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Product Disclosure Statement

FOR CONTRACTS FOR DIFFERENCE AND FOREIGN EXCHANGE CONTRACTS

June 20, 2023

FXOpen AU Pty Ltd is authorised and regulated by the Australian Securities & Investments Commission (ASIC). AFSL 412871 – ABN 61 143 678 719

Important information and disclaimer

General information

FXOpen AU Pty Ltd ACN 143 678 719 (**FXOpen**, **we**, **us** and **our**) is an authorised market maker and dealer in derivatives, namely Contracts for Difference (**CFDs**) and foreign exchange contracts (**FX Contracts**). FXOpen is the issuer of this PDS, which includes important information about the CFDs and FX Contracts we may issue to you **as a retail client**, including information regarding the significant benefits, significant risks, costs, terms, and trading obligations of CFDs and FX Contracts. FXOpen holds an Australian Financial Services (**AFS**) Licence (No. 412871), issued by the Australian Securities and Investments Commission.

Warning

CFDs and FX Contracts are speculative investments and can be highly leveraged. These features may represent a significant risk to your capital. You should carefully read and consider this PDS before deciding to invest in CFDs and FX Contracts. If you have not had sufficient experience of investing in CFDs, FX Contracts or other leveraged products then these products may not be appropriate for you.

The information in this PDS is subject to change from time to time and is up to date as at the date of this PDS. Where new information becomes available that is materially different to that contained in this PDS, we will either issue a new PDS or a supplementary PDS setting out the updated information. Where the new information is not materially adverse to our investors, we will update the information on our web site www.fxopen.com.au. Updates are also available upon request.

If you are printing an electronic copy of this PDS, you must print all pages. If you make this PDS available to another person, you must ensure they receive the entire file or print out. A paper copy of this PDS can also be obtained free of charge on request by contacting us.

Retail Client and Wholesale Client

Essentially **all clients are retail** clients unless they can satisfy the requirements of being a wholesale client.

Clients who are classified as wholesale are excluded from certain regulations under the Corporations Act including issuing of disclosure documents including Product Disclosure Statement and Financial Services Guide; ability to lodge complaints with AFCA; ensuring staff dealing with clients hold appropriate RG 146 courses, negative balance protection and the treatment of client money.

The Corporations Act includes criteria, which you must meet in order to be considered wholesale. As per the Section 761G of the Corporation Act and Corporations Regulation 2001-REG 7.1.28, the Client shall be defined as **Wholesale** if it falls under one of the following categories:

a) Your company is large, i.e. your business has more than 20 employees or more than 100 employees if the business is or includes the manufacturing of goods;

b) You have net assets of at least $2.5 million or your gross income for each of the last 2 financial years is of at least $250 000 (a copy of a certificate given within the preceding 6 months by a qualified accountant shall be provided);

c) You are the Professional investor (i.e. including among other financial services licensee; superannuation fund; approved deposit fund, listed entity, exempt public authority);

d) You are the Sophisticated investor, i.e. you receive the financial product or service **not** for use in connection with a business and one or more of the following paragraphs applied to you:

   (i) You have a previous experience in using financial services and investing in financial products that allows you to assess:

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- ✓ the merits of financial products; and
- ✓ the value of financial products; and
- ✓ the risks associated with financial products; and
- ✓ your own information needs; and
- ✓ the adequacy of the information given by FXOpen;

and

(ii) you have:

- ✓ assets of at least $500.000; or
- ✓ an annual income for each of the last 2 financial years of at least $100 000;

and

(iii) you can demonstrate that:

- ✓ you have traded leveraged FX or CFDs 20 times per quarter for at least 4 quarters within the last 2 years with a notional value of AUD$50,000 or more; or
- ✓ you work or have worked in the financial sector for at least one year in a professional position which requires knowledge of leveraged trading (or FX or CFDs).

If you think that you satisfy either of these criteria, you may be eligible to opt up to become a wholesale client and have an FXOpen Pro account. However, we recommend you make sure you understand the consequences of being classified as Wholesale. Ask questions, read all documents carefully, and seek independent financial and/or legal advice before committing yourself.

Jurisdiction in which offer is made

The offer made in this PDS is available to persons receiving this PDS within Australia. The distribution of this PDS may be restricted in certain jurisdictions outside Australia. Should you gain access to this PDS in a jurisdiction outside Australia, you should observe any restrictions which apply in that jurisdiction relating to the financial products being offered. This PDS does not constitute an offer, inducement or solicitation to any person in any jurisdiction in which such an offer is unlawful.

If you are a person receiving this PDS outside Australia intending to deal with FXOpen, you should note that:

- The law governing your dealings with FXOpen is the law of Western Australia;
- The money which you deposit with FXOpen is regulated by the Corporations Act 2001;
- The consumer protection rights available to persons in Australia may not be applicable or available to you; and
- We may be required to reject your application based on your residential jurisdiction.

In the jurisdiction in which you are located it may be illegal to trade FX Contracts and CFDs via the internet. It may also be illegal to trade such financial products on a margin basis. If this is the case, you are not authorised to make an application to FXOpen or to place any trades through our system. It is your responsibility at all times to check the national laws and regulations of your country before doing so. We will also not accept applications from persons under the age of 18.

General Advice Warning

The information contained in this PDS is general information only and does not take into account your personal objectives, financial situation or needs. You should read this PDS carefully, assess whether the information is appropriate for you before making an investment decision.

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We strongly recommend that you should obtain independent financial, legal, taxation and other professional advice concerning this PDS, Client Agreement and the Financial Services Guide (**FSG**) prior to trading in the FX Contracts and CFDs offered by FXOpen.

Prohibition on providing inducements to retail clients in relation to CFD

FXOpen will not, in the course of carrying on a business, give or offer a prohibited benefit to a retail client or prospective retail client. A **prohibited benefit** in relation to a retail client or prospective retail client means a gift, discount, rebate, trading credit or reward that is given or offered as an inducement to the retail client or prospective retail client to do any of the following:

(a) open a CFD trading account with FXOpen;

(b) pay FXOpen money that is derivative retail client money in relation to a CFD;

(c) give FXOpen property that is derivative retail client property in relation to a CFD;

(d) acquire a CFD from FXOpen.

However, the prohibition does not cover:

(a) information services or educational or research tools; or

(b) discounts of fees and costs (including volume-based discounts) that are offered to all retail clients and prospective retail clients.

Important Disclosure

Important Disclosure is a single legal instrument that includes:

(a) the Client Agreement including Schedules 1 “Trading Terms”, Schedule 2 “Fees” and any other Schedule that may be added in future to it;

(b) this Product Disclosure Statement (PDS) for the CFDs and FX Contracts;

(c) the Financial Services Guide (FSG); and

(d) the Target Market Determination (TMD) policy; and

(e) any information FXOpen provides to Clients generally or to the Client specifically on the FXOpen Website or through the Trading Platform.

The Important Disclosure contains the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements and understandings between the parties in connection with it. The Customer should carefully read the Important Disclosure, in its entirety, understand and agree to all of the provisions contained therein.

Use of Examples in this PDS

The examples set out in this PDS and those on our website are provided for illustrative purposes only. The examples use figures, which attempt to demonstrate how FXOpen's FX Contracts and CFDs work. The examples are not representations or guarantees of the performance of any particular financial product or of any profit or loss you may incur when trading in FX Contracts and CFDs. Further, the examples do not necessarily reflect the manner in which we may exercise our powers or discretions. In this PDS the examples provided are clearly boxed and marked as examples.

Currency

All references in this PDS to '$' are references to Australian dollars unless stated otherwise.

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1. Key Terms

This summary outlines some of the key terms and concepts that feature in the PDS. You should ensure that you read and understand this PDS in its entirety before investing in CFDs (leveraged derivative contracts that allow investors trading in them to make a position on the change in value of an underlying asset such as indexes, commodities, shares and other assets) or FX Contracts (leveraged derivative contracts that have currencies as the underlying asset where you exchange one currency for another, and buy it back at a later time).

Key Term	Summary	Further info
Foreign Exchange	Foreign Exchange (**FX** or **Forex**) is the exchange of one currency for another at an agreed exchange rate. FX trading allows investors to obtain exposure to and seek profit from movements in an underlying currency in respect of another, without the need to physically own it.	Section 2.1
Issuer	FXOpen AU Pty Ltd ACN 143 678 719 AFS Licence Number 412 871 (**FXOpen**, **us**, **we** and **our**) is the issuer of this PDS, and is authorised to carry out a financial services business in Australia to deal, make a market, and provide general financial product advice in respect of foreign exchange products and derivatives to retail and wholesale clients.	Page 2
Leverage	Based on the margin we set (described under 'Trading on Margin' below) we effectively allow you to trade on a significant leverage. The leverage we offer can be up to 1:30 depending on the financial instrument. Therefore, you may only commit $500 to a trade with a contract value up to $15,000. There are risks relating to trading on leverage which are set out on page 30.	Section 5
Pip	Pip (percentage in point) is the smallest movement an exchange rate can make. FXOpen quotes currencies to five decimal places so the smallest change in a currency pair is in the last (fifth) digit to the right of the decimal point (or the third for pairs with JPY). The value of a pip is therefore one thousandth of a cent for dollar based currencies (i.e. a movement in the price of AUD/USD from 1.00255 to 1.00257 would be a change of two pips).	Section 6
Quote currency and Base currency	In a currency or CFD pairing, the **Base currency** (asset) is the first currency (asset) listed and the **Quote currency** the second. The **Currency pair** shows how much of the Quote currency is needed to purchase one unit of the Base currency (asset). When buying 1 unit of Base currency (asset) you pay the “Ask” amount of Quote currency. When selling 1 unit of Base currency (asset) you receive the “Bid” amount of Quote currency.	
Precious Metals	Precious metals are represented as a dollar value per ounce. FXOpen allows you to obtain exposure to movement in the value of Gold and Silver through entering respective CFDs (leveraged derivative contracts based on an underlying precious metal asset: XAU/USD and XAG/USD) with you.	Section 2.4
Trading on Margin	FXOpen allows you to trade in CFDs or FX Contracts on a significant leverage (see above) with a contract value greater than the balance you hold in your account. This is because we only require you to hold sufficient funds to cover the margin for the contract. The margin is the actual funds that you are required to commit to a position and is based on the level of leverage and the financial instrument that you have chosen to trade. There is a margin calculator available on our website, which can be used to determine the margin required for a particular trade.	Section 5

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Key Term	Summary	Further info
Trading platform	FXOpen receives its data feed via its network of liquidity providers and streams its live buy and sell price quotes (including its small margin) to the Trading Platform through which you can transact by opening (and subsequently closing) CFDs or FX Contracts positions based on those quoted prices. FXOpen may add mark-up to the prices in respect of the STP types of accounts.	Section 4.1
Fees and charges	FXOpen charges its clients a volume based commission on each trade it executes (both on a buy and sell transaction) in respect of ECN type of accounts. You may also be charged a Rollover fee, Overnight commission for Rollover fee-free Islamic accounts, administration charges, conversion fees and wire fees. FXOpen may also pay a percentage of its commission to an Introducing Advisor who refers you to FXOpen.	Section 11
Significant risks	As with all leveraged investments, trading in CFDs and FX Contracts is risky and is not appropriate for everyone. There are a number of risks that you should be aware of before beginning to trade, including the possibility of losing more money than you invest. Some of these risks are: • Currency/Market Risk • Hedging Risk • Leverage Risk • Counterparty Risk • Execution Risk • Regulatory Risk • Derivative Risk • Interest Rate Risk • Systems Risk	Section 9
Significant Benefits	Benefits of investing in CFDs and FX Contracts with FXOpen include negative balance protection, low spreads, fast execution and flexible contract sizes.	Section 8
Stop Outs	We automatically attempt to close trades when your account net equity is less than than the aggregate close out protection amount for the retail client's open CFDs (50% of the initial margin or total margin required for all of open CFD positions on that account).	Section 5.3

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2. About CFDs and FX Contracts

2.1 Contracts for Difference

CFDs are leveraged derivative contracts that allow investors trading in them to make a position on the change in value of an underlying asset such as indexes, commodities (oil, natural gas, gold and silver), shares etc. without the need to physically own it. Our CFDs are agreements under which you agree to purchase an agreed volume of underlying asset from FXOpen (counterparty to the contract) at a particular exchange rate (**open position**) and to sell that underlying asset back at the relevant exchange rate at a later time (**closing position**).

