



Contract For Difference

Product Disclosure Statement

International Capital Markets Pty Ltd.

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Australian Financial Services License No.335 692

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Section 1 – Important Information

1.1 THIS PDS

This PDS is dated 07 November 2025 and was prepared by IC Markets; AFSL No. 335 692.

IC Markets holds an AFSL to carry on a financial services business in Australia as an Australian financial services provider.

We are the issuer of OTC derivatives being CFDs described in this PDS. It describes the key features of CFDs, their benefits, risks, the costs and fees of dealing in CFDs and other related information.

CFDs are sophisticated financial products so you should read this PDS and the Account Terms that apply to you in full before making any decision to invest in them.

This PDS is designed to help you decide whether the CFDs described in this PDS are appropriate for you. You may also use this PDS to compare this financial product with similar financial products (e.g. margin foreign exchange contracts) offered by other financial product issuers.

Some expressions used in this PDS have definitions given in the glossary at section 13 of this PDS.

1.2 TMD

Trading in CFDs can carry high levels of risk and will not be suitable for everyone. IC Markets has prepared and provided a TMD which can be viewed on IC Markets' website.

1.3 IC MARKETS DOES NOT GIVE PERSONAL ADVICE

IC Markets will not give you personal financial product advice. This PDS does not constitute a recommendation, statement of opinion, and is not a report of either of those things, that CFDs are appropriate for you.

Potential Clients should be experienced in derivatives and understand and accept the risks of investing in CFDs. The information in this PDS is general only and does not take into account your personal objectives, financial situation or needs. This PDS does not constitute advice to you on whether CFDs are appropriate for you. This PDS describes the CFDs which may be issued to you in accordance with the Account Terms that apply to you. You should read all of this PDS, the Account Terms that apply to you, TMD, and FSG before making a decision to deal in OTC derivatives (including CFDs). We recommend that you contact us if you have any questions arising from this PDS, Account Terms, TMD, or FSG prior to entering into any Transactions with us. IC Markets recommends that you consult your adviser or obtain independent advice before trading with us.

1.4 YOUR SUITABILITY TO DEAL IN CFDs

If we ask you for your personal information to assess your suitability to deal in CFDs and accept your application to establish your Account, this does not constitute personal advice or any other advice to you.

We make an objective assessment of your suitability to deal in CFDs based on the criteria as described in the TMD, which includes (but is not limited to) information about your financial standing and experience in trading in CFDs. However, it is important that you always make and conduct your own assessment to ensure trading in CFDs is appropriate for you and your financial situation, objectives and needs. You should carefully consider the features of CFDs and their significant risks as described in this PDS before undertaking any Transactions.

IC Markets has a client qualification policy which is intended to ensure that the CFDs IC Markets issues are issued to clients who are likely within the target market as described in the TMD. Accordingly, all new Clients are adequately assessed and must pass a "Client Suitability Test" before they are allowed to commence dealing in CFDs. The test is designed to assess whether a Client is, in fact, likely to be in the target market for IC Markets' CFDs as described in this PDS.

Some key suitability considerations we may assess you on are:

- what your previous experience in trading CFDs is;
- whether you understand the nature of CFDs and how they work;
- whether you understand the processes and technologies used in trading;
- whether you can monitor your CFD positions and manage risk;
- whether you understand the concepts of leverage, Margin, and volatility;
- to what extent you can tolerate experiencing losses as a result of your trading in CFDs;
- what your risk tolerance is; and
- your investment needs.

IC Markets requires Clients to answer a number of questions based on these considerations. If a pass mark is achieved, Clients are deemed appropriately suitable to trade and their Account is activated for trading. If a pass mark is not achieved, we advise you to open a demo account in order to gain a better understanding of OTC derivatives (including CFDs). We are required to keep written records of any attempt made by a Client to pass the Client Suitability Test.

To the extent permitted by law, we do not accept liability for your choice to invest in any CFDs, so you should read all of this PDS carefully. Consider your own needs and objectives for trading in these CFDs and seek independent advice as you see fit.

You remain solely responsible for your own assessments of the features and risks and seeking your own advice on whether CFDs or any particular CFD Transactions are suitable for you.

1.5 WHOLESALE CLIENT CLASSIFICATION

In accordance with the Corporations Act, you will be classified as a Retail Client unless (i) you apply to be categorised as Wholesale Client and (ii) you meet the requirements to be classified as a Wholesale Client. We will notify you of our decision to treat you as a Wholesale client in writing. If you are categorised as a Wholesale Client this PDS will not apply to you. Rather you will need to refer to the Wholesale Client Information Statement and the terms applicable to Wholesale in the Account Terms which can be found on our website.

1.6 CURRENCY OF PDS

The information in this PDS is up to date at the time it was prepared and, any information that is not materially adverse, is subject to change at any time and may be updated as set out in this section of the PDS. If there are any updates to this type of information, they will be posted on our website (www.icmarkets.com.au). A copy of this PDS and the Account Terms can be downloaded from the website or you can call IC Markets to request that a paper copy of them be provided to you free of charge. If the new information is information which is materially adverse to you, we will issue either a new PDS or a supplementary PDS containing the new information.

1.7 CONTACT

IC Markets can be contacted at:

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Toll Free: 1300 600 644

Telephone: +61 (02) 8014 4280

Email: support@icmarkets.com.au or via our website at: www.icmarkets.com.au

Section 2 – Benchmark Disclosure

ASIC has adopted benchmarks for OTC derivatives which include CFDs.

The benchmarks are not mandatory and are not law. ASIC has introduced them by way of stating, in Regulatory Guide 227 (**RG 227**), ASIC's expectations. Not meeting the benchmarks is not an indication of breaches or failures. Rather, the benchmarks in RG 227 also require prominent disclosure in a PDS as to whether an issuer meets the benchmarks or, if not, the reasons why they are not met are explained in the PDS.

The following table summarises the benchmarks as IC Markets applies them to its CFDs, and whether IC Markets meets them and, if not, why not.

The table also refers you to other sections of this PDS for more information on relevant topics (to avoid duplicating the information in this PDS).

Benchmark	Meets	Explanation
1. Client Qualification	Yes	IC Markets has in place a client qualification policy which requires all new clients to be assessed and show sufficient experience and product knowledge prior to being able to deal in IC Markets' CFDs. Please see Section 1.4 and our website for further details.
2. Opening Collateral	No	IC Markets does not meet this benchmark because it accepts, as collateral for opening an Account, payments by credit card of more than \$1,000 as well as payments via Bpay and bank transfer and does not place limits on credit card payments. We do however ask that you consider our comments in relation to paying by credit card as explained in section 5.1.
3. Counterparty Risk – Hedging	Yes	IC Markets has in place a written policy which outlines how we manage our exposure to market risk from client positions and how we identify our Hedge Counterparties. See Section 9.3 and the 'Legal Documents' section on our website for further information.
4. Counterparty Risk – Financial Resources	Partly	IC Markets has in place a written policy outlining how we comply with our financial obligations and conduct stress testing to we ensure that we have sufficient financial resources to meet our liabilities. See Section 3.3 for further information. IC Markets would meet this benchmark except that it only makes available copies of its latest audited financial statements by inspection at its offices (free of charge).
5. Client Money	Yes	IC Markets has in place a written policy regarding the use of Client money. See Section 5.1 for further information. IC Markets does not use Client moneys paid into the client moneys trust account for margining, guaranteeing, securing, transferring or for its hedging purposes. Rather, IC Markets uses funds from its own operating account for these purposes.
6. Suspended or halted underlying assets	Yes	IC Markets does not allow trading in positions when there is a trading halt in the Underlying Instrument. See Section 8.5 for further information. This does not apply to Foreign Exchange CFDs.
7. Margin Calls	Yes	<p>IC Markets has a clear policy in relation to Margin and our rights to Close Out Open Positions.</p> <p>IC Markets' Margin practice is an automated process via the Electronic Trading Platform by which the platform automatically posts warnings to the Account if you do not maintain the minimum Margin Cover levels.</p> <p>Nevertheless, the Account Terms clearly require the Client to maintain the minimum Margin Cover at all times. A Client must meet the Margin Cover requirements whether or not the Client has received the warnings on the Electronic Trading Platform (or notices from us).</p> <p>See Section 5.2 for further information.</p>

