

CMC MARKETS UK PLC
and
CMC MARKETS CANADA INC.
Relationship Disclosure Document

March 2016

Registered in England. Company No. 02448409
Authorised and regulated by the Financial Conduct Authority. Registration No. 173730

Incorporated in Canada. Corporation No. 4303075



RELATIONSHIP DISCLOSURE DOCUMENT

CMC MARKETS UK PLC and
CMC MARKETS CANADA INC.

(March 2016)

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RELATIONSHIP DISCLOSURE DOCUMENT

CMC MARKETS UK PLC and CMC MARKETS CANADA INC.

This is a summary of some of the important information contained in the CFD Terms of Business for Non-US Residents between you and CMC Markets UK Plc (“**CMC Markets UK**”) and CMC Markets Canada Inc. (“**CMC Markets Canada**”). In this document, CMC Markets UK and CMC Canada are together referred to below as “**CMC Markets**”, “**we**”, “**us**” or “**our**”.

1. About Us

CMC Markets Canada is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and the Canadian Investor Protection Fund (**CIPF**). We are here to execute your trading instructions; we do not provide advice or recommendations. All trades and investment decisions on your account are made by you. Our platform executes trading instructions on a wide range of products (FX, Commodities, Equities, Indices and Treasuries) through the use of contracts for difference (**CFDs**). We offer margin accounts to retail clients.

Investing in CFDs or other financial derivatives products carries a high level of risk to your capital. The prices of CFDs may change to your disadvantage very quickly. It is possible to lose more than any initial investment and you may be required to make further payments. These products may not be appropriate for all investors. Therefore you should ensure you understand the risks involved and seek independent advice if necessary.

2. Important Client Information

Obtaining and maintaining correct Know-Your-Client (**KYC**) information on you is a regulatory requirement. We also have a responsibility to demonstrate to our regulators that the high risk nature of CFD trading is consistent with your financial status, trading experience and investment knowledge. To accomplish this, we will need to collect information from you, including but not limited to, information required to:

- verify your identity;
- assess your financial circumstances (including details of your employment, annual salary and net worth) and your trading knowledge and experience;
- ascertain whether you are an insider or controlling shareholder in a public company or a politically exposed person;
- ascertain, if you are opening a corporate account, the nature of the business and specifics of any holdings and the identities of any individual who owns (directly or indirectly) or controls more than 10% of the corporation’s shares; and
- confirm that the opening of a CFD account is suitable based on the information provided. For the avoidance of doubt, as an execution-only dealer once your account is opened we are not required (and do not) assess whether or not each individual trade is suitable for you.

If, at any time in the future, you make any changes that could affect (in particular) your income, investment objectives, risk tolerance, net worth or regulatory obligations, please let us know so we can ensure that the information we have on you is up to date. When CMC Markets Canada becomes CMC Markets UK Plc and CMC Markets Canada Inc. – March 2016

aware of a material change to your KYC information, we are required to demonstrate to our regulators that your account is still appropriate based on the revised information. At a minimum, CMC Markets Canada will request that you confirm the information you have provided to us on an annual basis. If you do not respond to our request for confirmation your account may be restricted from opening new positions. You should acquaint yourself with all relevant sales literature and other documents pertaining to your investments. Carefully reviewing all your sales, legal and other documents will help you fully understand your investments. Our representatives are trained to provide you with the support you need to manage your investment account, but will not provide you with any investment advice. We encourage you, where appropriate, to seek independent advice from appropriately qualified professionals.

3. Risks of Trading CFDs

Our CFDs can carry a high risk to your capital as prices may move rapidly against you. You can lose more than any initial investment and you may be required to make further payments. Please note that the higher the leverage, the higher the risks involved. You should not enter into trades with us unless you fully understand the risks involved. If you are in any doubt you should seek independent professional advice.

This document cannot and does not disclose or explain all of the risks and other significant aspects involved in trading in CFDs and other financial derivative products. You should take sufficient time to read all the relevant information that we provide to you, including our Risk Warning Notice, our CFD Terms of Business, our Order Execution Policy Summary for CFDs, and the information on our website and platform. In light of the risks, you should undertake to trade CFDs only if you understand the nature of the product and contractual relationships into which you are entering and the extent of your exposure to risk.

4. Conflicts of Interest

It is important that you understand the nature of your relationship with us and our relationship with other organisations. CMC Markets Canada may engage in activities as an investment dealer in respect of securities of related issuers. CMC Markets Canada is an affiliate of CMC Markets UK. This makes CMC Markets UK a "connected issuer" and a "related issuer" of CMC Markets Canada within the meaning of the securities legislation of each of the provinces of Canada in connection with the offering of CFDs.

In the event that CMC Markets enters into future business relationships that may be perceived to compromise the independence of our client service or supervision of accounts, clients will be advised of the specifics of the potential conflict via e-mail and/or special insert into their regular monthly statement. If we have opened your account pursuant to a referral arrangement, we will provide you with the prescribed regulatory disclosure regarding the compensation structure paid to the referring agent.

It is important that you review and understand our conflict of interest policy, which is on CMC Markets Canada's website, prior to opening an account.

5. Fee Structure

For a full disclosure of our entire current fee structure including all of the costs you will pay in making, holding and selling investments, please consult the fees section of our website. If you have any concerns or issues with this information please contact us before opening your account so that we can help clarify our fee structure.

6. Reporting

CMC Markets does not deliver trading confirmations in the traditional sense. A daily account statement is available online for your account. This account statement provides you with all of the relevant information pertaining to your trades. In addition to this you will be able monitor your trading activity, margin balances and open positions on a real time basis on our platform. We will always deliver a trading confirmation for every individual purchase or sale in your account, within two business days of the executed transaction. CMC Markets' systems will also generate a monthly account statement for your account. This statement is an amalgamation of the information relating to your CMC Markets account for the previous calendar month. At present CMC Markets does not provide benchmark comparisons in our account reporting. Benchmark reporting is not particularly relevant when used with speculative trading strategies that may be used trading CFDs.

7. Complaint Resolution

CMC Markets has a comprehensive complaint resolution process designed to ensure that any disputes that may arise between our clients and our employees or firm are investigated thoroughly and objectively, and addressed in a timely manner. Information related to CMC Markets complaint handling process is available on our website. At any time you can also contact us by telephone or e-mail to discuss the complaint process and your options.

8. Contact Us

If you require any further information relating to your investments, account or any other matter of concern to you in your investment relationship with us, please contact our client management team at 416-682-5000 or clientmanagement@cmcmarkets.ca.