These contracts (made via our trading platforms) do not result in the physical delivery of the relevant underlying asset. Rather, upon settlement of the contract, the difference in value between the opening and closing positions will either be credited or debited to your account according to the profit or loss for the transaction.

Your positions can remain open indefinitely and are automatically rolled over at the end of each day until the position is closed (refer to the “Fees and charges” section 11 for fees relating to this rollover service and exceptions for Rollover fee-free Islamic accounts).

2.2 Foreign Exchange

Foreign Exchange (**FX** or **Forex**) is the exchange of one currency for another at an agreed exchange rate. The exchange rate is the price of one currency in terms of another, for example the relative price of an Australian dollar in terms of a US dollar. An exchange rate is generally higher to 'buy' rather than 'sell' a currency. This difference in rates is referred to as the buy/sell spread.

2.3 FX Contracts

FX Contracts are economically equivalent products to CFDs that have currencies as the underlying assets. FX Contracts allow you to obtain exposure to and seek profit from movements in an underlying currency without the need to physically own it. Our FX Contracts are agreements under which you agree to purchase an agreed volume of foreign currency from FXOpen (counterparty to the contract) at a particular foreign exchange rate (**open position**) and to sell that currency back at the relevant foreign exchange rate for the currency pairing at a later time (**closing position**).

These FX Contracts (made via our trading platforms) do not result in the physical delivery of the relevant currency. Rather, upon settlement of the contract, the difference in value between the opening and closing positions will either be credited or debited to your account according to the profit or loss for the transaction.

Your positions can remain open indefinitely and are automatically rolled over at the end of each day until the position is closed (refer to the 'Fees and costs' section on page 31 for fees relating to this rollover service and exceptions for Rollover fee-free Islamic accounts).

2.4 Precious metals

FXOpen provides a trading platform to allow you to speculate on movements in the value of a gold and silver represented by their dollar value per ounce. Each trade represents entering a derivative contract based on the underlying precious metal asset.

2.5 Client criteria

The complexity and risk inherent in OTC CFDs and FX Contracts mean that these types of products are unlikely to be appropriate for the investment objectives, needs and risk profile of many retail investors. Trading CFDs and FX Contracts is complex and involves many risks (see page 25 for Significant Risks). We, therefore, recommend against trading these financial products without sufficient experience. Only investors who have a

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sound understanding of the features and risks of the product can open an account and begin trading. You should consider whether you are part of our target market by reviewing our TMD.

If you have not had sufficient experience in investing in foreign exchange contracts, derivatives or other leveraged products then trading with FXOpen may not be appropriate for you. It is also not appropriate for persons under the age of 18.

FXOpen maintains and applies a written policy which sets out the minimum qualification criteria for its clients. This includes a client's:

- previous trading experience in financial products similar to the CFDs and FX Contracts using similar technology as the Trading Platform; and
- understanding of the vital aspects and key risks related to trading in financial products similar to the CFDs and FX Contracts including leverage, margins and volatility; and
- understanding of the nature of CFD trading, including that CFDs do not provide investors with interest or rights in the underlying asset over which position is taken.

FXOpen assist prospective investors by offering a non-obligatory practice account system (Demo accounts), which allows investors to trade on virtual basis for a period of time before proceeding to open an actual real account with FXOpen.

FXOpen reserves the right not to accept an application at its discretion based on these and other criteria it determines from time to time. FXOpen actively screens all applicants as part of the account opening process to ensure the appropriateness of the CFDs and FX Contracts for you.

Even for those clients which are accepted, FXOpen strongly recommends that you seek professional advice to assist you in your decision on whether to trade with FXOpen. Your acceptance as a client is not a declaration as to the appropriateness of the CFDs and FX Contracts for you.

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3. ASIC Benchmark disclosure

In August 2011 the Australian Securities and Investments Commission published regulatory guidance relating to disclosure to retail clients of margin forex and margin commodity products (such as the CFDs and FX Contracts).

The ASIC guidance includes seven disclosure benchmarks to help retail investors understand the risks associated with these products, assess their potential benefits and decide whether investment in such products is suitable for them. A brief explanation of each benchmark, and a reference to the section in this PDS relating to our disclosure in respect of that benchmark, is detailed below.

As the information relating to each benchmark, is updated periodically (usually quarterly) please refer to our most up-to-date benchmark disclosure, available on our website www.fxopen.com.au. A paper copy of any updated information will be given to you, without charge, on request.

ASIC Benchmark	Description & Summary	Reference
1: Client qualification	Benchmark 1 addresses the issuer's policy on investors' qualification for margin forex and CFD trading (or margin-forex-type products). FXOpen maintains and applies a written policy which sets out the minimum qualification criteria (based on age, employment status and experience) to be met by potential clients. FXOpen's account opening process ensures that these criteria are met by actively screening potential clients as part of that process. FXOpen strongly advises all its clients that trading in foreign exchange, derivatives, CFD and other leveraged products is not suitable for all investors because of significant risks involved and is only appropriate to clients with sufficient experience. Applications may not be processed and can be put on hold if a client fails to meet these criteria.	Section 2.4
2: Opening collateral	Benchmark 2 addresses the issuer's policy on the types of assets accepted from investors as opening collateral. FXOpen accepts opening collateral in the form of bank transfers (unlimited) and credit card payments (up to AUD $1,000).	Section 4.3
3: Counterparty risk—Hedging	Benchmark 3 addresses the issuer's practices in hedging its risk from client positions and the quality of this hedging. FXOpen has adopted a written policy that outlines its hedging strategy in respect of the financial products it offers to manage its exposure to market risk from its clients' positions. The policy is available upon request from FXOpen and provides clients with a better understanding of FXOpen's hedging strategy and procedures so that they are better informed to assess the counterparty risk when dealing with us.	Section 9.8
4: Counterparty risk—Financial resources	Benchmark 4 addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements. As an ASIC licence holder, FXOpen complies with the financial requirement of licence holders set out in the RG 166. The goal of these requirements is to ensure that FXOpen meets a minimum level of financial resource to conduct business and meet any liabilities as and when they may arise.	Section 4.8

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4: Counterparty risk—Financial resources	FXOpen monitors compliance with its financial requirements under its financial services licence daily using real-time software tools and prepares detailed weekly reports that ensure the requirements set out in the RG 166 for Adjusted Surplus Liquid Funds (ASFL) are met. FXOpen has also adopted and maintains a written policy, which sets out these requirements and the measure in place to ensure compliance. FXOpen is required to have its accounts audited annually. Once finalised they are available on request. FXOpen also has systems in place to minimise a client's loss to the money held in their account and holds sufficient client compensation arrangements (section 4.8). FXOpen's copy of the latest audited financial statements will be available to investors upon request.	
5: Client money	Benchmark 5 addresses the issuer's policy on its use of client money. FXOpen considers all money deposited with us to be 'client monies' which is afforded certain protection under the law including the requirement to hold it segregated from our own funds, in a specially designated account. However, you should be aware that your funds are held together with the funds of our other clients. FXOpen is not allowed to use derivative retail client money to as the licensee's capital, including working capital; or for the purpose of meeting obligations incurred by FXOpen other than on behalf of the client; or for the purpose of entering into, or meeting obligations under, transactions that FXOpen enters into to hedge, counteract or offset the risk to FXOpen associated with a transaction between FXOpen and the client. This regulation applies to the derivative retail client money only.	Section 12
6: Suspended or halted underlying assets	Benchmark 6 addresses the issuer's practices in relation to investor trading when trading in the underlying asset is suspended or halted. FXOpen only offers clients to trade in currencies and precious metals which it does not reasonably consider will be suspended or halted. However, FXOpen provides a risk warning in respect of the circumstances that may halt or delay execution of their orders. This benchmark does not apply to cases where trading has ceased in the ordinary course of events (e.g. when a market closes overnight).	Section 9.7
7: Margin calls	Benchmark 7 addresses the issuer's practices in the event of client accounts entering into margin call. FXOpen's IT systems monitors the balance of all accounts relative to a client's open positions in close to real time. An FXOpen account holder will receive a margin call notification from us when the equity balance becomes equal to or less than 100% of the margins committed to open positions. If the equity balance decreases to 50%, FXOpen will automatically start to close your open positions until this is restored.	Section 5.2

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In October 2020 ASIC has made a product intervention order imposing conditions on the issue and distribution of CFDs to retail clients. ASIC's order strengthens consumer protections by reducing CFD leverage available to retail clients and by targeting CFD product features and sales practices that amplify retail clients' CFD losses. It also brings Australian practice into line with protections in force in comparable markets elsewhere.

ASIC Order Description & Summary		Reference
1: Leverage	The leverage offered to you by FXOpen as a retail client is restricted to a maximum ratio of: • 30:1 for CFDs referencing an exchange rate for a major currency pair; • 20:1 for CFDs referencing an exchange rate for a minor currency pair, gold or a major stock market index; • 10:1 for CFDs referencing a commodity (other than gold) or a minor stock market index; • 2:1 for CFDs referencing crypto-assets; • 5:1 for other assets.	Section 2.5(2)
2. Close-out	If at any time the net equity of your trading account is less than the aggregate close out protection amount, FXOpen will, as soon as market conditions allow, terminate one or more open positions connected to your trading account until the time (later time) at which the first of the following occurs: (a) the net equity of your trading account being equal to or greater than the aggregate close out protection amount for your remaining open CFDs at the later time that are connected to your account; (b) all open positions being terminated.	Section 2.5(3)
3. Negative balance protection	FXOpen protects retail clients against negative account balances. If You incur a liability under the CFD, the recourse of FXOpen is limited to the client money on your accounts (including trading accounts) held with FXOpen including the money that was paid into your account by us (for example the profit from your trading with us).	Section 2.5(2)
4. Prohibition on providing inducements	FXOpen is prohibited to giving or offering certain inducements to retail clients (for example, offering trading credits and rebates or 'free' gifts like iPads).	Section 6(1)

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4. Begin Trading with FXOpen

4.1 Trading platform used by FXOpen

FXOpen provides its financial services via an online trading platform, currently the MetaTrader 4, MetaTrader 5 and TickTrader (**Trading Platforms**), which our account holders are licensed to download from our site. The Trading Platform is a third party software that we are licensed to use and offer to clients. We therefore cannot promise that it will function error free.

FXOpen has assisted in the development of TickTrader trading platform, a specifically designed technological solution for margin trading in the foreign exchange market. Through MetaTrader and TickTrader platforms FXOpen clients have access to FXOpen's Electronic Communications Network (**ECN**) of foreign exchange and commodity liquidity providers including centralised exchanges and private investors. FXOpen specialises in providing its clients with institutional liquidity and fast order execution.

4.2 Starting to trade CFDs and FX Contracts with FXOpen

In order to trade CFD and FX Contracts with FXOpen you must open an account with us. Before starting the account opening process, you must read and understand our **Important Disclosure,** which forms a single legal instrument:

- Client Agreement;
- PDS; and
- FSG; and
- TMD; and
- any information FXOpen provides to Clients generally or to the Client specifically on the FXOpen Website or through the Trading Platform.

These documents are available on FXOpen's website or can be obtained free of charge by request.

After reviewing these documents, you must complete the application process and await approval by us. Our application approval process includes electronically verifying your identity via an online verification service currently operated by Refinitiv WorldCheck. We may need to request further information from you to assist us in this process before we can approve your application. Once approved, you can deposit funds into your account and commence trading CFD and FX Contracts.

The application process requires you to disclose personal information. You should refer to the Privacy section later in this document, which explains how FXOpen collects personal information and then maintains, uses, and discloses that information.

4.3 Opening collateral and Depositing funds

FXOpen allows you to make opening collateral in the following ways:

- bank transfer; or
- up to $1000 via credit card.

This benchmark only applies to the methods of payment FXOpen accepts for funding opening collateral when establishing an account to trade. It does not apply to ongoing payments in association with trading which the clients can make by other means of payments as additionally specified on our website.

See section 11.8 entitled 'conversions fees' to see what conversion fees may be charged where you are depositing funds from a bank account in a currency different to your account's base currency.