Section 3 – Key Features and Key Risks

Key Information

3.1 KEY FEATURES OF CFDs

- The CFDs issued by IC Markets are sophisticated, high-risk, OTC derivatives. They are not Exchange-traded financial products.
- You must fund your Account with IC Markets before any CFD can be issued to you. You do this by paying at least the Initial Margin.
- You remain liable to pay later Variation Margin and to maintain the required amount of Margin Cover. If you do not maintain the required Margin

Cover or you do not pay the required Margin following a Margin Call by the required time, your CFDs positions can be Closed Out by us.

- CFDs are leveraged instruments, meaning you are required to pay to IC Markets the Margin component only, not the full value of the Underlying Instrument.

3.2 KEY BENEFITS OF CFDs

- Indirectly trade world markets** - CFDs allow indirect investment exposure to a large number of financial products traded on Exchanges on an OTC basis.
- Leverage** - The leverage afforded to you from dealing in CFDs allows you to obtain a larger exposure to the Underlying Instrument over which the

CFD is based at a fraction of the outlay that you would have to otherwise pay if you were to buy the Underlying Instrument itself. They allow for potential significant profits relative to the capital outlay.

- **Lower transaction costs** – Relatively low transaction costs mean CFDs are a cost effective and convenient way of gaining exposure to various financial markets without having to buy the Underlying Instrument itself.
- **Hedging** – CFDs can be used to hedge investments and reduce existing market risk. CFDs can be used to hedge directly, on a portfolio basis, or to cover specific risks of investments.
- **Speculation** – CFDs can be used to speculate on price movements in a particular market.
- **Liquidity** – Foreign Exchange CFDs offer relatively superior liquidity pricing access, particularly in the major currencies. Liquidity helps ensure price stability and low Spreads.
- **Real time quotes** – Our Electronic Trading Platform allows for real time quotes ensuring up to date information is provided almost 24 hours a day on any market that is opened.
- **Instantly settled** – If your Account has benefited from a Realised Profit, IC Markets will pay money (or credit) equivalent to that amount of the Realised Profit into the CMTA. This means your Account gets paid by Realised Profits (or is credited) for gains as soon as your Transactions are settled.

3.3 KEY RISKS OF CFDS

These are the significant risks of dealing in IC Markets' CFDs.

- **Leverage** – CFDs are leveraged and the amount you pay (i.e. the Margin) to IC Markets is less than the full face-value of the Underlying Instrument. CFDs have leverage which can lead to large losses as well as large gains. The high degree of leverage in CFDs can work against you as well as for you. The leverage in a CFD means there is a high risk of a loss. You should be prepared for greater risks from this kind of leveraged investment, including being liable to pay IC Markets more Margin than your initial outlay. Furthermore, Margin requirements can change rapidly due to changes in the market for the Underlying Instrument.
- **Loss of your investment** – Your potential trading losses on CFDs may exceed the amounts you pay as Margin for your CFDs or that amounts we hold on trust for you in your CMTA. Losses are likely if you do not adequately monitor your CFDs and Close Out any positions at a value acceptable to you. Negative Balance Protection limits your maximum losses (including any costs) to the value of your Account Value and prevents your Account from going into deficit (i.e. negative balance).
- **Trust moneys are withdrawn to pay for your CFDs** – The money which you pay into the CMTA may be withdrawn by IC Markets for fees, costs, charges, or Realised Loss in relation to your CFD positions. If money is withdrawn, that money is withdrawn as a payment to IC Markets, so, once withdrawn that money is no longer held on trust for you and, you lose the benefits of holding that money in your CMTA.
- **Margining (position closure)** – You are liable to pay Initial Margin before the CFD is issued and you may be required to pay more Margin, as Variation Margin, before a CFD is closed. You must be able to pay to IC Markets the amount of required Margin Cover as and when required. You should consider there is a high risk of Margin requirements changing at times very rapidly. There is a high risk that if the market value of the Underlying Instrument moves rapidly against you, you will be required to pay more Margin on little or no notice. If you do not meet your Margin Cover requirements, including at little or no notice, IC Markets may Close Out your Open Positions either, in whole or in part, without notice to you and you may suffer a loss as a result. You can manage your risk of losing your positions after failing to meet Margin requirements by carefully selecting the type and amount of CFDs to suit your needs, monitoring the positions, maintaining a prudent level of cash balance in your Account and providing sufficient Variation Margin within the time required by IC Markets.
- **Foreign exchange** – Foreign currency conversions required for your Account can expose you to foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies

occurs. Foreign Exchange CFDs can expose you to rapid, significant, and large changes to your Account Value as a result of foreign exchange rate movements. This can also trigger changes in your Margin Cover requirements (refer to "Margining (position closure)" above). You can manage this risk by selecting CFDs with foreign exchange exposure that you are prepared to incur and to monitor.

