, transfer, rent, lend, re-circulate, repackage, disclose, display or make commercial use of the Trading System, our Website, any of the Elements or any of the materials provided by us 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 Trading System or the Elements;
- (g) use any software, algorithm, robot, applications, tools, codes, computer, electronic devices or equipment on the Trading System for non-human and/or high frequency trading; or
- (h) make use of the Trading System 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 the Trading System or any of the Elements;
  - (ii) damages, disrupts, impairs, erases or adversely affects the normal operation of the Trading System or any of the Elements;
  - (iii) assists in or enables theft or alteration of data or content from the Trading System or any of the Elements; or
  - (iv) provides unauthorised access to the Trading System or any of the Elements;
- (j) permit or cause unauthorised access or attempt to gain unauthorised access to the Trading System or any of the Elements, including the servers on which the Trading System or any of the Elements is stored or any server, computer or database connected to the Trading System or any of the Elements;
- (k) attack the Trading System or our Website via a denial-of-service attack or a distributed denial-of-service attack;
- (l) use the Trading System, our Website, any of the Elements or any of the materials provided by us 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 clauses 9.1 and 9.3).

### 13.3 Outsourcing.

13.3.1 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.

### 13.3.2 Labour standards and environmental, social and ethical considerations

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

### 13.4 Provisions becoming illegal, invalid, or incapable of application.

- 13.4.1 If at any time any provision of the Agreement is or becomes illegal, invalid, or incapable of being applied 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.
- 13.5 Transfer or delegation of rights and obligations.**
- 13.5.1 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 our prior written consent.
- 13.5.2 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).
- 13.5.3 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. So long as you are in compliance with this Agreement as at the date of any such transfer, we shall use reasonable endeavours to provide you with not less than thirty (30) Calendar Days' notice, 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.
- 13.6 Rights and remedies.**
- 13.6.1 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.
- 13.7 Delay or inaction in exercising rights under the Agreement.**
- 13.7.1 Any delay or failure on your or our behalf to exercise a particular right or take a particular action under Applicable Law or under the Agreement, does not mean that you or we will be unable to exercise that right or take any such action at a later stage.
- 13.7.2 Governing Law and Jurisdiction.**
- 13.7.3 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.
- 13.7.4 The courts of New South Wales and the Commonwealth of Australia 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 clause 13.7.4 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.
- 13.8 The meaning of certain other words in the Agreement.**
- 13.8.1 Any reference in the Agreement to a particular provision of Applicable Law is deemed to include a reference to that provision as amended from time to time, and any equivalent, similar or analogous provision under Applicable Law.

- 13.8.2 Any reference to a document (including information provided on our Website and/or the Back Office Platform) in the Agreement is deemed to be a reference to that document as modified from time to time.
- 13.8.3 Any reference to 'including' or 'includes' in the Agreement is deemed to be a reference to 'including without limitation'.
- 13.8.4 Unless otherwise stated, references in this PDS to clauses, paragraphs or schedules are to clauses, paragraphs and schedules in this PDS.
- 13.8.5 Any heading in the Agreement will not affect the interpretation of the Agreement.
- 13.8.6 Any reference to a person in this PDS shall include body corporates, unincorporated associations, trusts, partnerships and individuals.
- 13.8.7 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 13.9 **Survival of terms in the Agreement.**
- 13.9.1 Clauses 4.3.3, 6.3.8, 8 and 11 and 1 will continue to apply after closure of your Account and/or termination of the Agreement.

## Schedule 1- Product terms for Trades

This Schedule 1 sets out terms that apply specifically to investing in Trades on an Account. Where a term is defined in both the PDS and these Terms, the meaning set out below supplements (or where the context requires, supersedes) the meaning set out in the PDS.

### **1 The Trading System**

- 1.1 You will be able to place Trades on your Account through the MT4 Platform and will be able to manage your Account, including funding and withdrawals, through the Back Office Platform.
- 1.2 The MT4 Platform is licensed to CMC Markets by a third party. Any communications received on the MT4 Platform do not originate from, and are not endorsed by, CMC Markets, even though they may be presented as originating from CMC Markets. CMC Markets makes no warranties whatsoever in respect of the MT4 Platform or the services provided by third parties on the MT4 Platform. CMC Markets is not responsible for any loss or damage arising out of or in connection with the use, operation, performance and/or error of the MT4 Platform or the services provided by third parties on the MT4 Platform, including Automated Trading.
- 1.3 In accordance with clause 7.1.2, we may communicate with you through the Back Office Platform. These communications may affect your ability to trade on the MT4 Platform. You may need to log in to the Back Office Platform to enable you to resume trading or for information about any rejected Trades.