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4.4 Client Agreement

The Client Agreement governs the contractual relationship between FXOpen and you. The Client Agreement set out the basis on which transactions will take place and both FXOpen's and your obligations when accessing and trading on the Trading Platform.

You must confirm your acceptance of the Client Agreement as part of the application process before you can enter into transactions with us. The Client Agreement is incorporated by reference into this PDS and are available on our website at www.fxopen.com.au. A paper copy is available on request (free of charge) by contacting us.

4.5 Opening CFDs and FX Contracts

Once you have an account open and have deposited funds into that account, a position is opened by first placing either a buy order (long position) or sell order (short position) for a particular instrument. You would open a buy position, if you are of the opinion that the value or price of an underlying asset is going to rise. You would open a sell position if you believe that the value or price of an underlying asset is going to fall. When the order is fulfilled, the position is open and a binding CFD or FX Contract is formed.

Index CFD Example:

If the current AUD cost for Australia 200 Index is quoted as 5114.0 /5116.0, which represents the Buy/Sell spread (in this case the amount of AUD for 1 contract), you can:

- Buy (long position) Australia 200 Index at 5116.0 AUD per 1 contract; and/or
- Sell (short position) Australia 200 Index at 5114.0 AUD per 1 contract.

FX Contract Example:

If the current exchange rate for the Yen against the US dollar is quoted as *83.430* / *83.433* which represents the Buy/Sell spread (in this case the amount of Japanese Yen for 1 USD), you can:

- Buy (long position) Yen at 83.433 against the US dollar; and/or
- Sell (short position) Yen at 83.430 against the US dollar.

Share CFD Example:

If the current USD cost for Amazon.com, Inc. share CFD is quoted as *3255.01 /3260.55*, which represents the Buy/Sell spread (in this case the amount of USD for 1 share), you can:

- Buy (long position) Amazon.com, Inc CFD at 3260.55 USD per 1 share; and/or
- Sell (short position) Amazon.com, Inc CFD at 3255.01 USD per 1 share.

4.6 Limit orders

Rather than place your order at the current available rate or price, a Limit order allows you to control the price at which your position will be opened. A Limit order can only be set at a price more favourable than the relevant price at the time the order is set.

A buy Limit order can only be placed when the relevant price is currently higher and will be filled when the relevant rate falls to the Limit order buy price. A sell Limit order can only be placed when the relevant rate is currently lower and will be filled when the relevant rate rises to the Limit order sell price.

4.7 Closing CFDs and FX Contracts

You close a CFD or FX Contract by right clicking on the position and selecting 'Close Order' within the Trading Platform.

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Closing a position does not result in the physical delivery of the underlying asset. Rather, the difference in value between the opening and closing positions (based on the respective buy/sell prices for the specified amount of underlying asset at the respective times) will either be credited or debited to your account according to the profit or loss for the transaction.

4.8 Stop Loss orders

A Stop Loss order is a type of order that automatically closes an open position if triggered by a particular rate falling to a predetermined price. Stop Loss orders assist you in managing your risk by preventing a position decreasing in value below an amount you are prepared to lose. A stop-loss order is designed to automatically close some or all of your open positions at the best available price once a certain price is reached. It therefore can only be set at a price less favourable than the relevant price at the time the Stop Loss order is set.

It is important for you to understand that a Stop Loss order is automatically filled at the next price available once the order has been triggered. It will not necessarily be executed at the price you have set if that price is not available once the order has been triggered and may be filled at a price inferior to the stop-loss order price.

If a Stop Loss order is set at a very close price to an open price position you hold it may cause the immediate close of that position.

FXOpen will execute a Stop Loss order once one of the following conditions is met:

- in the case of a buy order, FXOpen's lowest published sell offer has traded at (or has traded through) the stop-loss buy order price; or
- in the case of a sell order, FXOpen's highest published bid offer has traded at (or has traded through) the stop-loss sell order price.

For example: If you open a buy position for USD at the EUR/USD rate of 1.4020 and want the position to automatically close if it moves 100 pips against you, you would enter a stop-loss order at the sell price of 1.3920. Or, if you are short (and had opened a sell position), you would enter the stop-loss order 100 pips above the current price, at the buy price of 1.4120.

4.9 Take Profit

A Take Profit order is attached to an open position to automatically close it once a desired profit level relating to that position is reached. Execution of this type follows similar rules to a Limit order execution but to close out an already open position. A Take Profit order will be executed at the level specified (or better). In the case of limited volume at that depth, the order may be partially filled, with the remainder of the position staying open.

Stop Loss and Take Profit orders can be attached to an open position or a Limit order. In the case of a Limit order, after the price is reached and the order is executed, the Stop Loss and Take Profit levels specified in the order will be attached to the open position automatically.

4.10 Post-Pre Market

"Post-Pre-Market" – the time period during which:

(i) the market is closed for the weekend (Friday to Monday), or

(ii) the time period during which the market is closed for holidays, or

(iii) other time periods during which the Trading Platform is switched off. Execution of certain Orders, as specified below, may take place during the Post-Pre-Market.

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During the Post-Pre-Market execution of Take Profit orders for both buy orders and sell orders may take place. Being processed under Post-Pre-Market conditions Take profit order can be executed at the level price or better (for buy orders at the level price or higher, and for sell orders at the level price or lower).

In case the execution of Take Profit has occurred during the Post-Pre-Market respective Rollover Fee and Overnight commission for Rollover fee-free Islamic accounts that have already been added to or deducted from your account are not subject to recalculation.

During the period of Post-Pre-Market execution of buy Limit and sell Limit orders may take place. A buy Limit order will be filled when the relevant rate falls to the Limit order buy price or lower. A sell Limit will be filled when the relevant rate rises to the Limit order sell price or higher.

Without derogating from generality of execution procedure as expressly stipulated above Stop Loss orders and buy Stop and sell Stop orders shall not be subject to execution during the Post-Pre-Market.

4.11 Who is the counterparty

FXOpen provides OTC FX Contracts and CFDs under the Market Maker (MM) model. This means that FXOpen acts as counterparty to each CFD and FX Contract you enter into with FXOpen and this creates a direct financial exposure for FXOpen. In its sole discretion FXOpen may hedge client orders, which involves FXOpen placing corresponding orders with third party liquidity providers. However, FXOpen will remain the counterparty to your contract and will remain responsible for meeting the obligations of your contract.

4.12 How the price of a position is determined

FXOpen's pricing policy is based on the buy/sell prices FXOpen receives via its network of liquidity providers. FXOpen determines its final price for financial instruments offered by FXOpen based on these feeds which are streamed into the Trading Platform. For STP types of accounts, FXOpen additionally includes its commission into the BID and ASK price respectively.

Despite listing the value of your open positions in your account, FXOpen makes no guarantee about the values of your open positions until they are physically closed out and the price is determined.

4.13 FXOpen rights

FXOpen may, with or without notice, in accordance with the terms of the Important Disclosure:

(a) cancel, reject or reverse any position in respect of any CFD and FX Contract as FXOpen reasonably deems appropriate;

(b) set or amend any limits for a Client's Account, including without limitations in respect of order's size, leverage, total number of positions;

(c) cancel a Client's Account and prevent the Client from accessing the Trading Platform;

(d) amend or void the CFD and FX Contract, including without limitations adjust the price, size or value of the position;

(e) change Margin requirements (leverage);

(f) close any or all of the Client's CFDs or FX Contracts in the event that there is insufficient Margin in the Client's Account.

FXOpen may exercise its rights as specified above, as a result of any of the events, which include without limitation the following:

(a) Full of partial failure of the FXOpen trading system, including failure of the technology constituting the marketplace trading system or any of the communications linked to the FXOpen trading system and the

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Customer and/or any of the counterparties, or any other circumstance which is deemed impractical to use the FXOpen trading system;

(b) A breach of security of the FXOpen trading system;

(c) A material breach by the Customer of his obligations under the Important Disclosure;

(d) Non-compliance by the Customer with any applicable law;

(e) Market conditions generally or conditions affecting a particular financial instrument make it necessary or desirable (usually under the abnormal trading conditions);

(f) Absence of liquidity or unavailability of the relevant market information for any reason beyond FXOpen's control;

(g) A Customer is or may be in possession of 'inside information' within the meaning of section 1042A of the Corporations Act;

(h) Customer's Margin is less than the required amount of Margin;

(i) FXOpen reasonably considers it is necessary for the protection of its rights.

4.14 Notifications

You will automatically receive notification from FXOpen when you execute the following actions:

(a) Opening a position;

(b) Closing a position;

(c) Placing a Limit order;

(d) Amending a Limit order;

(e) Amending Stop loss level of an order;

(f) Amending Take profit level to an order;

(g) Depositing funds;

This notification is provided in the form of a pop-up message in the TickTrader (except for the deposits notification) and in the real time account history tab of all trading platforms.

5. Trading on margin

5.1 Trading on a margin (Leveraged accounts)

FXOpen allows you to trade in CFD or FX Contracts with a contract value greater than the balance you hold in your account. This may be a significant amount up to 500 times the value in your account (depending on account type and balance held). When you are trading on a leveraged account, the actual funds that you are required to commit to a position is referred to as the margin. There is an online calculator available in the tools menu of the "MyFXOpen trader's Area" which can be used to determine the margin required for a particular trade.

For example: If your account is leveraged 1:30 and the value of a position is $1,000,000, the margin you are required to hold in your account is $33,333.34.

FXOpen requires the retail client to provide an **initial margin** of at least:

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(a) if the underlying for the CFD is an exchange rate for a major currency pair — 3.33% of the notional value of the CFD at the time of issue; and

(b) if the underlying for the CFD is a major stock market index, an exchange rate for a minor currency pair or gold — 5% of the notional value of the CFD at the time of issue; and

(c) if the underlying for the CFD is a minor stock market index or a commodity other than gold — 10% of the notional value of the CFD at the time of issue; and

(d) if the underlying for the CFD is not referred to in paragraphs (a) to (c) above — 20% of the notional value of the CFD at the time of issue.

For each position opened, we try to ensure that this margin is the most you could lose. Where you have elected to trade at a high-leverage, only a small variation to the exchange rate or metal price could decrease the value of your open position causing you to lose your margin (and the position to be automatically closed). However, due to the retail client's negative balance protection you cannot lose more than the amount of actual investment and your profit, including unrealised profit.

For example: If your account is leveraged 1:2 and the maximum value of your position is $2,000 (and your account is initially only debited $1,000), a 50 % decrease in relevant exchange or value would cause you to lose your margin (and the position to be automatically closed). However, if you were trading at 1:30 with a maximum value of your position of $30,000, a decrease for 3.34% would already cause you to lose your margin

FXOpen requires that that the balance in your account will cover against the loss of the margin on your open positions. As soon as it does not, FXOpen will begin to automatically close your open positions, using the market buy/sell rates (as published on the Trading Platform) at the time of closing, in order to prevent a loss in excess of the margin amounts.

Even with a lower leverage, you may wish to limit the potential losses on an open position to a particular amount. This can be achieved by setting a limit at which your position will automatically be closed (see Stop Loss orders above).

FXOpen restricts CFD leverage offered to retail clients to a maximum ratio of:

- 30:1 for CFDs referencing an exchange rate for a major currency pair;
- 20:1 for CFDs referencing an exchange rate for a minor currency pair, gold or a major stock market index;
- 10:1 for CFDs referencing a commodity (other than gold) or a minor stock market index;
- 5:1 for other assets.

5.2 Margin Call

An FXOpen account holder will receive notification from us (**Margin Call**) when the equity balance of your account falls to an amount equal to (or less than) the total of all margin amounts committed to open positions (i.e. 100% of all your margin amounts). A Margin Call is intended to notify customers that if positions are not manually closed, or if funds are not added to their account, their positions may automatically be closed (**Stop Out**) if the value of the position continues to decrease.

As an additional measure, a customer who receives a Margin Call will not be able to open new positions until the value of their account exceeds the 100% minimum threshold of total current margins for open positions.

FXOpen's notifies you of the Margin Call in the Trading Platform by highlighting your account summary bar in pink. If you receive a Margin Call, FXOpen recommends that you proactively manage your account (by closing positions or adding funds) to avoid a Stop Out on any of your open positions.