- **Counterparty risk (financial resources)** – IC Markets' CFDs are not Exchange traded so you need to consider the credit and related risks you have on IC Markets. In trading in CFDs there is a risk that IC Markets will not meet its obligations to you under the CFDs that you deal in. As IC Markets is the issuer of the CFD to you, you are exposed to the financial and business risk, including the credit risk associated with trading with IC Markets. If IC Markets becomes insolvent, IC Markets may be unable to meet its obligations to you (see Section 9.2). The potential adverse outcome of this risk is very significant to you since, if it occurs, you could lose all or some of your investment. You can manage your counterparty risk on IC Markets by limiting the amount you hold in your Account at IC Markets, trading prudently, and requesting payment to you of any surplus in your Account which is not required for prudent Margin management.
- **Counterparty risk (hedging)** – The term 'hedging' refers to the process where a financial products issuer such as IC Markets reduces its risk exposure by entering into a corresponding trade with a Hedge Counterparty. IC Markets may hedge CFD transactions with its Hedge Counterparties. You need to consider the selection procedures and counterparties used by IC Markets (see further details in section 9.2). IC Markets does not use client moneys to hedge any of its positions with its Hedge Counterparties. Those positions are funded by IC Markets' operating account. Our Counterparty Hedging Policy is available on the "Legal Documents" section of our website.
- **Gapping risk** – The term 'gapping' refers to a situation where a CFD opens at a much higher or lower price than the previous Closing Price. In currency trading gapping typically occurs when the Underlying Instrument to which the CFD relates has stopped and recommences trading (e.g. over a weekend) at a price below or above your specified price level, or may trade in insufficient size as represented by your order for IC Markets to be able to place a trade in the Underlying Instrument. When gapping occurs, your Orders are executed at the quote based on the first price that IC Markets are reasonably able to obtain in the Underlying Instrument. When gapping occurs, you may not be able to exit an existing position at the price you have specified. Instead, your Order may be filled at the next best price which may be better or worse than your specified price. You should note that contingent orders (such as, Limit and stop orders) are not guaranteed executable at the specified level or amount, unless explicitly stated otherwise by IC Markets. It is your responsibility to manage your orders, any order that you have placed and have not cancelled maybe filled by us and as a result you may incur a loss as a result of that order being executed.
- **Liquidity risk** – Liquidity risk typically occurs in volatile markets or in circumstances where there is a major news announcement. When there is a lack of liquidity in the Underlying Instrument, you may not be able to enter or exit a Transaction at your requested price.
- **Market volatility** – Financial markets are subject to high volatility causing rapid price fluctuations. This is primarily due to external influences and unforeseen events. This affects prices and Spreads of CFDs (i.e. the gap between the buy and sell price is wider). Unpredictable events can occur and prices of the Underlying Instrument over a CFD is based may move rapidly on little trading volume. In such circumstances it may become very difficult, if not impossible, to obtain a price and/or execute Orders according to your instructions or at all, which could cause you to suffer a loss. In other circumstances there may be low trading volumes in the Underlying Instrument to which your CFD relates and we may limit the size of the Orders that you are able to place, which may prevent you from fulfilling your desired trading strategy. You can reduce your risk by understanding the market relevant to your CFDs, monitoring your CFD positions carefully and closing your positions before unacceptable losses arise.
- **Not a regulated market** – As CFDs are OTC financial products you do not have the benefit of some of the advantages of trading on a licensed market, such as having a central clearing house to guarantee our obligations to you. For example, trading on the ASX is governed by rules applicable to brokers and generally has the benefit of a guarantee system known as the National Guarantee Fund which provides protection from fraud or misconduct by brokers in connection with certain ASX trades. The ASX rules and the National Guarantee Fund do not apply to trading in CFDs. OTC contracts, by their nature are not liquid investments in themselves. If you want to exit your CFD, you rely on IC Markets' ability to Close Out at the time you wish, which might not

match the liquidity or market price of the Underlying Instrument. You can manage this risk by carefully reading this PDS, the Account Terms and taking independent advice on the legal and financial aspects relevant to you.

- **System risk** – Operational risk is inherent when trading on an Electronic Trading Platforms. Disruptions in operational processes such as communications, computer networks or external events may lead to trade execution problems.

- **Execution Risk (slippage)** – While we aim to always provide the best prices possible from our systems and fill Orders at the requested rate, there may be times where, due to an increase in volatility or volume, some price slippage may occur as the Order is being filled. This generally occurs during news events or gapping. Execution is also subject to available liquidity in the Underlying Instrument. Your Orders may not be filled due to the Underlying Instrument price moving significantly or liquidity being exhausted, in which case your Order will be filled at the next available price. Although you have the ability to hedge your risk when you trade with us (in that you can hold both buy and sell positions in the same or similar CFD at the same time), hedged positions still carry risk. You will be charged interest on both sides of the open position and you can incur losses because of rollover costs, exchange rate fluctuations or widening spreads. These losses could also trigger a Margin call.

- **Execution risk (delays)** – Execution delays may occur for a number of reasons such as technical issues with your internet connection to our servers. Connection strength may vary depending on the kind of device used, interruptions may cause a delay in the transmission of data between our servers to the Electronic Trading Platform.

- **Execution risk (hanging orders)** - Hanging orders can occur during periods of extremely high volume. A hanging order is when an Order sits in the "orders" window of the Electronic Trading Platform even after it has been executed.

- **Execution risk (rollover)** – All positions that you have open as at 23:59 in the Electronic Trading Platform's server time are subject to a rollover. Your positions are rolled-over by debiting or crediting your Account (see section 10.3 – Finance Charge/Credit). During the rollover period, trading may be disabled for 2 to 5 minutes. Further, following a rollover, there may be widened spreads as liquidity reduces, this may result in losses.

- **Automated trading strategies (expert advisors)** – Your use of expert advisors is high risk. IC Markets has no control over the code or logic of these systems as they are provided by third-parties. Leaving such systems active without being present may cause significant losses.

- **Cryptocurrency Risk** - Cryptocurrencies are high risk Underlying Instruments and their value can fluctuate significantly. Cryptocurrencies are subject to technology risks. If you choose to invest in Cryptocurrency CFDs, you do so acknowledging that these instruments are much more volatile than currencies, and that sharp and sudden moves in the price could result in significant losses quickly. We may enforce exposure limits on Cryptocurrencies.

- **Suitability Risk** - The products that we offer are complex and involve a high degree of risk. It is important that you consider your financial circumstances to make sure that these products are suitable for you. If you do not understand the key features and risks of the products that we offer, you are likely to not be in the Target Market for the products. You should seek independent advice (i.e. financial, legal, tax etc.) before you start trading with us.

- **IC Markets' powers on default, indemnities and limitations on liability** - If you fail to pay, or provide security for, amounts payable to IC Markets or fail to perform any obligation under your Transactions, IC Markets has extensive powers under the Account Terms to take steps to protect its position. For example, IC Markets has the power to Close Out positions and to determine the rates of interest it charges. Additionally, under the Account Terms you agree to indemnify IC Markets for certain losses and liabilities, including, for example, in default scenarios. You should read the Account Terms carefully to understand these matters.

For a description of other significant risks relating to dealing in CFD as a financial product in general, please see Section 9 of this PDS.

3.4 HOW CFDs WORK

A CFD is a financial product that is a sophisticated OTC derivative which, when traded may allow you to make a profit, but also may result in you incurring significant losses. This may occur as a result of changes in the market price of the CFD's Underlying Instrument, without actually owning that financial product or having any direct interest in the financial product.

Essentially, the amount of any profit or loss made on the CFD will be equal to the difference between the price of the Underlying Instrument when an Open Position is created for the CFD and the price of the Underlying Instrument when that Open Position is Closed Out by either you or us, multiplied by the number of contracts held by you at that time (minus any Transaction Fees and/or other costs (e.g. Finance Credit(s) or Finance Charge(s) see section 5 and section 10 below).

Unlike direct investments made by trading on an Exchange, CFDs are not standardised. The terms of CFDs are based on the Account Terms with IC Markets, which apply to your Account and your Transactions with us.

Dealing in CFDs does not give you any beneficial interest in the Underlying Instrument, any rights of an investor who holds the Underlying Instrument, nor any rights to acquire the Underlying Instrument itself. This is different from direct trading in the Underlying Instrument where you do acquire a beneficial interest in the actual financial product that is being traded.

3.5 AVAILABLE TYPES OF CFD

The CFDs offered by IC Markets provides exposure to the following underlying asset classes:

- Share;
- Index;
- Commodity;
- Bond;
- Foreign Exchange;
- Cryptocurrency.

The Underlying Instrument with respect to each of the above financial instrument may be spot or Futures Contracts. The Underlying Instrument itself is a financial product. The availability of the underlying asset classes as either spot or Futures Contracts is detailed in section 6 of this PDS.

CFDs with Futures Contracts as Underlying Instrument allows you to gain exposure to movements in the price of the financial instrument through owning the Futures Contract itself. Further information can be found in section 8.8 of this PDS.

Product specifications for each type of CFDs offered and issued by IC Markets, including the Lot size and Tick Size, are provided on our website at www.icmarkets.com.au. We recommend that you review these prior to deciding which type of CFDs you wish to deal in.