### **2 Products.**

- 2.1 You will be able to access relevant information on each Product, including its Attributes, through the Trading System. Please see the Trading System for details of which Products are available.
- 2.2 You may only enter into or close Trades via the MT4 Platform and/or through our client management team during the Trading Hours specified on the Trading System for the relevant Product. It is your responsibility to monitor the Trading Hours as specified on the Trading System. Some but not all types of Orders may be submitted through the MT4 Platform and/or our client management team outside of the Trading Hours for the relevant Product.

### **3 Prices.**

- 3.1 During the Trading Hours for any Product, the Trading System will generate, and/or our client management team will quote, Prices subject to clauses 5.2.1, 9.2 and 9.3 of this PDS as well as paragraph 11 of this Schedule 1 and you acknowledge that these Prices may differ at any time to those displayed on your device.
- 3.2 The Price at which an Order will be executed may be less favourable to you than the Price displayed on the MT4 Platform and/or provided to you by our client management team when you place the Order and you are responsible for checking the Price at which an Order may have been executed.

### **4 Currency Conversions.**

- 4.1 All Deductions and credits applied to your Account will be in the relevant Account Currency. Where the relevant 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 the Account Currency at the Currency Conversion Rate.
- 4.2 The Trading System will retain information about the Currency Conversion Rate in relation to your Account.

### **5 Orders.**

- 5.1 To enter into a Trade, you must place an Order on the MT4 Platform that identifies the Product and provides the information requested on the MT4 Platform in relation to that Product.
- 5.2 You will only be able to place an Order if you have sufficient funds in your Account and if you satisfy the Margin requirements.
- 5.3 An Order will only be deemed to be received by the Back Office Platform at the time at which the Back Office Platform actually receives it, which may not be immediately after you submit that Order in the MT4 Platform. 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 the Trading System.

5.4 Subject to the provisions of this Schedule 1, you and/or we may modify or cancel any Pending Order at any point until that Order has been executed.

5.5 If your Account has insufficient Available Equity to meet the relevant Margin requirements for that Order, we will not execute that Order.

5.6 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 the Trading System.

## **6 Margin.**

6.1 We will apply a variety of Margin requirements to any Trade you place on the MT4 Platform which you are required to meet in order to place that Trade. We provide detailed information on the Trading System regarding these Margin requirements.

6.2 Margin reflects a percentage of the full value of the Position. Once you have entered into a Trade, you will need to ensure that your Account Value is sufficient to withstand Price fluctuations.

6.3 We are required by Applicable Law to restrict Margins applicable to you, which are set out below, in relation to each underlying asset class:

Underlying asset class	Regulatory Margin
Major currency pair	3.33%
Major stock market index, minor currency pair, or gold	5%
Minor stock market index, or commodity other than gold	10%
Crypto	50%
Any other asset class	20%

## **7 Automated Trading.**

7.1 Various applications to automate trading and analysis, such as expert advisors (commonly referred to as EA's), indicators and scripts, are available on the MT4 Platform via third parties ("Automated Trading"). CMC Markets does not recommend or endorse any use of Automated Trading and is not responsible for any loss or damage whatsoever arising out of or in connection with your use of Automated Trading on the MT4 Platform.

7.2 In accordance with clause 10.6, CMC Markets reserves the right to terminate the Agreement immediately if we reasonably suspect that you are using Automated Trading for any Improper Use.

## **8 Risk Management.**

8.1 You may set a variety of risk management options in respect of a Trade at any time via the MT4 Platform. Further information on the types of risk management options are available on the MT4 Platform.

### *Limits on your Trades.*

8.2 Various Product limits will apply to your Orders. If, at the time an Order would otherwise be executed, the execution of that Order would result in a breach of a limit relevant to that type of Order, the Order will be automatically rejected.

8.3 Where the acceptance of a Pending Order or modification of an existing Pending Order would result in a breach of a relevant limit, the relevant Order or modification will be rejected by the MT4 Platform, save where agreed otherwise between you and our client management team.