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Please Note

The markets in which FXOpen operate fluctuate rapidly and often without warning. There may be little of time between receiving a Margin Call and the time we automatically close your positions or there may not be sufficient time to notify you at all. We therefore strongly recommend you monitor the status of your account continuously.

5.3 Stop Out

If the net equity of your account is less than the aggregate close out protection amount for the retail client's open CFDs (50% of the margins on all open positions), we will automatically start to close your open positions using our published buy/sell rates (available on the Trading Platform) until the net equity of your account is back equal to or greater than the aggregate close out protection amount for the retail client's remaining open CFDs. The order in which we will close your positions is determined by the open position with the greatest loss (in value).

A Stop Out is executed to prevent the possibility of a loss of the total margins from all your open positions. If we are unable to execute a stop out in sufficient time and the balance on your account falls below of your open positions, in compliance with the negative balance protection rule we will adjust the balance to zero. You are also responsible for monitoring your account to ensure you are not in risk of a Stop Out.

Please Note

The markets in which FXOpen operate fluctuate rapidly and often without warning. FXOpen has systems in place to generally ensure that your positions are closed before your loss on a position is more than the margin however, whilst unlikely, this may not always be possible. Rapid price movements and available liquidity may prevent us from closing your positions before your account falls below the margins for your open positions. In accordance with negative balance protection rule we will adjust the balance on your account to zero.

Margin example:

Example 1

A client has a standard ECN account with a balance of $35,000 and is trading on 1:30 leverage. To open a position for the USD/JPY currency pair valued at $450,000 the required margin is calculated at $15,000. When the client opens this position $15,000 of the client's equity balance is considered committed margin with the remaining $20,000 as free or available funds.

The client can then open another position for the USD/CHF currency pairing valued at $450,000. The required margin for this trade is calculated at $15,000. Now $30,000 of the client's equity balance is considered committed margin with the remaining $5,000 free or available funds.

Example 2

If the exchange rate for USD/JPY decreased so that the first position is now worth $440,000 (a decrease in $10,000) the client's account would now consist of $35,000-$10,000=$25,000 equity, and $30,000 is considered committed margin (for the client's two open positions). This means that the equity balance is below 100% of the required margins, and that the account is in Margin Call. However, if, the USD/CHF pairing increased that the second position was worth $457,000, the client's overall balance would be greater than 100% of the required margin (by $2,000) and not in Margin Call.

Example 3

However, if the client's first open position decreased again (and the second did not increase sufficiently), so that the account's equity balance was less than $15,000 or 50% of $30,000 (the combined margins), FXOpen would execute a Stop Out on the first position at the relevant USD/JPY rate. Assuming this brought the client's equity balance above 50% of the combined margins, the client's second position would remain open. If it brought the balance above 100% of the required margin the account would also no longer be in margin call.

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Please note that the execution of the Stop Out for the particular trade is available in TickTrader and MT5 platforms only. In case the Client used MT4 platform, both positions would be closed in the example in question.

6. Account types

6.1 Account specifications

We offer four account types through the Trading Platform. Our account types generally differ by the minimum balance, commission charged and degree of margin that is required to be held.

The specifications for each account type may be amended form time. Details of the current specifications for each account type can be found on our website at https://fxopen.com/en-au/trading-accounts.

Each of four account types provide you with access (through the Trading Platform) to FXOpen's electronic communications network (ECN).

Account type	Micro ECN	Standard ECN	VIP ECN	STP
Trading Platform	MetaTrader 4, MetaTrader 5, TickTrader	MetaTrader 4, MetaTrader 5, TickTrader	MetaTrader 4, MetaTrader 5, TickTrader	MetaTrader 4
Account Currency	AUD, USD, EUR, GBP, CHF or JPY			
Pairings, metals offered	Over 50 currency pairs, 15 assets for CFD, including indices, commodities, metals, over 500 share CFDs			
Market Depth	The highest BID prices and the lowest ASK prices with available volumes. The number of market depth “levels” displaying the lowest Ask and the highest Bid prices is specified at the Company’s website			
Minimum Deposit	AUD 200	AUD 1000	AUD 25,000	AUD 10
Maximum Balance	Not limited			
Minimum Transaction Size	0.01 lot with an incremental lot of 0.01 for FX Contracts, commodity CFDs (except XNGUSD), index CFDs 0.1 lot for XNGUSD with an incremental lot of 0.1 1 lot for Share CFDs with an incremental lot of 1.			0.01 lot with an incremental lot of 0.01.
Maximum Transaction Size	Depending on the available liquidity			
Open Trades Maximum	Not limited			
Leverage	From 1:1 up to 1:30			
Margin Call	At Margin Level of 100%			
Stop Out	At Margin Level of less than 50%			

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We also offer **Rollover fee-free Islamic Accounts** which are compliant with Sharia laws for Muslim traders. Rollover fee-free Islamic Accounts are available on the following platforms: MetaTrader 4 (ECN, STP) and MetaTrader 5 (ECN).

6.2 Currency of account

FXOpen offers accounts with a currency in Australian Dollars (AUD), United States Dollars (USD), Euros EUR, British Pounds (GBP), and Japanese Yen (JPY).

6.3 24-hour trading support

FXOpen provides customer support via phone or live chat 24 hours a day during market hours.

7. CFDs and FX Contracts

7.1 Currency Pairings offered by FXOpen

FXOpen, via the Trading Platform, offers FX Contracts in the following currency pairings for all account types (Micro ECN, Standard ECN, VIP ECN and STP) shown as Base vs Quote currency:

1	**EURSEK**	Euro vs Swedish Krona	26	**EURHKD**	Euro vs Hong Kong Dollar
2	**EURCAD**	Euro vs Canadian Dollar	27	**AUDJPY**	Australian Dollar vs Japanese Yen
3	**NZDSGD**	New Zealand Dollar vs Singapore Dollar	28	**NZDJPY**	New Zealand Dollar vs Japanese Yen
4	**GBPJPY**	Great Britain Pound vs Japanese Yen	29	**AUDNZD**	Australian Dollar vs New Zealand Dollar
5	**USDHKD**	US Dollar vs Hong Kong Dollar	30	**USDSEK**	US Dollar vs Swedish Krona
6	**USDDKK**	US Dollar vs Danish Kronor	31	**CHFJPY**	Swiss Franc vs Japanese Yen
7	**EURNZD**	Euro vs New Zealand Dollar	32	**EURTRY**	Euro vs Turkish Lira
8	**USDTRY**	US Dollar vs Turkish Lira	33	**EURNOK**	Euro vs Norwegian Krone
9	**EURPLN**	Euro vs Polish Zloty	34	**EURJPY**	Euro vs Japanese Yen
10	**USDRUB**	US Dollar vs Russian Ruble	35	**NZDCHF**	New Zealand Dollar vs Swiss Franc
11	**AUDUSD**	Australian Dollar vs US Dollar	36	**CADJPY**	Canadian Dollar vs Japanese Yen
12	**NOKSEK**	Norwegian Krone vs Swedish Krone	37	**SGDJPY**	Singapore Dollar vs Japanese Yen
13	**USDSGD**	US Dollar vs Singapore Dollar	38	**USDJPY**	US Dollar vs Japanese Yen
14	**AUDCHF**	Australian Dollar vs Swiss Franc	39	**EURUSD**	Euro vs US Dollar
15	**GBPAUD**	Great Britain Pound vs Australian Dollar	40	**GBPNZD**	Great Britain Pound vs New Zealand Dollar
16	**HKDJPY**	Hong Kong Dollar vs Japanese Yen	41	**NZDCAD**	New Zealand Dollar vs Canadian Dollar
17	**USDCHF**	US Dollar vs Swiss Franc	42	**USDCAD**	US Dollar vs Canadian Dollar
18	**GBPSGD**	Great Britain Pound vs Singapore Dollar	43	**USDNOK**	US Dollar vs Norwegian Krone
19	**EURCHF**	Euro vs Swiss Franc	44	**EURGBP**	Euro vs Great Britain Pound
20	**EURAUD**	Euro vs Australian Dollar	45	**AUDCAD**	Australian Dollar vs Canadian Dollar
21	**NOKJPY**	Norwegian Krone vs Japanese Yen	46	**NZDUSD**	New Zealand Dollar vs US Dollar
22	**GBPCAD**	Great Britain Pound vs Canadian Dollar	47	**GBPUSD**	Great Britain Pound vs US Dollar
23	**EURDKK**	Euro vs Danish Kronor	48	**GBPCHF**	Great Britain Pound vs Swiss Franc
24	**USDPLN**	US Dollar vs Polish Zloty	49	**CADCHF**	Canadian Dollar vs Swiss Franc
25	**USDMXN**	US Dollar vs Mexican Peso	50	**USDCNH**	US Dollar vs Chinese Offshore Yuan

Should any additional currency pairing be offered, the amended details will be available on the Trading Platform, or through our website at www.fxopen.com.au.

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7.2 Index and Commodity CFDs

FXOpen offers CFDs for all ECN account types (Micro ECN, Standard ECN, VIP ECN) in different underlying assets shown as Base vs Quote currency. Please pay an attention, that the list of CFDs offered may differ depending on the Trading Platform the Customer uses.

Index and commodity CFDs

1	**#UK100**	UK 100	9	**#AUS200**	Australia 200
2	**#GDAXIm**	Germany 40 (Mini)	10	**#HSI**	Hong Kong 50
3	**#SPXm**	US SPX 500 (Mini)	11	**XBRUSD**	UK Brent Oil
4	**#WS30m**	Wall Street 30 (Mini)	12	**XTIUSD**	US Crude Oil
5	**#ESX50**	Europe 50	13	**XNGUSD**	US Natural Gas
6	**#FCHI**	France 40	14	**XAUUSD**	GOLD / US Dollar
7	**#NDXm**	US Tech 100 (Mini)	15	**XAGUSD**	SILVER / US Dollar
8	**#J225**	Japan 225			

7.3 Shares CFDs

FXOpen offers over 500 shares CFDs for all ECN account types in different underlying assets. Please pay an attention, that the list of shares CFDs may differ depending on the Trading Platform the Customer uses. Most of shares CFDs are available in TickTrader trading platform only.

Full list of shares CFDs is available on our Website https://fxopen.com/en-au/share-trading/.

8. Significant benefits of trading with FXOpen

They key benefits associated with trading in CFDs, FX Contracts with FXOpen include:

(a) Access to the Trading Platform

The Trading Platform on an ECN/STP account equips traders with an array of powerful risk-management tools giving traders extensive control over their transactions. It enables clients to conduct transactions worth of millions of dollars in a convenient and secure environment. Aggregated liquidity from the multiple major liquidity providers allows FXOpen's clients to easily and quickly execute large transactions worth several million dollars with the effective spread as low as 3-4 pips. And for smaller volumes spreads can be even lower (up to less than a pip).

You can also place a Limit order at a price greater than the bid/offer spread, which, if fulfilled, will result in a nil buy/sell spread.

(b) Client equality

All our clients, regardless of their capital, have equal rights when it comes to order execution.

(c) Negative balance protection

FXOpen protects retail clients against negative account balances by limiting your losses to the funds in your trading account so that you cannot lose more than the amount of all your deposits and profit made from trading with us.

(d) Real time streaming quotes

Our trading platforms use sophisticated technology to offer you up-to-the-minute, real-time quotes. You may also check your accounts and positions in real time, 24 hours a day and make a trade based on real-time information.

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(e) Tight spreads

FXOpen aggregates liquidity from the international exchanges and other liquidity providers on our ECN. Due to a large number of liquidity providers we are able to provide our customers with a price flow with very small spread. FXOpen does not include a mark-up when streaming these spreads to your trading platform except for the cases additionally described in this PDS.

(f) Rapid execution

FXOpen's ECN/STP accounts over the Trading Platform use a unique technology allowing for near instant order execution.

(g) Market access;

Through our ECN/STP accounts technology you gain indirect access to markets and liquidity providers generally only available to more substantial traders with established liquidity accounts. Please note that will not result in entering into any transaction with any other financial services provider. FXOpen in the only counterparty to each CFD and FX Contract.