See section 6 of this PDS for a detailed explanation of the types of CFDs.

3.6 PURPOSE OF CFDs

People who deal in CFDs may do so for a variety of reasons.

Some deal for speculation that is, with a view to profit from fluctuations in the price or value of the CFD's Underlying Instrument. For example, CFD traders may be short-term traders who are looking to profit from intra-day and overnight market movements in the CFD's Underlying Instrument. CFD traders may have no need to sell or purchase the Underlying Instrument themselves, but may instead be looking to profit from market movements in the Underlying Instrument concerned.

Others deal in CFDs to hedge their exposures to the CFD's Underlying Instrument. For example, CFDs can be used as a risk management tool to enable those with existing holdings of an Underlying Instrument to hedge their positions by creating an Open Position in a CFDs that takes the opposite side

of their position in the Underlying Instrument (e.g. a Client acquires a Share CFD that shorts the Underlying Instrument they directly hold and are long on).

CFD traders can potentially profit (however, may also lose) from both rising and falling markets depending on the strategy they have employed across all of their trades. Strategies may be complex and will have different levels of risk associated with each strategy. Whatever the purpose of the dealing, CFDs allow you to deal indirectly in the Underlying Instrument across a number of Exchanges, without the need for arranging separate broker or custody accounts in each country and having to manage payments for all of those accounts.

The use of CFDs involves a high degree of leverage. These CFDs enable an investor to outlay a fraction of the total amount (in the form of Initial Margin) to secure an exposure to the CFD's Underlying Instrument. Leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

The leveraging in a CFD may lead to a loss larger than the Initial Margin and Variation Margin that you have paid to IC Markets to establish or to maintain the CFD (see Section 11 for an example of a loss made on a CFD Transaction). For Retail Clients, we provide Negative Balance Protection which works to limit your maximum losses (including any costs) to your Account Value at the time the losses are realised (including by way of automatic Closing Out). This is done to prevent your Account from going into deficit (i.e. negative balance).

Negative Balance Protection does not automatically apply to Accounts for Wholesale Clients.

Section 4 – How to Trade

4.1 YOUR ACCOUNT

Before trading you should read the contents of this PDS, the Account Terms and the FSG and decide whether CFD trading is suitable for you.

To establish an Account you will need to complete IC Markets' Account application form, available at www.icmarkets.com.au or by contacting IC Markets directly. By opening an Account, you agree to the Account Terms. We may use our discretion in deciding whether to accept or reject your Account application

We will ask you questions that will help us assess your suitability to trade CFDs (as outlined in section 1.3 of this PDS). If we decide that you do not have the relevant experience, we may recommend that you open a demo account prior to opening a live Account.

The legal terms governing your Transactions with IC Markets are set out in the Account Terms. We **strongly recommend** that you read the Account Terms. The Account Terms contain the legal terms for your dealings with us for the CFDs covered by this PDS.

Your Account is credited by the amount you pay to IC Markets and deductions are made for fees, charges and other amounts you owe.

4.2 OPENING A DEMO ACCOUNT

If you are unsure about how CFDs work, we **strongly recommend** that you apply for a demo trading account and trial our Electronic Trading Platform prior to opening a live Account.

Our demo accounts mirror our live trading platforms and provide you with a virtual balance to trade with. This enables you to become familiar with the Electronic Trading Platform features and whether or not you feel that CFDs are suitable for you.

We make available demo trading accounts on our website www.icmarkets.com.au.

4.3 BASE CURRENCY

We can apply a Base Currency to your Account. All the financial information within your Account is displayed in the Base Currency.

Moneys received by us from you in a different currency to that of the Base Currency will be converted back to the Base Currency at the exchange rate applied by our bank at the relevant time.

When you deal in a CFD that is denominated in a currency other than the Base Currency, all financing adjustments will be made by us in that other currency, and then converted to the Base Currency at our current exchange rate at the relevant time.

The foreign currency conversions can expose you to foreign exchange risks between the time a transaction is entered into and the time the relevant conversion of currencies occurs.

4.4 OPENING A CFD

The particular terms of each Transaction are agreed between you and IC Markets before entering into a Transaction.

Before you enter into a Transaction with IC Markets, IC Markets will require you to have sufficient Account Value to satisfy the Initial Margin requirements for the relevant number of contracts that are the subject of the Transaction. The payments you make to IC Markets are either used as Margin or withdrawn to pay the amounts for Realised/Unrealised Losses or any fees and charges which you may owe.

An Open Position is created by either buying (i.e. going long) or selling (i.e. going short) a CFD. You go "long" when you buy a CFD in the expectation that the price of the Underlying Instrument to which the CFD relates will increase. This would have the effect that the price of the CFD would increase. You go "short" when you sell a CFD in the expectation that the price of the Underlying Instrument to which the CFD relates will decrease. This would have the effect that the price of the CFD would decline.

4.5 ACCOUNT LIMITS

There are limits on the maximum number of pending orders and the maximum number of open positions per account at any given time. Details on such limits are available on our website at www.icmarkets.com.au/en/trading-accounts/overview

4.6 DEALING

Price quotes for dealing in CFDs are indicative only and are subject to the actual price at the time of execution of your Transaction. There is no assurance that the CFD will actually be dealt with at the indicative quote.

CFDs can only be traded during the open market hours of the relevant Exchange on which the Underlying Instrument is traded (or within any more limited hours set from time to time by IC Markets). Quotes are normally only given, and Transactions made during the open market hours of the relevant Exchange on which the Underlying Instruments are traded or more limited hours we may set from time to time. The trading hours of the CFDs we quote are available on our website www.icmarkets.com.au and on our trading platforms.

IC Markets may at any time in its discretion, without prior notice, impose limits on CFDs in respect of particular Underlying Instruments. Ordinarily IC Markets would only do this if the market for the particular Underlying Instrument has become illiquid or its trading status has been suspended or there is some significant disruption to the markets including trading facilities or the company whose shares the CFD is based on has become externally administered.

You should be aware that the market prices and other market data which you view through the Electronic Trading Platforms or other facilities which you arrange yourself may not be current or may not exactly correspond with the prices for CFDs offered or dealt with by IC Markets.

If you access your Account and any Electronic Trading Platform outside of the hours when Orders may be accepted, you should be aware that the Orders may be processed at a later time when the Underlying Instrument is open for trading. The market prices (and currency exchange values) might have changed significantly by the time the Order is executed.

4.7 PRICING

IC Markets quotes a lower price and a higher price at which you can place your Order (i.e. Bid price/Ask price). This may also be referred to as the "Spread". The higher quoted price is the indication of the price you can **buy** the CFD (i.e. create an Open Position for that CFD). The lower quoted price is the indication of the price at which you can **sell** the CFD (i.e. the price at which you can Close Out an Open Position for the CFD).

IC Markets' Bid and Ask prices are set by IC Markets and so these prices may not always be the same as those quoted in the relevant underlying market. IC Markets does not act as your agent to find you the best prices.

When your Order is executed, for you to break even or before you can realise a profit, putting aside for the sake of simple illustration any fees or charges, the price at which you Close Out your Open Position needs to have moved in your favour to at least equal to the original Bid or Ask price at which you created the Open Position, depending on whether you went long or short on that particular Transaction.