- 8.4 In addition, an Account may be subject to a limit restricting the number of Trades and Positions that could result in opening a new Position or Trade 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 clause 10.3.
- 9 Profit and Loss.**
- 9.1 Details of the Unrealised Profit Or Loss (and its relationship to Realised Profit or Realised Loss) for any individual Trade are provided via the Trading System.
- 9.2 The Unrealised Profit Or Loss displayed on Trading System 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.
- 9.3 If there is sufficient money in your Account and/or you have sufficient Realised Profits to cover any Realised Loss in full, then a Realised Loss will be due and payable immediately. If not and the Account Value for the Account goes below the Close-Out Level, the Realised Loss will become due and payable immediately.
- 10 Holding Costs.**
- 10.1 We will charge certain Holding Costs for certain Trades, details of which are available on the Trading System. You must have sufficient Cash in your Account to meet any Holding Cost.
- 10.2 We may, in our reasonable discretion, use Cash in your Account to reduce the amount of any Holding Cost you owe us.
- 11 Corporate Actions, Adjustment Events and Insolvency.**
- 11.1 A Corporate Action or Adjustment Event may occur in relation to the underlying asset of a Product. If a Corporate Action or Adjustment Event occurs, we will take appropriate action (in our reasonable opinion) to:
- (a) replicate this in your Order or Trade;
  - (b) reflect any action taken by counterparties to trades in respect of such underlying assets of the Product that we have entered into in order to hedge or offset our exposure to you; or
  - (c) preserve the economic equivalent of your Order or Trade immediately prior to the Corporate Action or Adjustment Event, which may have consequences on your Trade.
- 11.2 We will give you notice 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 paragraph.
- 12 Account Close-Out.**
- 12.1 You must ensure that for each Account your Account Value is at all times above the applicable Close-Out Level for your Account displayed on the Trading System. Under Applicable Law, we are required to impose a Close-Out Level of at least of 50% of your Account Value and if at any time the Account Value of your Account is less than 50% of the greater of your Margin on a Position or total Margin being the sum of the Margin required for all your Trades on your Account. We may also impose a Close-Out Level higher than 50% by providing you notice under clause 10.2.
- 12.2 Where your Account Value is less than the applicable Close-Out Level, the MT4 Platform will automatically initiate Account Close-Out. Further details on the Close-Out Level for your Account, can be found on the Back Office Platform. Account Close-Out does not and is not intended to limit your entire liability to us in respect of your Trades. Retail clients cannot lose more than their Invested Capital.

## Schedule 2- Definitions

Unless otherwise stated, words and expressions that begin with a capital letter in the Agreement have the meaning set out below:

Account	Any account for trading Trades on the Trading System that you hold with us, including any Joint Account.
Account Close-Out	A procedure by which the MT4 Platform may close the whole or a portion of your Trades and/or Positions.
Account Currency	The currency in which an Account is denominated and in which all Deductions and credits will be made, as shown on the Back Office Platform and in accordance with clause 6.4.1
Account Value	The sum of your Cash and any net Unrealised Profit Or Loss (as applicable), where the net Unrealised Profit or Loss is calculated using the first Bid Price or Ask Price (as applicable) that is displayed on the MT4 Platform and updated in real time. Account Value is referred to as 'Equity' on the MT4 Platform and is also referred to as 'Account Revaluation Amount' on the Back Office Platform.
Adjustment Event	In respect of a Product where the underlying asset is an index, any change to the index including but not limited to the announcement of a successor index.
Agreement	Has the meaning set out in clause 1.1.2.
Amount	An amount of money in the Account Currency.
Applicable Law	Any laws, statutes, orders, rules, decisions, provisions, directives, regulations, requirements, conditions, standards, sanctions, guidelines and industry codes having legal effect in any jurisdiction, provided that such laws, statutes, orders, rules, decisions, provisions, directives, regulations, requirements, conditions, standards, sanctions, guidelines or industry codes are existing and in force from time to time and (where relevant in the context) are directly or indirectly applicable to us, you, the Agreement, our Website or the Trading System.
ASIC	Australian Securities and Investment Commission.
Ask Price	The Price at which a buy Trade is entered into and at which a sell Trade is valued and closed as displayed on the MT4 Platform.
Attributes	The various limitations, restrictions and other features that apply to Orders and/or Trades in respect of each Product, which we may amend from time to time in accordance with clauses 10.2 and 10.3.
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.