(h) Hedging currencies for cash flow certainty

Entering a CFD or FX Contract for a particular financial instrument enables you to determine the current cost of that financial instrument, thereby giving certainty over your flow of funds. Any profit (or loss) you make using our trading platforms would be offset against the higher (or lower) price you expect to require on a future date. The ability to leverage that position may mean that you will not be required to commit the full collateral until the foreign currency is actually required. Of course, you will need ensure that you maintain the required margin for all your open positions in your account to ensure that they are not closed out.

(i) Speculation

In addition to using CFDs and FX Contracts as a risk management tool (by hedging your positions), you can trade with FXOpen to speculate on changes in price for financial instruments. You may take a view of a particular market or the markets in general and place your investment accordingly.

(j) No maximum account size

None of our accounts has maximum account sizes and only limit the maximum number of open positions an account may hold to 1000 open positions at a particular time, subject to the available balance.

9. Significant risks of dealing in CFDs and FX Contracts

All investments carry risk. Different investment strategies carry different levels of risk depending on the financial products that make up the strategy. Generally, financial products with the potential for the highest returns may also carry the highest risk.

Your level of acceptable risk will vary compared to other investors' risk appetite and will depend on a range of factors such as your age, your investment timeframe, how comfortable you feel about exposing your capital to risk, the nature and size of other investments you hold and the extent to which CFDs and FX Contracts fit into your overall financial plan.

It is important to note that no return is guaranteed. Future returns may differ from past returns and investors may lose some or all of their money invested. Additionally, laws (including tax laws) that affect CFDs and FX Contracts may change in the future which may have an adverse effect on your returns.

Trading CFDs and FX Contracts offered by FXOpen involves a high level of risk. Accordingly, we strongly recommend that you obtain your own financial, legal, taxation and other professional advice to determine whether these products are an appropriate investment for you.

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Through automatically closing positions where the net equity of the retail client's CFD trading account is less than the aggregate close out protection amount for the retail client's open CFDs (50% of your total required margins), FXOpen limits your potential loss to the amount of all your deposits and profit made from trading with us.

This section includes the significant risks that may affect your investments with FXOpen.

9.1 Closed trading risk

The risk that the value of your open positions may change even though trading for the relevant underlying asset is not available and you are not able to open or close a position until trading reopens. This may result in you suffering a financial loss or a lost opportunity to trade. This generally occurs over certain periods of the weekend when the US markets have closed and the Sydney market is yet to open.

Daily server optimisation at 05:15 – 05:20 Server Time requires that the trading servers be restarted. Trading may be unavailable at this time for one to two minutes until the server restart is complete. The time for the server restart may change without notice in future.

9.2 Client monies risk

Whilst the money you deposit in your account is segregated from our own, the funds are not held in a separate account. They are held in an account together with the funds of our other clients.

This exposes each client to a risk that the client may not receive all of the money held by us on its behalf in the client trust account if there is a deficit and we become insolvent or otherwise unable to pay the deficiency.

At the same time, we are not permitted by law to use derivative retail client money to meet obligations incurred by us in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives. This decreases the risk that the client may not receive a part or all of the money in case we sustain losses while hedging the client's transactions with us.

9.3 Concentration risk

The risk that investing in a limited number of positions (i.e. one or a limited few financial instruments) will result in the value of your investment being more volatile than if you invested in a more diversified investment strategy. This is because your investment is exposed to a smaller range of assets and is therefore more sensitive to fluctuations in the value of those assets.

9.4 Counterparty risk

A key area of risk associated with OTC CFDs and FX Contracts is the counterparty risk borne by investors, i.e. the potential for the issuer to be unable to fulfil its obligations resulting in loss for the investors. As FXOpen issues the CFDs and FX Contracts, you are dealing with FXOpen as the counterparty to every transaction. You will therefore be exposed to the financial and business risks, including credit risk, associated with dealing with FXOpen.

Each CFD or FX Contract is an over-the-counter contract and is not traded on an exchange or market. You will not be able to transfer or assign the CFD, FX Contract to any other person. Only FXOpen can close your positions. OTC CFDs and FX Contracts are not guaranteed by an exchange or clearing house, and investors therefore face the risk that FXOpen may fail to meet some or all of its obligations.

You are reliant on FXOpen's ability to meet its counterparty obligations to you to settle its relevant obligations. If FXOpen were to become insolvent, then we may be unable to meet our obligations to you in full or at all. In this case the clients may become unsecured creditors in an administration or liquidation and will not have recourse to any underlying assets in the event of FXOpen insolvency. Investors must rely on FXOpen to have

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in place appropriate arrangements to minimise the risk that it will not be able to meet its obligations. FXOpen manages these risks by practices such as:

- Prudent hedging practices (please refer to section 10) Note: the term “hedging” in this PDS refers to the process where FXOpen reduces a financial exposure (i.e. FXOpen’s liability under CFDs and FX Contracts entered into with investors) by entering into corresponding (back-to-back) transactions with a liquidity provider (a hedging counterparty). It is also possible that a hedging counterparty becomes insolvent which would affect FXOpen’s ability to meet its obligations to you;

- Strong client managing practices, aimed at preventing FXOpen from being affected by defaults of other clients (please refer to section 2.6).

9.5 Currency / Market risk

Market risk is the risk that the value of your positions will change as a result of a movement in a related market.

For CFDs, the underlying market is the respective index, commodity or shares you are trading, for FX Contracts, the underlying market is the currencies you are trading. Changes to these markets can have an immediate impact on the value of your investment. Positive movements in other markets, such as equity markets, or other countries, can negatively affect your investment; especially where the investments in the other market are used as a hedge for the instrument you hold (or vice versa).

9.6 Derivative risk

CFDs and FX Contracts are derivative based financial products. The value of a derivative is linked to the value of an underlying asset and can be highly volatile. Risks associated with using derivatives may include, but are not limited to, the value of the derivative failing to move in line with that of the underlying asset and the potential illiquidity of the derivative. While the use of derivatives can offer the opportunity for higher returns, it can also magnify your losses.

9.7 Execution risk

There are a number of risks relating to our ability to execute an order placed (both in opening and closing a position) on the Trading Platform. These include:

(a) Slippage / Gapping

There are occasions when there are larger than ordinary 'gaps' in the depth of orders on both the buy and sell side. This is usually due to a change in liquidity circumstances and effects the volatility and volume of available matching orders. This is commonly referred to as 'slippage'. It will generally occur prior to, during and subsequent to the release of fundamental news where major financial institutions have removed their orders from the liquidity markets pending the outcome of that news.

This creates conditions where orders are difficult to execute at desired prices, as there are large 'gaps' in the buying and selling depth of a particular currency pairing or precious metal.

This can cause significant losses where this occurs when we are attempting to automatically close your position or where you have placed a stop loss at a particular point. The next best available price may be significantly lower than the trigger point for an automatic close of your position or your elected to place a stop loss.

(b) Delays in execution

The risk that an execution you place is delayed or not executed due to a delay in transmission of data between your trading platform and FXOpen's servers (see System Risk). This may result in the available price you had placed an order at no longer being available. As you will generally be accessing the Trading Platform over a

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third party Internet service provider there is a risk that this may be caused by your computer not maintaining a constant connection with the FXOpen servers.

(c) Reject/reset orders

Conditions may arise that make it difficult to execute orders at the given price due to an extremely high volume of orders and/or available liquidity. By the time orders are able to be executed, the Bid/Offer price at which FXOpen (or its counterparty) is willing to execute a position may be several pips away. For Limit orders, the order would be rejected and reset until the order can be filled.

(d) Inverted spreads

Although it is uncommon, our liquidity feed can be disrupted. When the liquidity feed comes back online, the buy bid can sometimes appear to be greater than the sell offer (referred to as an inverted spread). Until inverted spreads are resolved you may not be able to trade on the Trading Platform. FXOpen reserves the right to reverse trades executed when this has occurred.

(e) Unavailable pricing

The risk that a financial instrument you intend to trade in or hold an open position for is not offered by FXOpen at a particular time. This generally occurs when liquidity in that relevant marker decreases and FXOpen's liquidity providers are unable to provide a market for those products to FXOpen. Clients will not be able to execute trades on such products.

9.8 Hedging risk

The ability to hedge an underlying asset price by holding financial products that move inversely to positions you hold potentially allows you to protect your losses from either product. There is the risk that even a fully hedged position may suffer losses due to rollover costs, exchange rate fluctuations or widening spreads. In addition, while a hedged position reduces exposure to decreases in the value of a financial product it will generally also reduce the potential for increased gains.

9.9 Interest rate risk

Underlying asset rates and values may be affected by changes to a jurisdiction's interest rates. In particular, the value of foreign exchange rate can fluctuate significantly in correlation to a change in a country's official interest rates relative to another country. For example, when the official interest rates rise relative to another country, the exchange rate may increase in favour of that country.

9.10 Corporate Actions risk

A Corporate Action is any event that brings material change to a public company and affects its structure, stock or the securities issued by the company. A Corporate Action may include but is not limited to stock splits, dividends, mergers and acquisitions, rights issues and spin offs. While trading CFD Customer's transactions may be affected by various Corporate Actions. Considering the type of your position, it may cause you either to make a cash payment equivalent to the value of respective Corporate Action effect adjustment (in case of short position) or to receive the respective amount from FXOpen (in case of long position). This may have an effect on your margin and open positions.

9.11 Leverage risk

Trading in a highly leveraged financial instrument carries a high level of risk and may not be suitable for all investors. FXOpen offers its clients the ability to trade in CFDs and FX Contracts offered by FXOpen with a value up to 30 times the collateral you commit to the trade.

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The high degree of leverage has the potential for larger profits but also carries a high degree of risk that you will lose the money you invest. However, this risk is decreased by the negative balance protection rule, so you cannot lose more than the amount of all your deposits and profit made from the trading with us.

When you trade CFDs and FX Contracts, the higher the leverage, the greater effect a variation to the underlying exchange rate or metal price has on the value of your open position. At a high degree of leverage only a small variation is required to cause you to lose your margin (and for the position to be automatically closed).

9.12 Regulatory risk

The risk that changes in government policies, regulations and laws may affect the value of your investment. You may be exposed a change in laws and regulations that materially impact on FXOpen or the countries in which the currency positions you hold relate to.

A change in laws or regulations can also increase the costs of operating a business, or FXOpen's ability to offer particular financial products.

9.13 Systems risk

The operational systems risk inherent in online trading systems apply to every trade placed. This includes disruptions to communications, IT systems, software or hardware errors or other events that delay, interrupt or otherwise effect our systems operation.

In the event such a disruption to our systems does occur you may suffer a financial loss or loss of opportunity. In accordance with our Client Agreement, FXOpen makes no warranties and is not liable in relation to the operation of the Trading Platform or any other related service offered by FXOpen except to the that disruption is caused by the fraud or dishonesty on the part of FXOpen or its employees, agents or representatives.

10. Risk management – hedging

FXOpen has adopted a policy that outlines its hedging strategy in respect of the financial products it offers to manage its exposure to market risk from its clients' positions.

The purpose of the policy is to provide clients with a better understanding of FXOpen's hedging strategy and procedures so that they are better informed to assess the counterparty risk when dealing with us.

Note: the term “hedging” in this PDS refers to the process where FXOpen reduces a financial exposure (i.e. FXOpen’s liability under CFDs and FX Contracts entered into with the investors) by entering into corresponding (back-to-back) transactions with a liquidity provider (a hedging counterparty).

FXOpen aims to maintain open hedged positions for each derivative product which it offers. These open positions are held with our liquidity providers (listed below) and are amended as required to match positions held by our clients with us. When you open a position with FXOpen, we may also decide to hedge (or partially hedge) that position with one or more liquidity providers to protect FXOpen from market risk.

We will continue to monitor our open positions with each liquidity provider and will generally try to ensure that our positions are held with multiple providers for each derivative product. Where there is insufficient liquidity available from our liquidity providers we may determine to act as counterparty to a particular client order without hedging that position.

The policy also sets out FXOpen's selection process for its liquidity providers. FXOpen takes all reasonable steps to verify the integrity and stability of its liquidity providers including ensuring that they hold all required regulatory licenses and authorisations required in the jurisdiction in which they operate and comply with all relevant laws and regulations, including, if relevant, the requirement to hold sufficient financial reserves, compensatory measures or guarantees.