Also, the available pricing may be limited by Tick sizes, minimum steps, depending on the general market rules for trading the Underlying Instrument or IC Markets' hedging, so, depending on the product you choose, your Order to Close Out your Open Position might have to be in minimum increments of pricing before it can be accepted and Closed Out. That could affect your net profit or loss.

4.8 PRICING MODEL

IC Markets does not make a market for any of the Underlying Instrument. The CFDs we issue are also not listed or traded on any exchange.

Following the acceptance of an Order placed by you, meaning after we have issued a CFD to you, IC Markets have market risk exposure and, therefore, exercise certain risk management measures, including placing hedging transactions with Hedging Counterparty. In other words, IC Markets' revenue is earning transaction commissions from Transactions, not from speculating market prices.

It follows that all price quotes by IC Markets for CFDs in respect of Underlying Instruments are based on market prices offered to IC Markets. IC Markets has no other dealer intervention. IC Markets sources the basis of its prices from external Liquidity Providers, which may include banks and financial institutions.

Depending on the type of Accounts you have, IC Markets earns transaction commission in two ways:

(a) by marking up the Spreads from the prices sourced from external Liquidity Providers (see section 8 and 10 for further information on Spreads). This commission model is offered in the "Standard" Account type, in which there are no Transaction Fees that are applied; or

(b) by charging a Transaction Fee, quoted either as a percentage or a nominal value in currency. This commission model is offered via the "Raw Spread" Account type, in which there is no mark-up of Spreads. This means IC Markets may pass on to you the Spreads it receives from its Liquidity Provider on an "as-is" basis. The prices we show are considered to be the raw Spread since we do not alter the price in any way. Under this model, IC Markets aims to offer tighter competitive Bid/Ask prices directly to our clients that would not generally otherwise be available to them.

Regardless of the Account type, IC Markets may, at its discretion, elect to offer certain type of CFDs with neither Transaction Fees nor Spread mark-up. Details of Transaction Fees (and other fees and costs) for each product are available on our website.

4.9 CLOSING A POSITION

Ordinarily, CFDs do not expire or have a fixed term of existence, so they must be Closed Out. This can be done by you or, in certain circumstances, may be done by IC Markets.

Futures Contract CFDs will, however, expire if the Underlying Instrument (i.e. a Futures Contract) expires unless they are rolled into the next available contract.

If you wish to Close Out an Open Position, you must enter into a new Open Position which is equal and opposite to the existing Open Position. To close a "long" Open Position - you sell (i.e. create an Open Position that goes "short" on the same CFD with the same Underlying Instrument for the same number of contracts). To close a "short" Open Position - you buy (i.e. create an Open Position that goes "long" on the same CFD with the same Underlying Instrument for the same number of contracts).

At the time that the Open Positions are closed, the Electronic Trading Platform will calculate the remaining payment rights and obligations to reflect movements in the Contract Value since the previous business close (including any other credits/debits). Because you enter into a new Open Position to Close Out the existing Open Position, there may be a fee on the newly created Open Position used to Close Out the existing Open Position - see Section 10 on "Costs, Fees and Charges".

In order to provide the CFDs to you in an efficient and low-cost manner, IC Markets has discretion in determining closing prices. In general, without limiting IC Markets' discretion, it should be expected that IC Markets will act reasonably and have regard to a range of relevant factors at the time, the closing price of the Underlying Instrument for the existing Open Position, any foreign currency exchange rates which are relevant due to the denomination of the Open Position or Accounts and any suspension or halt in trading of the Underlying Instrument.

IC Markets also has the right to decide to make an adjustment in any circumstance if IC Markets considers an adjustment is appropriate. IC Markets has a discretion to determine the extent of the adjustment so as to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

IC Markets may, in accordance with the Account Terms, elect to Close Out an Open Position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment.

IC Markets must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly as well as several other obligation in providing financial services to you.

A Realised Profit or Realised Loss occurs once an Open position has been Closed Out.

The amount of any gross profit or loss you make on a Transaction will be based on the difference between the amount paid to create the Open Position when it is issued, including any fees and charges and the amount credited to your Account when that Open Position is Closed Out, including allowance for any fees and charges.

4.10 CONFIRMATIONS OF TRANSACTIONS

If you transact in CFDs, the confirmation of that Transaction, as required by the Corporations Act may be obtained by accessing your daily statement online within your Account, which you are able to print out for your records.

Once you have entered an Order into an Electronic Trading Platform, the Electronic Trading Platform may report the details of your Transaction in an electronic online statement. This is a preliminary notification for your convenience and is not designed to be a confirmation as required by the Corporations Act.

If you have provided IC Markets with an e-mail or other electronic address, you consent to confirmations being sent electronically, including by way of the information posted to your Account on the Electronic Trading Platform. It is your obligation to review you trade confirmations immediately to ensure their accuracy and to report any discrepancies to us within 48 hours.

4.11 ELECTRONIC TRADING PLATFORM

Your Account gives you access to the Electronic Trading Platform(s). Electronic Trading Platform include, but not limited to, "MetaTrader 4" and "MetaTrader 5" developed by MetaQuotes Software Corp, "cTrader" developed by Spotware Systems Ltd. The list of available trading platforms is subject to change from time to time.

We **strongly recommend** that you open a demo account and conduct simulated trading prior to open a live account with IC Markets, to familiarise

yourself with our Electronic Trading Platforms however, this choice is entirely yours.

We do not accept telephone or other voice Orders. We will endeavour to use our best efforts to make the Electronic Trading Platforms available when you access them; however, we cannot give an absolute assurance or guarantee that the Electronic Trading Platforms will be available on a continuous basis due to systems maintenance, unexpected system failures and other related technological or external factors that may occur from time to time.

You must carefully read and follow the operational rules for each of the Electronic Trading Platforms. The Electronic Trading Platforms from time to time may impose special operating rules including but not limited to:

- posting Margin (such as when payment is required and when the payment is effective);
- how Margin is calculated (such as automatic adjustments outside of trading hours, including on the weekend); and
- how Orders are managed.

There is also online help section available on the Electronic Trading Platforms which has information relating to the operation of the Electronic Trading Platform including the risks associated in trading using Electronic Trading Platforms generally. We recommend you carefully review the operational rules that apply to the Electronic Trading Platforms before commencing live trading with IC Markets.

As the Electronic Trading Platforms are provided by third-party vendors, we rely on them to ensure that their systems and procedures are regularly updated and maintained.

Section 5 – Client Moneys and Margining

5.1 CLIENT MONEYS

Moneys transferred by you to IC Markets for CFDs are deposited into a CMTA maintained by IC Markets. You can make your deposit into the CMTA by using "BPay", electronic or telegraphic transfer, credit card or other means as approved by us from time to time.

IC Markets only permits clients to trade on cleared funds. ASIC recommends that when credit cards are used to make the initial deposit in to the CMTA (i.e. posting of "opening collateral"), no more than \$1,000 be accepted. IC Markets does not enforce this policy since it is our view that limiting of a one-off payment to open an Account with IC Markets is not likely to act as a protective measure. For instance, clients could quite easily use credit cards for cash advances to fund their Account. **It is important to note that when dealing in CFDs you may incur significant losses.** We advise that you consider this if you are using a credit card to make the first ever deposit into your Account and that deposit is for more than \$1,000.

If you do not use the client reference number when making your deposit, this may delay your opportunity to enter into a Transaction or Close Out an Open Position.