Authorised Person	Any one or more persons appointed by you in accordance with clause 4.3.1 to act and/or give instructions on your behalf in respect of the Agreement and the relevant Account.
Automated Trading	Has the meaning set out in paragraph 7 of Schedule 1.
Available Equity	The Amount equal to your current Account Value minus any Margin requirements. Available Equity is referred to as 'Free Margin' on the MT4 Platform.
Back Office Platform	The electronic platform that we make available to you to administer your Account, as updated from time to time.
Bid Price	The Price at which a sell Trade is entered into and at which a buy Trade is valued and closed as displayed on the MT4 Platform
Business Day	Means any day (other than a Saturday or Sunday) on which banks are open for business in Sydney.
Cash	<p>In relation to any Account, the sum of:</p> <ul style="list-style-type: none"> <li>(i) any successfully received money paid by you to us, plus the Amount of any money credited by us to your Account plus all Realised Profits; minus</li> <li>(ii) the Amount of any Deductions plus any Realised Losses (whether due and payable or not) plus the Amount of any money withdrawn by you.</li> </ul> <p>Please note that the definition of Cash does not necessarily represent the money available for you to withdraw. The money that you have available to withdraw (in accordance with clause 6.3) is the lower of your Available Equity and Cash. Cash is referred to as 'Balance' on the MT4 Platform.</p>
Calendar Day	Each day of the year ending at 5pm New York time.
CFD	<p>A contract for difference, which seeks to track an investment in the relevant underlying asset without the usual costs and rights associated with an investment in that underlying asset, including any cash settled contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in:</p> <ul style="list-style-type: none"> <li>(i) the value or price of financial instruments, such as shares, commodities, treasuries and foreign exchange;</li> <li>(ii) the value or price of property of any description; or</li> <li>(iii) an index or other factor designated for that purpose in the contract.</li> </ul>
Circumstance Outside Our Control	<p>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 performing any of our obligations under the Agreement and includes:</p> <ul style="list-style-type: none"> <li>(i) changes in Applicable Law or any action taken by an appropriate authority;</li> </ul>



	<p>(ii) events or circumstances that impair or remove the ability of the Trading System to operate on a normal and orderly basis, including the acts or omissions of any third party for whatever reason and any errors, failures or disruptions in our systems or any other infrastructure (including infrastructure controlled by third parties);</p> <p>(iii) acts or omissions of any third party for whatever reason, including where we are unable or it is impractical for us, 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 price risk relating to Trades:</p> <p>(iv) natural disasters, emergencies (natural and man-made), and acts of God; or</p> <p>(v) any other exceptional event or circumstance over which we have no control.</p>
Close-Out Level	In relation to any Account, the applicable level at which we may close the whole or a portion of your Trades as necessary.
CMC Markets Group	CMC Markets Plc (Registered number 05145017) and its associated entities.
Commission	The rate of commission and any other commission applicable to a Trade in a Product (as applicable) as specified in the Trading System and which we may amend from time to time in accordance with clause 10.3.
Complaints Procedure	Means our procedure for handling complaints as detailed on our Website.
Corporate Action	Any action or event, whether temporary or otherwise, in relation to an underlying asset of a Product, or in relation to the issuer of an underlying asset, which would have an effect on the value, legal characteristics or ability to trade the underlying asset or a financial derivative based on or referencing such underlying asset.
Confirmation	A form of notification, which will be provided through the Trading System. We will not send you any confirmations of Orders or Trades by any other means, including by post or e-mail.
Currency Conversion Rate	The relevant currency exchange rate at the relevant time, at which we will convert values in a Product Currency into the Account Currency on the Back Office Platform.
Deduction	Has the meaning set out in clause 6.5.1.
Elements	Means all Intellectual Property Rights in the Trading System, our Website and all of its software, algorithms, design, text, content, data (including market data, which is owned by third parties and used by us to create Prices), arrangement, organisation, graphics, compilation, magnetic translation, digital conversion, equipment, and any and all other electronic, computer, technical and information communications technology devices and equipment, networks, servers, applications, codes (including source and object codes) and data centres which are contained in or relate to the