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This list of liquidity providers may change from time to time. Please contact us for a current list.

Please note that we do not use derivative retail clients' money in order to hedge retail clients' positions held with us.

11. Fees and charges

The various fees and costs that may be associated with trading CFDs and FX Contracts are set out in this section.

The fees and costs may change from time to time. We will provide account holders 30 days' notice of any proposed increase in fees. We also reserve the right to waive or reduce any of the fees and costs described in this PDS without prior notice.

These fees and costs may be:

(a) incorporated into our pricing structure for the CFDs and FX Contracts;

(b) deducted from the available funds in your account;

(c) deducted from the returns of your investments; or

(d) invoiced to your account.

11.2 Commission

For each position opened on ECN type of account, FXOpen charges a single volume based commission that is calculated in respect of both opening and closing the position ('a round-turn' commission). This single commission is charged by FXOpen when the position is opened and is therefore made up of the commission that would be separately payable for both opening and closing the position (each, a 'half-turn' commission).

For STP type of accounts FXOpen includes its commission into the BID and ASK price. BID and ASK prices are available to the client at any time through the trading platform. No additional commission for opening and closing the position is charged.

FXOpen charges different commission depending on the:

- Account type,
- Financial product traded by the Customer (FX Contract, CFD),
- "Taker" or "Maker" role of the Customer. The Customer is a "Taker" in transactions where it places Market and/or Stop orders. The Customer is a "Maker" if places Limit orders (Except Hidden and Iceberg orders).

Commission for FX Contracts and Commodity CFDs:

Account type	Micro ECN	Standart ECN	VIP ECN
Trading Platform	MetaTrader 4, MetaTrader 5		
Half-turn commission	0.0035%	0.0025%	0.0018%
Round-turn commission	0.007%	0.005%	0.0036% Taker
Trading Platform	TickTrader		
Half-turn commission	0.0035% Taker / 0.0035% Maker	0.0025% Taker / 0.002% Maker	0.0018% Taker / 0.0015% Maker

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Round-turn commission	0.007% Taker / 0.007% Maker	0.005% Taker / 0.004% Maker	0.0036% Taker / 0.003% Maker

Zero (0%) Commission for Index CFDs

FXOpen does not charge commission for Index CFDs on any ECN account (Micro ECN, Standart or VIP ECN) on all available Trading platform.

Commission for Shares CFDs:

Account type	Micro ECN	Standart ECN	VIP ECN
Trading Platform	MetaTrader 4 and MetaTrader 5		
Pairings offered	100+ assets for Shares CFDs		
Half-turn commission	0.1%	0.1%	0.1%
Round-turn commission	0.2%	0.2%	0.2%
Trading Platform	TickTrader		
Pairings offered	500+ assets for Shares CFDs		
Half-turn commission	0.1% Taker / 0.1% Maker*	0.1% Taker / 0.08% Maker*	0.1% Taker / 0.06% Maker*
Round-turn commission	0.2% Taker / 0.2% Maker*	0.2% Taker / 0.16% Maker*	0.2% Taker / 0.12% Maker*
Comments	The minimum commission per order is 1 USD		

** Taker fee – fee charged for a Market, Stop, IOC Limit or Limit order with hidden volume.*

Maker Fee applies only to Limit orders that appear in the order book (except IOC Limit and Limit orders with hidden volume). It also applies to Limit orders that were originally opened as StopLimit orders and appeared in the order book.

FXOpen may reduce the commission on its sole discretion, including without limitations for marketing purposes. Such reduction shall be made with the prior notification to the customers made through the Company's website.

Changes to account type up to the next level due to additional deposit or trading profit are not automatic and can only be performed by emailing an account type change request to finance@fxopen.com.au including your trading account number and the type that you require (Std/VIP).

However, because the commission we charge is in USD and not the base currency, a calculation is required to work out the actual commission you pay. A further calculation is required where neither the quoted or base currency of the currency pairing is USD, in which case the calculation will reference the bid/ask price for that currency when paired (directly or indirectly) against the USD. If the following series of examples are not sufficient for you to determine how we calculate the commission we may charge you, a further explanation of how the commissions are calculated is available at the website of an associated entity: https://support.fxopen.com/portal/en/kb/articles/cfd-commission-4-10-2021-1.

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CALCULATION OF COMMISSION (ECN TYPE OF ACCOUNT) - for FX Contracts where USD is the quote currency:

Assuming Lot size = 100,000 BC units; and

Commission of 5 units of the BC per traded volume of 100,000 BC,

the commission is calculated as follows:

$$\text{Commission (USD)} = \frac{5}{100000} \times \text{V} \times \text{lot size} \times \text{Price} = 5 \times \text{V} \times \text{Price}$$

Where: Price = the BID Price for SELL positions or the ASK Price for BUY Positions; and

V = number of lots

Example: The quoted spread for EURUSD is 1.26566 (bid) | 1.26568 (ask). The commission on opening a BUY position for 1 lot of EUR paired against the USD is calculated as: 5 x 1 x 1.26568 = $6.3284

CALCULATION OF COMMISSION (ECN TYPE OF ACCOUNT) - for FX Contracts where USD is the base currency:

Assuming Lot size = 100,000 USD; and

Commission of 5 USD per traded volume of 100,000 USD,

the commission is calculated as follows:

$$\text{Commission (USD)} = \frac{5}{100000} \times \text{V} \times \text{lot size} = 5 \times \text{V}$$

Where: V = number of lots

Example: The quoted spread for USDCHF is 0.94880 (bid) | 0.94890 (ask). The commission on opening a BUY position for 1 lot of USD paired against the CHF is calculated as: 5 x 1 = $5

CALCULATION OF COMMISSION (ECN TYPE OF ACCOUNT) - for FX Contracts where USD is neither base or quote currency (crosses):

Here, the commission is charged based on the quoted spread for the base currency against the USD.

Assuming Lot size = 100,000 BC units; and

Commission of 5 units of the BC per traded volume of 100,000 BC,

the commission is calculated as follows:

$$\text{Commission (USD)} = \frac{5}{100000} \times \text{V} \times \text{lot size} \times \text{Price} = 5 \times \text{V} \times \text{Price}$$

Where: V = number of lots

Price = BC:USD BID Price for SELL positions; or

BC: USD ASK Price for BUY Positions,

(assuming the base currency in the cross pair is quoted directly against USD – otherwise a further calculation is required to translate the commission to USD).

Example: The quoted spread for EURGBP is 0.80610 (bid) | 0.80615 (ask). The commission on opening a BUY position for 1 lot of EUR paired against the GBP is calculated as: 5 x 1 x 1.26568 = $6.3284 (because the base currency is EUR and at the same time, the spread for EURUSD is 1.26566 (bid) | 1.26568 (ask) on which the commission is based).

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CALCULATION OF COMMISSION (ECN TYPE OF ACCOUNT) - for precious metals derivative contracts:

XAU/USD

Assuming Lot size = 100 units (where 1 unit = 1 oz. for XAU/USD);

1 lot for XAU/USD = 100 oz.; and

Commission of 5 units of the underlying asset per traded volume of 100,000 oz, the commission is calculated as follows:

$$\text{Commission (USD)} = \frac{5}{100000} \times \text{V} \times \text{lot size} \times \text{Price} = \frac{\text{V} \times \text{Price}}{200}$$

Where: Price = the BID price for SELL positions, or the ASK price for BUY positions.

V = number of lots

Example: The quoted spread for XAU/USD is 1625.75 (bid) | 1626.75 (ask). The commission on opening a BUY position for 1 lot of GOLD(XAU) is calculated as: $\frac{1 \times 1626.75}{200}$ = $8.1338

XAG/USD

Assuming Lot size = 5000 units (where 1 unit = 1 oz. for XAG/USD);

1 lot for XAG/USD = 5000 oz.; and

Commission of 5 units of the underlying asset per traded volume of 100,000 oz, the commission is calculated as follows:

$$\text{Commission (USD)} = \frac{5}{100000} \times \text{V} \times \text{lot size} \times \text{Price} = \frac{\text{V} \times \text{Price}}{4}$$

Where: Price = the BID price for SELL positions, or the ASK price for BUY positions.

V = number of lots

Example: The quoted spread for XAG/USD is 28.74 (bid) | 28.84 (ask). The commission on opening a BUY position for 1 lot of SILVER is calculated as: $\frac{1 \times 28.84}{4}$ = $7.21

CALCULATION OF COMMISSION (ECN TYPE OF ACCOUNT) - for Amazon.com, Inc. CFD where USD is the quote currency:

Assuming Lot size = 1 share; and

Commission of 0,2% per traded volume of 1 lot, the commission is calculated as follows:

Commission (USD) = V x Lot Size x Price x 0.2 / 100

Where: V = number of Lots

Commission % = charged commission in percent per 1 Lot;

Price = the BID price for SELL positions, or the ASK price for BUY positions;

Example: The commission on opening a BUY position for Amazon.com, Inc. CFD is calculated as:

1 x 1 x 3255.01 x 0.2 / 100 = $6.45

11.3 Rollover fees

Every underlying asset has an interest rate associated with it which is available on the MT4 and MT5 client's terminal. Depending on the underlying asset of the instrument you trade, you will pay or earn interest at the end of each 24-hour period. For example, you will earn interest if you opened a buy position of a currency with a higher interest rate than its paired currency. The amount charged or earned will vary from day to day.

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This interest charged or earned is generally calculated in reference to the positions not closed prior to midnight, Eastern European Time (EET) each day (which is GMT + 2:00 or GMT + 3:00 depending on whether day light savings applies). These positions are held over until the next day ('rolled over') and an amount is charged or credited to your account. This is known as Rollover fee. FXOpen will automatically rollover all open positions held in your account. We note that the Rollover fee for positions held open from Wednesday to Thursday (EET) is three times the Rollover fee that would otherwise apply. Please note that Rollover fee is calculated and charged in account currency.

The value of the Rollover fee (also known as “Swap”) will generally depend on:

- differences in the borrowing and deposit rates for the underlying assets from the particular instrument;
- transaction type (Buy or Sell) and volume, as well as current market prices for the moment of rollover; and
- FXOpen’s mark-up of the fees it is charged for the rollover.

Rollover fee for Live and Demo accounts is displayed in the Terminal section in MT4 and MT5 (contract specification) and TickTrader (Symbol Properties).

It is important to remember that:

- Rollover fee only applies to leveraged margin trading;
- Rollover fee can also be positive. In this case, FXOpen pays it to the client;
- Transactions are made in T+2 mode (calculations are made on the second business day after the transaction), which means that from Wednesday to Thursday (at 00:00) the Rollover fee is charged for the past weekend and Wednesday. However, for positions open for more than 3 days on a weekend, the Rollover fee is charged for only 1 day.

Rollover fee for FX Contracts and Commodity CFD is calculated as follows:

*Rollover fee = order volume in lots * cost of 1 pip per 1 lot * Swap in pips*

Rollover example 1

Your trading account is in USD. You have opened a position BUY EURUSD, 0.65 lot. Swap long = -10.56 pips. Rollover fee will be calculated as follows:

*Rollover fee = 0.65 * 1 * (-10.56) = -6.86 USD*

If the position is being held open from Wednesday to Thursday (EET), an additional two days of rollover fees are charged (to cover the forthcoming weekend) together with the standard rollover fee for that night.

Rollover example 2

Your trading account is in USD. You have opened a SELL XAUUSD position, 1.45 lots. Swap short *= 18.08 pips. Rollover fee will be calculated as follows:

*Rollover fee = 1.45 * 1 * 18.08 = 26.22 USD*

If the position is being held open from Wednesday to Thursday (EET), an additional two days of Rollover fees are charged (to cover the forthcoming weekend) together with the standard Rollover fee for that night.

Rollover fee for Index CFDs and Shares CFDs is calculated as follows:

$$\text{Rollover fee (USD)} = \frac{\text{V in lots} \times 1 \text{ lot size} \times \text{AP} \times \text{Swap in \%}}{100 \times 360}$$

Where: V in lots = order volume in lots

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AP = current average price of the instrument at the time of calculation

The amount of borrowed funds is calculated based on current prices, which is multiplied by annual interest. Since Rollover fee is calculated daily at the end of the trading day, the calculated amount of the annual percentage for the position is divided by 360.