When you make a payment which is deposited into the CMTA, IC Markets is entitled to withdraw from the CMTA the amount for the fees and charges that relate to your Transactions. The moneys transferred by you into the CMTA are held by IC Markets on trust for you and are segregated from IC Markets' own company funds. That means those funds are not available to pay general creditors in the event of receivership or liquidation of IC Markets.

You should be aware that, generally for CMTAs:

- IC Markets is solely entitled to retain all interest earned on the money held in a CTMA. Accordingly, you will not earn interest on any money deposited in the CMTA.
- Your money may be commingled into one or more trust accounts and combined with other client funds.
- As individual clients do not have separate or segregated CMTAs, if there

is a deficiency in the CMTAs and in the unlikely event that IC Markets becomes insolvent or is otherwise unable to pay the deficiency, you may not receive all the money in the CMTAs owed to you. Please refer to Section 9 titled "Significant Risks" for more information.

We will only withdraw money from the CTMA to:

- process a withdrawal for you;
- withdraw fees charged as part of a deposit into or withdrawal your Account;
- pay money to us that we are entitled to as a result of you trading with us: and
- make a payment that is otherwise permitted by law or in compliance with the operating rules of an Exchange.

Payment Service Providers

Some of our payment methods involve the use of third-party payment service providers. When a deposit is made via a payment service provider IC Markets will subsequently make a corresponding credit to the Client's trading account upon receipt of these funds in the account with that PSP. There may be a timing delay between the depositing of client funds with the payment service provider and the crediting of those funds to the Client's trading account, due to the payment service provider assigning those funds to IC Markets.

The timing depends on the Client providing all required details, and the time the payment service provider credits the relevant Client payment to IC Markets' account, which is subject to processing time by the payment service provider. IC Markets does not control this process. Payment to the payment service provider is at the client's own risk.

Payment into and withdrawals from the CMTA for the Client's trading account by IC Markets are subject to any Realised Profit or Realised Loss from the Client's trading activity during the day. Fees and charges, or any other withdrawal that were previously defined, may also be withdraw from the CMTA by IC Markets.

Client Money Rules

IC Markets holds money that you deposit with us for trading in a trust account that we maintain with an Authorised Deposit Taking Institution.

In short the Client Money Rules:

- limit an AFSL holder's (such as IC Markets) ability to withdraw client moneys from its CMTA:
 - for the AFSL holder's use for working capital;
 - for the AFSL holder meeting obligations incurred by it other than on behalf of the client; and
 - for the purpose of the AFS holder entering into, or meeting obligations under, transactions that the AFSL holder enters into to hedge, counteract or offset the risk to the AFSL holder associated with a Transaction;
- impose record-keeping, reconciliation and reporting obligations on AFSL holders that hold "derivative retail client money" (as defined by the Corporations Act).

IC Markets does not use client moneys paid into a CMTA for margining, guaranteeing, securing, transferring or for its hedging purposes or for any of the other means prohibited by the Client Money Rules. IC Markets uses funds from its own operating account for those purposes.

In practical terms, when you make a payment which is deposited into the CMTA, you are making payments held as Margin for your CFDs which may be withdrawn to be paid entirely to IC Markets for any Realised Loss or for fees and charges associated with your Transactions.

5.2 MARGINING

You must pay the Initial Margin before the CFD is issued to you. You must then maintain the minimum amount of Margin Cover required by us. Separately, you must pay any Variation Margin when as and when we require it to be paid.

To pay Margin, you must first deposit the required funds into the CMTA. Your payment is only effective when we receive your cleared funds and we credit your Account to reflect the Margin payment.

Here is a summary of the key features of margining which are explained later in this Section:

- **You are liable to meet all calls for Margin for your Account.**
- When you have CFDs, you are also liable to meet all **Margin calls** for additional payments to IC Markets.
- This Margin call **obligation is in addition** to your obligation to maintain the minimum required Margin cover for your Account.
- **There is no limit as to when you need to meet your Margin calls, how often or the amount of the Margin calls.**
- **The timing and amount of each Margin call** will depend on movements in the market price of the Open Positions, the movements in the market price of the Non-Margin Product, if used as Margin and the changes to your Account Value.
- **You have an obligation to meet the Margin call even if IC Markets cannot successfully contact you.**
- You have a risk of your any Open Position you have **being immediately Closed Out** if you do not meet a Margin call.
- When you have CFDs, you are obliged to maintain at all times the **minimum Margin cover** for all of your CFDs.
- It is **your obligation to monitor** the minimum amount of Margin cover required for your Account.
- It is **your obligation to maintain the minimum Margin cover** at all times for so long as you have Open Positions.
- **We are not obliged to notify** you about your obligation, though we may do so by email, telephone call or otherwise, as a courtesy.
- **You have a risk of all of your Open Positions being Closed Out if you do not have sufficient Account Value**, regardless of whether you have checked your Account's requirement for minimum Margin cover or whether you have tried to make a payment but it has not been credited to your Account.

Margin Cover obligations

- You must **continuously** maintain the required Margin Cover for your Account. There is **no grace period as to when** you need to meet a Margin Cover requirement.
- There is **no limit on how often** the Margin Cover and the Margin Cover requirement may change. IC Markets' Margin practice is an automated process by which the Electronic Trading Platform sends warnings to your Account online at different Margin Cover levels. The Margin Cover requirements are stated on our website.
- **The timing and amount of your Margin Cover for your Account** will depend on movements in the market price of the Underlying Instrument, and the changes to your Account Value.
- **You have an obligation to meet the Margin cover even if IC Markets (by the Electronic Trading Platform or otherwise) cannot successfully or does not contact you. You must not rely on receiving any warning**

from us (or the Electronic Trading Platform) or you not accessing your Account.

- You have a risk of some or all of your **Open Positions being Closed Out** if you do not meet the Margin Cover requirement.
- It is **your obligation to monitor** the Margin Cover requirement and the Margin Cover for your Account.
- It is **your obligation to maintain the minimum Margin Cover** at all times or so long as you have an Open Position.
- You have a risk of your Open Positions (**and all other products held in your Account**) being Closed Out if you do not have in your Account sufficient Margin Cover credited to it, regardless of whether you have checked your Account's Margin Cover requirement or whether you have tried to make a payment but it has not been credited to your Account.

How is Margin Cover calculated?

IC Markets sets the amount of the Initial Margin and also, at any later time, may require Variation Margin, to maintain the required Margin Cover.

Initial Margin

For CFDs over specific Underlying Instruments, ASIC has prescribed the maximum leverage and corresponding Initial Margin that we can request from you:

- 30:1 for a major currency pair - 3.33% of the notional value of the CFD at the time it is issued to you;
- 20:1 for a minor currency pair, gold, or a major stock market index - 5% of the notional value of the CFD at the time it is issued to you;
- 10:1 for a commodity (other than gold), or a minor stock market index - 10% of the notional value of the CFD at the time it is issued to you;
- 2:1 for cryptocurrencies (formerly referred to as "cryptoassets") - 50% of the notional value of the CFD at the time it is issued to you;
- 5:1 for securities, or any other assets not referred to above - 20% of the notional value of the CFD at the time it is issued to you.

The Initial Margin set by IC Markets per contract may be equal to or less than the maximum leverage prescribed by ASIC and can change from time to time. The Initial Margin for each CFD we offer is available to view in the relevant Electronic Trading Platform.

Example: The opening balance of your Account is USD \$10,000 and you select a leverage ratio of 1:30 to open a position in a CFD, so the Initial Margin is 3.33% of the notional Contract Value. You decide to enter into a Transaction with a Contract Value of USD \$50,000. The Initial Margin required for this Transaction is USD \$1,665 (i.e. 3.33% of USD \$50,000).