	Trading System, together with all technical documentation and information necessary for the use of any of the above.
Error	Has the meaning set out in clause 5.4.1.
EST	Eastern Standard Time.
Expiry Date	The last possible date and time at which any Trade or Pending Order in relation to a particular Forward will automatically expire, as specified in the Product Library.
Forward	A Product with a fixed expiry date.
Free Equity	<p>In relation to your Account the figure that determines whether or not you have sufficient funds to open a Trade that is displayed on the Trading Platform and which is equivalent to (but which may not always be equal to) the Available Equity displayed on the Back Office Platform.</p> <p>Free Equity is made up of Cash plus Unrealised Profit or Loss minus any initial Margin. Unrealised Profit or Loss and Realised Profit or Loss will be in the relevant Product Currencies not the Account Currency and will therefore be subject to real time revaluations.</p>
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 the information provided on the Trading System. Holding Cost is referred to as 'Swap' on the MT4 Platform.
Improper Use	<p>Any use of the Trading System or our Website or activity in relation to an Order (including a Pending Order) or a Trade that amounts to:</p> <ul style="list-style-type: none"> <li>(i) an unlawful act or a breach of Applicable Law, whether directly or indirectly, including to engage in or attempt to engage in market abuse within the meaning of the Applicable Law;</li> <li>(ii) a breach of the Agreement;</li> <li>(iii) a failure to observe reasonable commercial standards of fair dealing; or</li> <li>(iv) dishonesty and/or malice.</li> </ul>
Insolvency Event	<p>Means:</p> <ul style="list-style-type: none"> <li>(i) the appointment of a receiver, administrator, manager, administrative receiver or similar officer in relation to you;</li> <li>(ii) if any encumbrancer takes possession of or sells, all or any part of your assets or business;</li> <li>(iii) you are deemed unable to pay your debts as they become due;</li> <li>(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</li> </ul>

	<p>of arrangement, or a bankruptcy petition is presented to the court in respect of you;</p> <p>(v) if you are a body corporate, a resolution is passed or an order is made for your winding up, dissolution or administration; or</p> <p>(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.</p> <p>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.</p>
Intellectual Property Rights	<p>Any and all:</p> <p>(i) intellectual property rights, including copyright and related rights, patents, utility models, trademarks, service marks, trade names, domain names, moral rights, trade secrets, rights to inventions, logos, rights in get-up, goodwill and the right to sue for passing off and unfair competition, rights in computer software (including to the source code and object code), inventions, semi-conductor topography rights, database rights, rights in databases, rights in designs, design rights, know-how and confidential information whether in software or otherwise and whether registered or unregistered;</p> <p>(ii) applications for registration, and the right to apply for registration, renewal or extension of any of these rights, the rights to claim priority from any such rights; and</p> <p>(iii) any and all other intellectual property and proprietary rights and equivalent forms of protection or of similar effect existing, now or in the future, anywhere in the world.</p>
Introducing Adviser	Any intermediary who offers a financial service to enable you to trade with CMC Markets.
Invested Capital	<p>Means:</p> <p>(i) the sum of any successfully received money paid by you to us plus all Realised Profits; less</p> <p>(ii) the Amount of any money withdrawn by you.</p>
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.
Limit Order / Take Profit Order	This definition is referred to in the MT4 OEP and is an instruction to place an Order in accordance with the relevant conditions set out in the MT4 OEP.
Margin	The amount of money you are required to pay us or hold in your Account in order to place an Order.

Margin Rate	With respect to any Product, the percentage rate applicable to each Trade, as specified in the Trading System from time to time.
Market Order	This definition is referred to in the MT4 OEP and is an instruction to place an Order in accordance with the relevant conditions set out in the MT4 OEP.
MT4 Platform	The MT4 electronic trading platform for placing Trades, as updated from time to time.
MT4 OEP	The order execution policy summary that details how Orders are executed in respect of the MT4 Platform as set out in clause 12.
Order	An offer submitted by you or on your behalf through the Trading System or our client management team to enter into a Trade or to close a Trade.
Pending Order	An Order with a specific Price identified, which has not yet been executed.
Position	The net sum of all Trades in a particular Product in an Account at any given time.
Price	The Bid Price or Ask Price of a Product, which is generated by the Trading System and/or provided by our client management team (and may be indicated as "Price", "CMC Price" or other similar variations) from time to time. The Price at which an Order for a Trade may be executed by the Trading System may be less favourable to you than the Price displayed on the Trading System and/or provided by our client management team when you place the Order (for instance, due to market movements between the time you submit your Order and the time the Trading System and/or our client management team executes your Order).
Product	An instrument generated by us upon which or in relation to which you enter into Trades. Details of all Products on which we may accept Orders are listed in the Product Library.
Product Currency	The currency that a particular Product, which is usually denominated in the currency of the underlying market/exchange or as otherwise stipulated in the Trading System or the Product Library, is denominated.
Product Library	The section of the Back Office Platform that contains the list of Products and key information in relation to each Product, including their Attributes and any relevant Rates. This information is contained in the specification section on the MT4 Platform.
Rates	The rates that vary automatically from time to time in accordance with clause 10.3 without notice being given to you, and which apply to Trades entered into on that Product, including the rates at which Holding Costs apply and Margin Rates.
Realised Loss	In respect of a Trade, an Amount equal to any Unrealised Profit Or Loss at the time the Trade is closed, where the Amount is negative.