Rollover example 3

Your trading account is in USD. You have opened a SELL #NDXm position, 1.5 lots at 14150.00 USD for 1 contract. Swap short = 3.182%

Rollover fee will be calculated as follows:

$$\textit{Rollover Fee} = \frac{1.5\ x\ 10\ x\ 14150\ x\ 3.182}{100 \times 360} = \textit{18.76 USD}$$

If the position is being held open from Wednesday to Thursday (EET), an additional two days of Rollover fees are charged (to cover the forthcoming weekend) together with the standard Rollover fee for that night.

Rollover example 4

Your trading account in USD. You have opened a BUY AAPL position, 5 lots at 189.00 USD per 1 contract. Swap long = -1.5%

Rollover fee will be calculated as follows:

$$\textit{Rollover Fee} = \frac{5\ x\ 1\ x\ 189\ x\ (-1.5)}{100 \times 360} = \textit{-0.04 USD}$$

If the position is being held open from Wednesday to Thursday (EET), an additional two days of Rollover fees are charged (to cover the forthcoming weekend) together with the standard Rollover fee for that night.

Please contact FXOpen by email support@fxopen.com.au if you have further questions in respect to the Rollover fee calculation.

11.4 Overnight Commission for Rollover fee-free Islamic Accounts

For Rollover fee-free Islamic Accounts instead of a Rollover fee we charge an Overnight commission for holding over positions until the next day which is equal to the Rollover fee.

The Overnight commission corresponds to the amount of Rollover fees and depends on the underlying asset of the instrument and position side (Buy or Sell). The amount of Overnight commission will vary from day to day and is calculated and charged each day at GMT + 2:00 or GMT + 3:00 depending on whether day light savings applies. Please note that for positions held open from Wednesday to Thursday (EET) is three times the additional commission that would otherwise apply and there is no additional commission for open positions from Saturday to Sunday and Sunday to Monday.

Please note that Overnight commission is calculated and charged in account currency.

Overnight commission is displayed in the Terminal section in MT4 and MT5.

It is important to remember that:

- This Overnight commission only applies to leveraged margin trading.
- This Overnight commission can also be positive. In this case, FXOpen pays it to the client.
- Transactions are made in T+2 mode (calculations are made on the second business day after the transaction), which means that from Wednesday to Thursday (at 00:00) the Overnight commission is charged for the past weekend and Wednesday. However, for positions open for more than 3 days on a weekend, the Additional commission is charged for only 1 day.

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Overnight Commission for FX Contracts and Commodity CFDs is calculated as follows:

$$\text{Overnight Commission (USD)} = \text{V in lots} \times \text{cost of 1 pip per 1 lot} \times \text{Swap in pips}$$

Where: V in lots = order volume in lots

Example 1:

Your trading account is in USD. You have opened a position BUY EURUSD, 0.65 lot. Swap long = -10.56 pips. Overnight Commission will be calculated as follows:

Overnight Commission = 0.65 x 1 x (-10.56) = -6.86 USD

Example 2:

Your trading account is in USD. You have opened a SELL XAUUSD position, 1.45 lots. Swap short = 18.08 pips. Overnight Commission will be calculated as follows:

Overnight Commission = 1.45 x 1 x 18.08 = 26.22 USD

Overnight Commission for Index CFDs and Shares CFDs is calculated as follows:

$$\text{Overnight Commission (USD)} = \frac{\text{V in lots} \times 1 \text{ lot size} \times \text{AP} \times \text{Swap in \%}}{100 \times 360}$$

Where: V in lots = order volume in lots

AP = current average price of the instrument at the time of calculation

The amount of borrowed funds is calculated based on current prices, which is multiplied by annual interest. Since Overnight Commission is calculated daily at the end of the trading day, the calculated amount of the annual percentage for the position is divided by 360.

Example 3:

Your trading account in USD. You have opened a SELL #NDXm position, 1.5 lots at 14150.00 USD for 1 contract. Swap short = 3.182%. Overnight Commission would be calculated as follows:

$$\textit{Overnight Commission} = \frac{1.5\ x\ 10\ x\ 14150\ x\ 3.182}{100 \times 360} = 18.76\ \textit{USD}$$

Example 4:

Your trading account in USD. You have opened a BUY AAPL position, 5 lots at 189.00 USD per 1 contract. Swap long = -1.5%. Overnight Commission will be calculated as follows:

$$\textit{Overnight Commission} = \frac{5\ x\ 1\ x\ 189\ x\ (-1.5)}{100 \times 360} = -0.04\ \textit{USD}$$

Please contact FXOpen by email support@fxopen.com.au if you have further questions in respect to the calculation of Overnight commission for Rollover fee-free Islamic Accounts.

11.5 Corporate Action effects

While trading CFD Customer's transactions may be affected by various Corporate Actions. FXOpen at any time in its sole discretion may take any action it deems fit to reflect the Corporate Action influence on the Customer's orders, positions, transactions, accounts balances as it relates to the Customer's CFD traded with FXOpen.

If you hold a long CFD position the amount of the respective Corporate Action effect is credited to your account, holding a short CFD position would mean the opposite, i.e. the holder needs to pay out the amount of the Corporate Action effect, therefore your account will be debited for the respective amount.

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The most common Corporate Action is dividends distribution. Below we provide an example to describe what will happen if a dividend was applied to the shares included in the Index calculation that is the underlying asset in the CFD you trade. The Corporate Action (dividend) adjustment to your transactions is calculated as follows:

(Dividend adjustment x Lot size) x V

V stays for Number of Lots

Lot size denotes the quantity of the underlying instrument;

Dividend adjustment is the adjustment to the value of the applicable index as specified by the respective exchange, liquidity provider etc.

Please note that where a dividend applies to a CFD, the price of that instrument can fall by the amount of the dividend with the net effect on your open trade being equal once the dividend adjustment has been made.

For a dividend adjustment to be applied to your account you must hold an open position at the close of the trading session on the Business Day before the ex-dividend date.

Based on the legislation applicable to the company which issue or manage the underlying instrument (for example – share) FXOpen will withhold the amount of the tax applicable according to such legislation from the dividend adjustment. For the long positions the dividend adjustment shall be credited to your account only after the amount of the applicable tax is credited.

Without limitation to the foregoing upon the occurrence of a Corporate Action the Company at any time may take the following actions to reflect the Corporate Action on Customer's account:

- credit or debit Customer's accounts including trading accounts,
- adjust, close or cancel any of Customer's Orders or transaction affected by the Corporate Action.

The Company may make the adjustments with or without notice to you. If we do so without giving notice, we will notify you that we have done so via your statements (rates of adjustment will be supplied on request).

It is your obligation to do your own research into what effect the Corporate Action may have on the CFD positions that you intend to open with us and what adjustment may be made to your account to reflect the Corporate Action.

Dividend example for Amazon.com, Inc CFD (AMZN):

For example, your hold short position for 100 Lots in the Amazon.com Inc CFD on Thursday.

Assuming Lot size = 1 share

AMZN dividend adjustments can be made on any day after the date of respective Corporate Action (dividend payment) event. The dividend adjustment for underlying on Thursday is 0.77 dividend points.

As you hold a short position in the CFD, your account will be debited for an amount equal to the cash dividend on that instrument. Your account will therefore be debited on $77 which is calculated as:

Dividend adjustment for your open trade = Dividend adjustment x Lot size x V = 0.77 x 1 x 100 = $77

This is then converted back to the base currency of the account.

Dividend example for Wall Street 30 (Mini) CFD

For example, your hold short position for 100 Lots in the Wall Street 30 (Mini) CFD on Thursday.

Assuming Lot size = 1 contract.

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Wall Street 30 (Mini) CFD dividend adjustments can be made on any day after the date of respective Corporate Action (dividend payment) event. The dividend adjustment for underlying on Thursday is 0.75 dividend points.

As you hold a short position in the CFD, your account will be debited for an amount equal to the cash dividend on that instrument. Your account will therefore be debited on $75 which is calculated as:

Dividend adjustment for your open trade = Dividend adjustment x Lot size x V = 0.75 x 1 x 100 = $75

This is then converted back to the base currency of the account.

11.6 Introducing Advisors

FXOpen does not include a margin in the buy/sell prices quoted on the Trading Platform until otherwise is specified in this PDS. However, we do charge a commission on each trade to third parties for introducing a client to FXOpen (**Introducing Advisor**). In these circumstances, the client would have to expressly agree to the commissions being paid with their adviser.

We will generally pay Introducing Advisers up to 5% of our commission. This amount is not an additional commission charged to you and is paid from our fees.

When your account is opened as a result of a referral by an Introducing Advisor FXOpen will pay this fee directly from your account. You can view the amounts paid to Introducing Advisors by accessing your online account statement.

11.7 Inactive accounts

Where an account is inactive for a period of more than 3 months and has an account balance of $50 or less, you will be subject to an inactive account management fee equal to the remaining balance in your account. Once this fee has been charged, your account will be closed.

11.8 Conversion fees

Conversion fees may be charged by us or your bank depending on the circumstances.

(a) Deposits/withdrawals

Depositing or withdrawing funds into and from your FXOpen account in a currency different to your base currency for that account will incur a foreign exchange conversion carried out by your bank at their relevant buy/sell rates and may incur a conversion fee charged by the bank.

(b) Transfers between accounts

Internal transfers can be made between your accounts in the same currency only, therefore no conversion fees apply.

11.9 International transfers

An administration fee of $30 is charged for international transfers. This fee only applies to withdrawals made by direct credit to a non-Australian bank (withdrawals by direct credit to domestic (Australian) bank accounts in AUD$ are free).

11.10 Broker to Broker transfer fees

FXOpen clients may transfer funds between FXOpen and other brokers, providing that both accounts are duly verified and confirmed to be belonged to the same person. An administration fee of USD 50 is charged for Broker to Broker transfers. The minimal amount of Broker to Broker transfer is USD 200.

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11.11 Credit card fees

FXOpen does not currently charge a fee for credit card deposits, however may do so in the future.

11.12 Electronic payments fees

The following fees are applied to the electronic payments:

(a) Deposits:

	ACCEPTED CURRENCIES	COMMISSION & FEES	MINIMUM AMOUNT	MAXIMUM AMOUNT
SKRILL*	USD / EUR / AUD / GBP	3.9% + 0.31 USD / 3.9% + 0.29 EUR / 3.9% + 0.46 AUD / 3.9% + 0.26 GBP	2 USD / EUR / AUD / GBP	50,000 USD / EUR / AUD / GBP
Neteller**	AUD / EUR / GBP / USD	3.9% + 0.43 AUD / 3.9% + 0.27 EUR / 3.9% + 0.24 GBP / 3.9% + 0.29 USD	3 AUD / 2 EUR / 2 GBP / 2 USD	57,000 AUD / 40,000 EUR / 32,000 GBP / 50,000 USD
WEBMONEY	EUR / USD	7%	1 EUR / USD	100,000 EUR / USD

* **Skrill Deposit surcharge of 1%**: *Albania, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Bosnia-Herzegovina, Brazil, Bulgaria, Cambodia, Chile, China (PR), Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Egypt, Estonia, Georgia, Greece, Hungary, Iceland, India, Indonesia, Israel, Kazakhstan, Kenya, Korea (South), Kuwait, Latvia, Lithuania, Malaysia, Mexico, Moldova, Montenegro, Nigeria, Oman, Pakistan, Peru, Philippines, Republic of North Macedonia, Romania, Russia, Saudi Arabia, Serbia, Slovenia, South Africa, Sri Lanka, Taiwan (ROC), Thailand, Tunisia, Ukraine, United Arab Emirates, Uruguay, Vietnam.*

** **Neteller Deposit surcharge of 1%** *Albania, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Bosnia-Herzegovina, Brazil, Bulgaria, Cambodia, Chile, China (PR), Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Egypt, Estonia, Georgia, Greece, Hungary, Iceland, India, Indonesia, Israel, Kazakhstan, Kenya, Korea (South), Kuwait, Latvia, Lithuania, Malaysia, Mexico, Moldova, Montenegro, Nigeria, Oman, Pakistan, Peru, Philippines, Republic of North Macedonia, Romania, Russia, Saudi Arabia, Serbia, Slovenia, South Africa, Sri Lanka, Taiwan (ROC), Thailand, Tunisia, Ukraine, United Arab Emirates, Uruguay, Vietnam.*

(b) Withdrawals:

	Accepted Currencies	Commission & Fees	Minimum Amount	Maximum Amount
Skrill*	EUR / USD	0.8%	1.01 EUR / USD	100,000 EUR / USD
Neteller**	AUD / EUR / GBP / USD	2,0%, min 1, max 30 EUR (AUD, USD, GBP)	3 AUD / 2 EUR / 2 GBP / 2 USD	11,500 AUD / 8,000 EUR / 6,500 GBP / 10,000 USD
WebMoney	USD / EUR / AUD / GBP	1%	2 USD / EUR / AUD / GBP	15,000 USD / EUR / AUD / GBP

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*** Skrill Withdrawal surcharge of 1%**: Taiwan (ROC).