Further Margin payments

For as long as you have an Open Position, you are required to maintain the minimum Margin Cover requirement. Where your Margin cover is a floating amount rather than a fixed amount, we will recalculate the Margin that you are required to pay on a mark-to-market basis.

Owing to the volatility of the market, the amount of required Margin Cover may change after an Open Position has been created, requiring a payment of Variation Margin. Variation Margin amounts are calculated to cover the maximum expected movement in the market at any time but will change when the market changes (and might be insufficient coverage). If you have CFDs denominated in a currency other than the Base Currency, any fluctuations in the exchange rate adverse to your Open Position can lead to automatic adjustments to your required Margin Cover, and subsequently the Variation Margin. You need to monitor these Open Positions very carefully.

Because your Open Positions are required to be paid on a mark to market basis, you can reach the stage of not having enough equity in your Account to

the extent that your Account's Margin Cover is negative. In this case, you have not satisfied your obligation to maintain the minimum Margin Cover requirements.

To satisfy the minimum Margin Cover requirements, you may:

- Close Out existing Open Positions to reduce your Margin Cover requirements; or
- pay additional funds as Margin for your Account; or
- a combination of the above.

The change in valuation of your Open Positions by marking to market is automatic so your Margin Cover can become negative quickly, reflecting the rapid changes in the market values. If these actions taken are not sufficient to return your Margin Cover to a positive amount, then you risk all or some of your Open Positions being **automatically** Closed Out in a Margin Closeout.

However, if at the time of Close Out (either automatically as a result of a Margin Closeout or manually by you) you incur a Realised Loss and your Account becomes negative, we will provide you with Negative Balance Protection which limits your maximum Realised Losses (including any costs that you incur) to your Account Value, preventing your Account from going into deficit (i.e. negative balance).

Your obligation to pay Variation Margin arises under the Account Terms so it applies from the time you create an Open Position. If the market moves so as to increase the minimum Margin Cover requirement, or we increase the Margin Cover requirement, you immediately owe the increased amount of the Margin Cover, regardless of if or when we contact you to pay more Margin. Your obligation to maintain minimum Margin Cover remains at all times, whether or not we contact you and whether or not you log into your Account.

The value of your Open Positions are ordinarily marked to market on a continuous basis, which automatically leads to corresponding changes in the Margin Cover requirement for your Account. At weekends or at other times when trading on the Exchange relevant to the Underlying Instrument is closed, some Margin Cover requirements automatically increase. You should note that if the underlying market is not trading then the value might not change until the market re-opens and there might be a gap in prices/values at the time of re-opening (see section titled "gapping" in this PDS for more information).

As we offer multiple trading Electronic Trading Platforms, there may be differences in the Margin Closeout mechanisms, or how Margin call notifications are provided. Before opening a live account on your chosen Electronic Trading Platform, we **strongly recommend** that you make yourself aware of how the Electronic Trading Platform operates (including its respective Margin Closeout mechanism) by creating and using our demo accounts or contacting us for more information.

Making Margin payments

It is your responsibility to constantly monitor your Open Positions to ensure that you maintain your Margin Cover requirement based on the value of your Open Positions. If the required Margin Cover requirement is more than the available Margin Cover in your Account, you will be required to fund the shortfall and pay the Variation Margin.

We may call you to inform you that you are liable to make a payment of Variation Margin (i.e. a Margin Call). However, our failure to make a Margin call in no way negates your obligation to monitor your Open Positions and pay any Variation Margin required. If you do not pay the Variation Margin, the Account Terms gives IC Markets certain rights over your Account. These rights include, but are not limited to, rights to Close Out your Open Positions without providing notice to you in advance. We have these rights as soon as you have a Margin shortfall. If you make Margin payments by funding your Account, such payment must be in the form of cleared funds in our bank account.

Margin Calls

You will be required to provide the required Variation Margin whether or not you receive a Margin Call. In other words, you are responsible for monitoring your positions and maintaining the required level of Margin Cover. You might receive notice about Margin Cover requirements by email, SMS messages or

when you access your Account via the Electronic Trading Platform, by messages on your screen, but you need to provide the Margin Cover whether or not you get that notice from us (including through the Electronic Trading Platform).

If you receive a Margin call, apart from your obligation to maintain the required amount of Margin Cover, you are also obliged to pay the required Margin Cover and by the time stipulated in the Margin call.

In normal circumstances we will endeavour to notify you of a Margin call via an email or alert from within the Electronic Trading Platform. This serves as notice that your Open Positions are at risk of being Closed Out. You are responsible for monitoring your Account and ensuring that you have sufficient funds available to meet your Margin Cover requirements. We have no obligation to provide you with notification, this service is provided to you as a courtesy .

- If no time is stipulated, payment is required within 24 hours of the Margin call being made. Sometimes, however (such as in unusually volatile market conditions or rapidly falling market prices), little or no time may be stipulated for paying a Margin call (i.e. immediate payment is required) or more than one Margin call may be made on the one day including on weekends or outside of local business hours.
- Even if you do not answer the telephone on the number you give us, or you do not read the emailed Margin call which was sent to the email address you gave us, or do not login into your Account via the Electronic Trading Platform you remain liable to meet the Margin call. That is why you need to be contactable 24 hours a day, 7 days a week when trading CFDs using a live trading Account.

While being on Margin call if your Margin Cover requirement falls below a specific levels of your Account Value (see the Margin Closeout levels that are specified in a downloadable Product Details sheet for each of the CFD types here <https://icmarkets.com.au/en/trading-markets/range-of-markets>), we will automatically Close Out your Open Positions to facilitate your Margin obligation to us. This level is indicative only, is not guaranteed and may differ based on market conditions and the CFDs traded. You should be aware that any Open Positions will be at risk of being Closed Out when your account enters into a Margin call.

Failure to meet a Margin call

If you fail to meet any Margin Cover requirements, we may Close Out some or all of your Open Positions and deduct the resulting Realised Loss from any excess money in your Account. We can do this without providing you with any notice in advance.

If your Account Value falls below the Margin Closeout level of 50% of the Margin required to maintain your Open Position, then we will automatically Close-Out some or all of your Open Positions (in accordance with the terms of ASIC's PIO) and deduct the resulting Realised Loss from any excess money in your Account. We can do this at our discretion, without giving you notice in advance.

The automatic Close Out process is designed to minimise your losses and to take action before the market moves further against your existing Open Positions. It is in your best interest to ensure that you always maintain sufficient cleared funds in your Account to meet your changing Margin Cover requirements this is especially important in volatile market conditions where your Margin Cover requirement can change quickly.

Section 6 – Types of CFDs

IC Markets offers a range of CFDs which are summarized below. Details of each CFD, including its product specifications, fees and costs, are available on our website at www.icmarkets.com.au/en/trading-markets/range-of-markets. Product specifications as shown on website are subject to change from time to time. We will, using our commercially reasonable effort, provide you with advance notice of such changes. You remain responsible for maintaining your knowledge on the most up-to-date product specifications prior to making any trading decisions.

Before trading any instrument, you should also read such instrument's contract specifications available on the relevant trading platform.

6.1 INDEX CFD

Underlying Instrument of Index CFD may be spot or Futures Contracts.