Realised Profit	In respect of a Trade, an Amount equal to any Unrealised Profit Or Loss at the time the 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 Trades and/or cancel any Pending Orders.
Reserved Action	Includes: <ul style="list-style-type: none"> <li>(i) combining or closing any Trades or cancelling or suspending any Orders on an Account;</li> <li>(ii) prohibiting you from accessing or using an Account;</li> <li>(iii) suspending or in any way limiting or restricting your ability to place any Order or Trade or declining to action any instruction received from you in relation to an Account;</li> <li>(iv) refusing or delaying to give effect to your request for a withdrawal of money from your Account;</li> <li>(v) amending any Margin, spread between the Bid Price and Ask Price for a Product, Attributes, Prices and Rates, including those relevant to your Trades and/or Orders;</li> <li>(vi) cancelling any Trades (as if they had never been entered into in the first place) and the effect of such Trades on your Account;</li> <li>(vii) imposing special terms in relation to any Order or Trade which, by virtue of its size, is deemed by us to be abnormal by reference to the relevant Product, its volatility or its liquidity;</li> <li>(viii) closing any Account, making an Account Unauthorised To Trade or setting an Account to Reduce Only in accordance with clause 10.5.3 or any other procedure;</li> <li>(ix) exercising any right of Set-Off, making a Deduction or credits, or charging interest, under the Agreement or Applicable Law;</li> <li>(x) retaining any sum owed by you to us or any of our Associates;</li> <li>(xi) suspending the generation and/or quotation of Prices and/or the execution of Orders on the MT4 Platform in respect of any Product; and/or</li> <li>(xii) removing any Product from the MT4 Platform and/or removing your ability to place Orders and/or enter Trades on a particular Product from an Account.</li> </ul>
Set-Off	Has the meaning set out in clause 6.6.1.
Specified Event	An event which includes, but is not limited to, if: <ul style="list-style-type: none"> <li>(i) you, or any Authorised Person appointed by you are the subject of or have been found guilty or at fault in any criminal proceedings or relevant investigation carried out by the appropriate authorities in any</li> </ul>

	<p>jurisdiction of any offence involving dishonesty, financial crime, terrorist financing or a similar offence;</p> <p>(ii) you are the subject of an Insolvency Event;</p> <p>(iii) 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;</p> <p>(iv) you breach any of the terms of this Agreement;</p> <p>(v) an Error occurs; or</p> <p>(vi) any other circumstance exists where we reasonably believe that it is necessary or desirable to protect you or us, including 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.</p>
Stop Order / Stop Loss Order	This definition is referred to in the MT4 OEP and is an instruction to place an Order in accordance with the relevant conditions set out in the MT4 OEP.
Summary Policy of Conflicts of Interest	Means our procedures for identifying and managing conflicts of interest as detailed on our Website and through the Back Office Platform from time to time.
Target Price	This definition is referred to in the MT4 OEP and is the Price at which you wish to enter into or close a Trade as specified in a Stop Order, Trailing Stop Loss Order, Limit Order or Market Order.
Third Party Fees	Has the meaning set out in clause 6.10.
Trade	A CFD on a Product, which seeks to confer similar economic benefits to an investment in the relevant underlying asset, entered into between you and us through the MT4 Platform on an Account.
Trading Hours	In respect of a Product, the times during which the Trading System generates and/or our client management team provides Prices and during which you may give instructions or place Orders for Trades on that Product, as specified in the Product Library and/or on the MT4 Platform from time to time. For any particular Forward, the Trading Hours shall apply, subject to the key dates section for the relevant Product in the Product Library and/or on the MT4 Platform. Referred to as "sessions" on the MT4 Platform
Trading System	The MT4 Platform and the Back Office Platform.
Trading Venue	Means a regulated market, which is an exchange, market or similar system for multilateral trading, a multilateral trading facility or an organised trading facility.
Trailing Stop	This definition is referred to in the MT4 OEP and is an instruction to place an Order in accordance with the relevant conditions set out in the MT4 OEP.

Unauthorised To Trade	A restriction placed on an Account which suspends your ability to place any Order, Trade or to give any instruction in relation to that Account.
Unrealised Profit Or Loss	In relation to any Trades on an Account, the Amount calculated in accordance with the information provided on the Trading System. The Unrealised Profit Or Loss displayed on the Trading System will always be based on the current relevant Bid Price or Ask Price.
Website	<a href="http://www.cmcmarkets.com.au">www.cmcmarkets.com.au</a>