** **Neteller Withdrawal surcharge of 1%:** Taiwan.

FXOpen, from time to time may decrease deposit/withdrawal commissions for a set promotional period, after which normal commissions apply. Such decrease shall be made with the prior notification to the customers made through the Company's website.

11.13 Tax charges

As the account holder, you are responsible for any taxes incurred in respect of any transaction you make on the Trading Platform. This includes any stamp duty, transaction duty, GST or similar goods and services.

Fees referred to in this PDS are exclusive of GST unless expressly stated to be inclusive.

12. Client money

12.1 Segregated funds

Any money you deposit in your FXOpen account related to a financial service or a product offered by us is considered 'client monies' and is afforded certain protection under the law.

We are required to hold these funds on your behalf, segregated from our own, with an Australian bank, and in an account designated as a client trust account. These funds are therefore not available to pay our creditors in the event we become insolvent. Monies committed to meet margin requirements for open positions are not treated as funds belonging to FXOpen but are treated as funds belonging to the client.

However, you should be aware that whilst your funds are segregated from our own, the funds are not held in its own account but together with the funds of our other clients. This exposes to the risk that, if one client fails to pay money they owe (e.g. on a losing trade), the pooled client account could be in deficit. We keep records attributing those funds to your FXOpen account.

FXOpen is entitled to withdraw, deduct or apply any amounts payable to FXOpen from this account.

12.2 Permitted uses and withdrawals

Where your position has been closed (whether automatically or by your choice) and you have incurred a loss under that transaction, FXOpen is entitled to debit that amount from the client trust account, as counterparty to that transaction.

We may also debit amounts from the client monies account in the following limited circumstances:

(a) in accordance with any written direction of the client. This includes directions incorporated in the Terms and Conditions in respect of certain fees or costs relating to transactions, to settle transactions and to otherwise execute client instructions;

(b) when a financial product is issued or transferred according to client instructions;

(c) to meet certain transaction charges;

(d) to pay FXOpen money to which it is entitled;

(e) to make payments otherwise authorised by law; and

(f) to make investments authorised by the *Corporations Act 2001* or *Corporations Regulations 2001* (for example, an Australian interest bearing account).

You acknowledge that we are entitled to the interest earned on the client monies account.

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Please contact FXOpen if you have further questions about the client trust account.

Client monies example

This is an example of the cash flows over the course of a typical transaction noting when the funds are held as client money and when the funds cease to be held as client money. For simplification, fees are shown being paid, but are not included in calculations.

Day 1.	Day 2.	Day 3.	Day 4.	Day 5.
Client makes deposit of $10,000 into their FXOpen Account. $10,000 deposited into Client Monies Account. FXOpen Trust Account holds $10,000 in segregated account. Client account shows balance: **$10,000** (all free funds)	Position opened by client. Required margin on position is $5,000. Commission debited by FXOpen from Client monies account. FXOpen Trust Account holds $10,000 less commission in segregated account. Client account shows balance: **$10,000** (incl. $5,000 free funds) less commission and fees.	Client's open position decreases in value by $3,000. (Position not shut out and automatically closed as client's account still holds over 50% of required margin). Rollover fee debited by FXOpen from Client monies account. Client account shows balance: **$7,000** (incl. $2,000 free funds) less commissions and fees.	Client's open position increases in value by $1,000. Position closed by client (net loss $2,000). Rollover fee, commission from closing account and $2,000 loss debited by FXOpen from Client monies account. Client account shows balance: **$8,000** (all free funds) less commissions and fees.	Funds required by FXOpen to meet margin obligations of FXOpen or other clients. Required funds transferred to FXOpen's liquidity providers for margining purposes. Client account shows balance: **$8,000** (all free funds) less.

In the event that FXOpen loses its financial services licence, becomes insolvent, merges with another financial services licensee or ceases to carry on some or all of the activities authorised by its financial services licence, client money held by FXOpen or properly invested, will be held in trust for the persons entitled to it and paid out in accordance with relevant laws.

12.3 Withdrawals by clients

You may withdraw money from your FXOpen account by lodging a withdrawal request via the MyFXOpen Trader's Area (available on the FXOpen website). Once we have processed your request, these funds are transferred to your nominated bank account. If that account is outside Australia we may charge a wire fee for transferring you those funds.

FXOpen may deny your withdrawal request if:

- the withdrawal would result in your account having insufficient funds to meet the margin requirements for all open positions;
- FXOpen reasonably determines that there is unresolved dispute between you and FXOpen;
- FXOpen reasonably considers that funds may be required to meet any current or future margin requirement on your open positions;
- you have any contingent liability to FXOpen or to any of its associates in respect of any other account you have opened with them; or
- FXOpen considers it necessary or desirable to enable FXOpen to comply with regulatory/legal obligations.

FXOpen will not pay funds to any third party account. Funds requested for withdrawal will only be paid to an account in the same name as the Account held with FXOpen.

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You are required to maintain a minimum balance of AUD $50 (or the foreign currency equivalent). If your account is below the minimum balance for 3 consecutive months you may be liable to an administrative fee equivalent to the balance of your account, and your account closed.

12.4 Negative balance protection

FXOpen protects retail clients against negative account balances. If You incur a liability under the CFD, the recourse of FXOpen is limited to the client money on your accounts (including trading accounts) held with FXOpen including the money that was paid into your account by us (for example the profit from your trading with us).

13. Enquiries and complaints

We have arrangements in place for handling enquiries and complaints. If you have any enquiries relating to FXOpen or any of the services we offer, we encourage you to contact us by phone or email (as shown below). Any complaints or concerns should be directed to our internal dispute resolution process (IDR process) where we aim to resolve any issues you raise, swiftly and fairly. We encourage you to read our IDR Policy which is publicly available on the website www.fxopen.com.au. Complaints can be sent to:

Phone:	(02) 82110434
Mail:	Dispute Resolutions Officer FXOpen AU Pty Ltd., Level 25, 108 St Georges Terrace, Perth WA 6000, Australia
Email:	support@fxopen.com.au

FXOpen will acknowledge receipt of all complaints within 24 hours (or one business day) of receiving them, or as soon as practicable. We then aim to resolve your complaints within 30 calendar days and provide you with our decision, and the reasons on which it is based, in writing.

If you are not satisfied that your complaint has satisfactorily been resolved by our IDR process you have the right to lodge a complaint with the Australian Financial Complaints Authority (AFCA), an external dispute resolution scheme approved by ASIC, of which FXOpen is a member.

Telephone:	1800 931 678 (free call within Australia)
Fax:	(03) 9613 6399
Email:	info@afca.org.au
Mail:	Australian Financial Complaints Authority Limited GPO Box 3, Melbourne, VIC 3001

You may also lodge a complaint via the ASIC free Infoline on 1300 300 630.

14. Taxation considerations

Trading in derivative instruments may have tax implications. Trading in CDFs and FX Contracts offered by FXOpen has the potential for generating substantial profits but also the potential for significant losses. The tax implications for such profits or losses may be significant and complex and will invariably depend on your personal circumstances. We therefore strongly recommend that you discuss any taxation issues that arise from trading with FXOpen with your tax adviser before entering a transaction.

Generally, if you are a tax resident of Australia, any profit derived or loss incurred by you will likely be included in, or allowed as a deduction from, your ordinary assessable income. In each case, this would usually occur in the tax year the contract is closed out. In limited circumstances, the ordinary income tax rules would not apply, so the gain or loss would be dealt with under the Capital Gains Tax rules.

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Special rules for the Taxation of Financial Arrangements (the TOFA rules) apply to 'financial arrangements' held by certain investors whose assets or aggregated turnover exceeds specified thresholds. The TOFA rules will also apply to other investors who have made an election to apply these rules to their 'financial arrangements'. If the TOFA rules apply to you, we recommend that you seek specific advice in relation to the taxation treatment of these contracts.

If you are a non-resident of Australia for tax purposes, your Australian tax implications may differ from those above, and may be affected by a relevant double tax treaty. You should seek specific advice on your Australian and foreign tax obligations before entering a transaction.

15. Anti-Money Laundering

FXOpen is required to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**). By applying for an account with FXOpen you are taken to agree to the following terms:

- you warrant that you comply with all applicable anti-money laundering laws and regulations, including but not limited to the AML/CTF Act and associated rules and regulations (in force from time to time);
- you are not aware and have no reason to suspect that:
  - the money used to fund your deposit in your account has been or will be derived from or related to any money laundering or other activities deemed illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement ("illegal activities"); or
  - the proceeds of your investment in the Fund will be used to finance illegal activities; and
- you agree to promptly provide us with all information that we reasonably request in order to comply with all applicable laws and regulations relating to anti-money laundering.

16. Your privacy

16.1 Privacy Policy

We collect certain personal information from you, in order to administer the services and financial products we provide. As required by law, we have adopted a Privacy Policy that governs the collection, storage, use and disclosure of personal information. A copy of our Privacy Policy is available from our website at https://www.fxopen.com.au/privacy.

16.2 Use of your information

We use personal information only as appropriate to provide you quality service and security. In accordance with our obligations under the AML/CTF Act, your information will initially be used to verify your identity and also may be used to establish and set up and maintain your trading account. Your information will also be used to helps us improve our services and inform you about additional products, services or promotions that may be of interest to you.

Note: By completing our online application form, you agree to us collecting, storing, using and disclosing your personal information as described in this section including for:

- administration purposes, including monitoring, auditing and evaluating the products and services we provide;
- determining future product and business strategies and to develop services, including the modelling of data and data testing;

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- ensuring compliance with all applicable regulatory or legal requirements; and
- communicating with you in relation to your holding and all transactions relating to the holding.

We may also provide access to your information to our agents, contractors or third party service providers who provide services in connection with our product and services.

16.3 Disclosure to our affiliates

We may share information with our affiliates if the information is required to provide the product or service you have requested or to provide you the opportunity to participate in the products or services our affiliates offer.

16.4 Maintaining your information

We aim to ensure that our record of your personal information is accurate, complete and up to date. If your personal information changes, please inform us as soon as possible. You may correct or update this information by notifying us in writing.

We will provide you with access to your personal information at no charge.

16.5 For more information

If you have any questions in regard to your privacy, please contact the Privacy Officer by email at privacy@fxopen.com.au.

16.6 Insufficient information

In accordance with our obligations under the AML/CTF Act or otherwise at our discretion:

- if you do not provide the information we ask you to supply in the application process we may not be able to accept your application or establish your account.; or
- permit a withdrawal unless further information is provided.

17. Cooling-Off Arrangements

There are no cooling-off arrangements for the CFDs or FX Contracts offered by FXOpen. Once a transaction has been placed and executed you do not have a right request FXOpen to cancel that transaction. This applies both to opening and closing a position.

18. Additional Information about FXOpen and its products

Other information about FXOpen and its products may be obtained by accessing our website at www.fxopen.com.au or by contacting us using the contact information found in this document.

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19. Contact

For more information about our PDS, please contact:

Travis Calley, Director and Compliance Officer

P: (+61) 8 6557 8587

E: support@fxopen.com.au

W: www.fxopen.com.au

FXOpen reserves the right to amend the PDS at any time if such amendment is needed as a result of any changes to the law or regulations, regulatory guidance or for any reason FXOpen considers as a proper reason to amend the PDS.

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