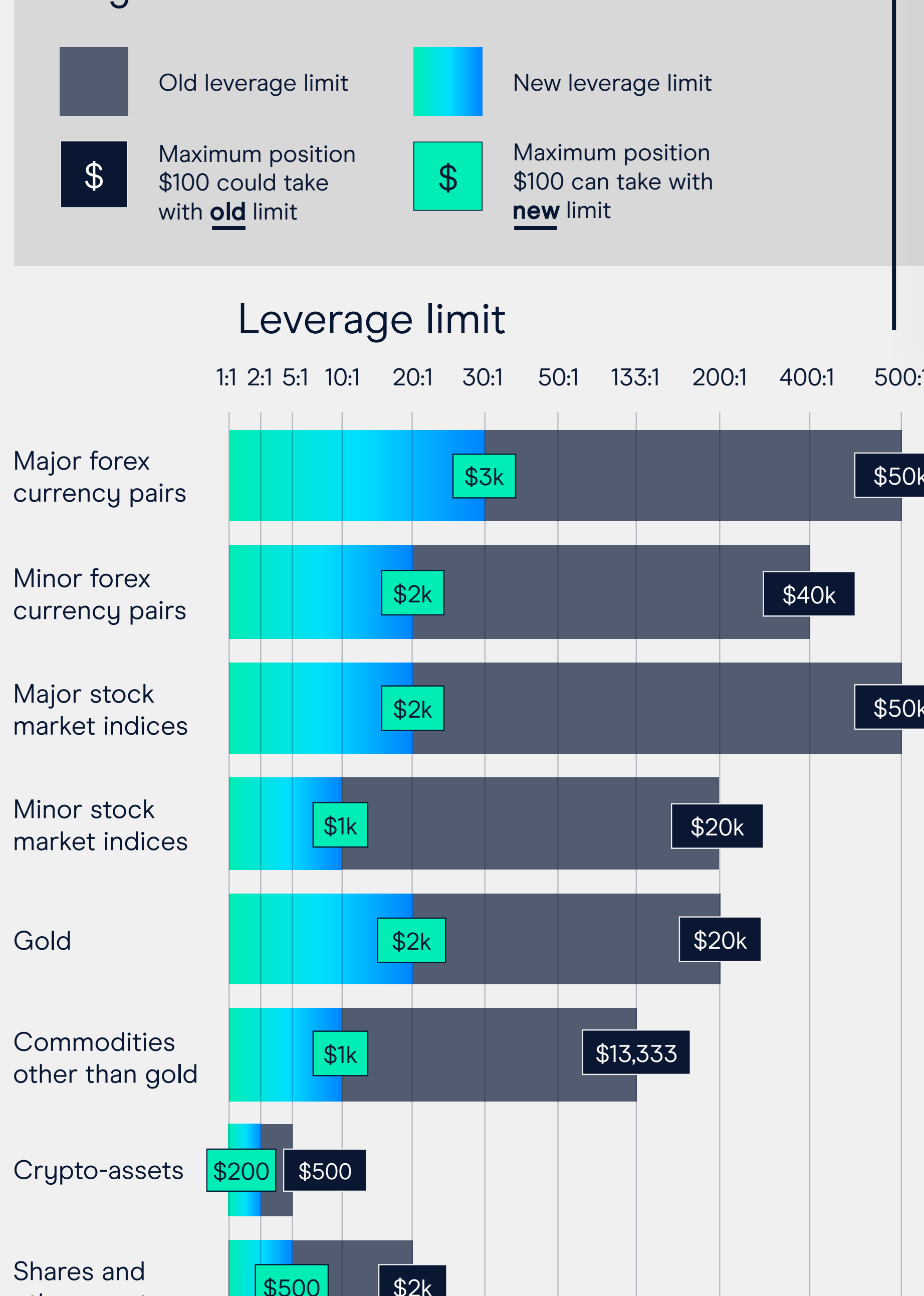


Quick guide to ASIC regulations

From 29 March 2021, ASIC has outlined new rules for CFD trading in Australia. Here's what you need to know about how they will affect the way you trade.

1 Less leverage

The biggest change is tightening leverage ratio limits. The new maximum leverage ratios for CFD trades will be:



Note: different margin rates apply for large position sizes, depending on which tier the position size falls under.

2 Limiting losses

The new rules give all retail traders margin close-out protection. This change means greater protection for you when trading, by limiting your losses when market movements leave your position exposed. How this affects you:

1 – If the total funds in your CFD account fall below 50% of the margin required for all your open CFD positions, your provider will be required to begin closing open CFD positions. This will happen as soon as market conditions allow.



50%

2 – For greater protection, specifically for **CMC Markets clients** we will close your open positions automatically until your net equity is back above 70% of the margin required for remaining open positions.



Please note, CMC Markets is already using margin close-out protection. This means there will be no margin close-out protection changes for CMC Markets retail clients from 29 March 2021.

3 Negative balance protection

Under the new rules you will no longer be able to lose more than your initial deposit.

You can think of negative balance protection like a safety net that catches you if the market turns against your position too quickly for the margin close-out orders to slow your fall.

4 Promotional offers

There are new restrictions in how providers promote and induce clients to open a CFD account, trade CFDs and deposit funds/property in relation to a CFD.

Why is this happening?

The number of Australians trading CFDs has grown rapidly in recent years. The nature and complexity of CFDs means they are not for everyone. ASIC, Australia's corporate regulator, has moved to limit some of the risks traders can experience with CFDs.

Fair outcomes for clients have always been a focus for us and we welcome the opportunity to work with ASIC to ensure the industry acts in the best interests of Australian traders. Similar measures have previously been introduced in major overseas markets, including the UK and EU.

[Learn more here](#)

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