Index CFDs derive their price or value from the real time changes in the value of an Underlying Instrument as calculated by the relevant Exchange or IC Markets' valuation of that Underlying Instrument. Index CFDs allow you to deal in anticipated market trends rather than individual shares that comprise the underlying index.

Trading in Index CFDs allows you to take positions on the direction of a whole market without taking a view on the prospects for any particular company's shares. A short position can be used as a rough, low- cost, hedge to protect a diversified share portfolio against market falls.

Index CFDs can only be traded during the open market hours of the relevant Exchange on which the Underlying Instrument is traded (or within any more limited hours set from time to time by IC Markets). Open hours of the relevant Exchanges are available by viewing the relevant Exchange's website.

In case of an Index CFDs of which the Underlying Instrument is spot contract, a Finance Charge/Credit may be payable/receivable, and dividend adjustments may be applicable.

When dealing in Index CFDs whose Underlying Instruments are index futures contracts, there are no Finance Charge/Credit, and no adjustments for dividends.

Index CFDs are valued based on the price per unit of the underlying index and the Lot Size of the CFD. For example, if the price of the underlying index is \$4,600, and the Lot Size is 1 unit, the face value of a transaction of 10 Lots of Index CFDs issued by IC Markets for that underlying index would be \$46,000 in the relevant currency.

See the trading example at section 11 of this PDS.

6.2 COMMODITY CFD

Underlying Instrument of Commodity CFD may be spot or Futures Contracts. IC Markets Commodity CFDs may be denominated in any of the available currencies.

Commodity CFDs offer access indirectly to commodity markets and underlying commodities such as cotton, wheat, sugar, oil, etc.

Commodity CFDs can only be traded during the open market hours of the relevant Exchange on which the Commodity Transaction is able to be traded (or within any more limited hours set from time to time by IC Markets). Open hours of the relevant Exchanges are available by viewing the relevant Exchange's website.

See the trading example at section 11 of this PDS.

6.3 BOND CFD

Bond CFDs' Underlying Instruments are government bond Futures Contracts, such as US Treasuries, Japanese Government Bonds (JGBs), and Eurozone Bonds.

Bond CFDs allow you to access the most popular global bond markets using smaller contract sizes and lower Margins, making it more accessible than the Futures Contracts that they are based off of.

IC Markets Bond CFDs can only be traded during the open market hours during which the Underlying Instrument is traded (or within any more limited hours set from time to time by IC Markets).

See the trading example at section 11 of this PDS.

6.4 FOREIGN EXCHANGE CFD

Underlying Instruments of Foreign Exchange CFDs are spot contracts of the relevant foreign exchange pair. Foreign Exchange CFDs are leveraged products

which derive their prices from the real time changes in the market price and exchange rates of foreign currencies.

For Foreign Exchange CFDs, prices are only quoted by IC Markets and can only be traded during the open market hours during which the foreign currency is traded.

IC Markets might not quote for a contract on a particular foreign currency if that foreign currency is illiquid.

Foreign Exchange CFDs allow you to receive many of the economic benefits of owning the full value of the foreign exchange contract on which the Foreign Exchange CFD is based without physically owning it.

See the trading example at section 11 of this PDS.

6.5 CRYPTOCURRENCY CFD

Underlying Instruments of Cryptocurrency CFDs are spot contracts of the relevant cryptocurrency. Cryptocurrency CFDs allows you to gain exposure to price movements in cryptocurrencies that you would obtain from owning the cryptocurrency itself.

For Cryptocurrency CFDs, the prices we quote are derived from the price feeds from cryptocurrency exchanges or cryptocurrency Hedge Counterparties that we deal with.

Cryptocurrency CFDs are opened in the same way as other CFDs issued to you by us. We will quote a Bid and Ask price for a cryptocurrency rate. You can Close Out your Open Position in a Cryptocurrency CFD in the same way as any other CFD issued to you by us. If the Cryptocurrency CFD is a buy, the closing level will be the lower figure quoted by us; if the CFD is a sell it will be the higher figure. The swap or rollover rate that is applied will be tripled for positions held over the weekend are shown on the Electronic Trading Platform and on our website. We encourage you to review our website for these contract specifications prior to deciding to deal in Cryptocurrency CFDs.

See the trading example at section 11 of this PDS.

6.6 SHARE CFD

Underlying Instruments of Share CFDs are spot contracts of the relevant share. Share CFDs allows you to gain exposure to movements in the price of the Underlying Instrument that you would obtain directly from owning the share/equity itself.

Share CFDs can only be traded during the open market hours of the relevant Exchange on which the Underlying Instrument is traded (or within any more limited hours set from time to time by IC Markets).

See the trading example at section 11 of this PDS.

Section 7 – Order Types

Different types of Orders are available on the Electronic Trading Platforms when you log in. Orders will only be executed during the trading hours of the relevant Exchange on which the Underlying Instrument is traded.

Important notice about this section

When you request one of the types of Orders described in this section, we have discretion whether or not to accept and execute any such request. We will, in our reasonable discretion, accept or reject any Orders.

The price at which we accept an Order to trade will generally be on the basis of filling the full volume of the Order in one Transaction if possible. The type of Orders and how they may be filled, if at all, might depend on the rules of the Exchange where the Underlying Instruments are being traded or our compliance and operational filters and configurations. For some CFDs which you choose to deal in, there may be a minimum trade value or other restrictions (e.g., pricing) that relate to a particular market.

References to Orders being filled immediately or Open Positions being Closed

Out immediately or automatically refer to processing of Transactions as soon as practical in the ordinary course of electronic processing, and subject to compliance and operational filters. The speed of electronic processing can depend on a number of technical factors, including any transaction filters required for our compliance.

All Orders accepted will be an instruction to buy at the Ask price or sell at the Bid price. All Orders are treated as either a "buy" or "sell" instruction without reference to whether they are intended to create an Open Position or Close Out in full or in part an Open Position. It is your responsibility to ensure that all Orders placed by you have been executed correctly.

Below are the Order types offered by IC Markets.

7.1 MARKET ORDER

A market order is an order to buy or sell immediately at the Current Market Price. Generally, they are placed during market hours. When you buy, you buy at the Ask price, and when you sell, you sell at the Bid price.

7.2 LIMIT ORDER

A Limit Order to buy (at a limit price) refers to an Order to buy if the price trades at or below the limit price you have chosen. A Limit Order to sell (at a limit price) refers to an Order to sell if the price trades at or above that limit price. These Orders may be used to enter an Open Position, or to Close Out an existing Open Position. When used to Close Out and existing Open Position, they're also known as a "take profit" Order.

A Limit Order will generally be filled as a market Order once the limit price is traded. This could mean that the actual fill price is better or worse than the limit price you select on the Order.

If a Limit Order is used to fill at the limit price or better, (i.e. no negative price adjustment) the ability for IC Markets to fill the Order entirely will be dependent on the available liquidity at that price. This may cause a Limit Order to be partially filled or not filled at all.

7.3 STOP ORDER

A Stop Order is also known as a "Stop" or a "stop-loss order". You would generally choose to place a Stop Order to provide some risk protection. For example, if your Open Position moves towards making a loss based on a level chosen by you, the Stop Order would be triggered in order to try to Close Out your Open Position or to create an Open Position, depending on whether you have gone long or short in the Transaction.

Typically, a buy Stop Order is used to Close Out a short Open Position at a price which is higher than the current price; or sell a CFD to Close Out a long Open Position at a price which is lower than the current price.

For example, your Stop Order would be triggered if our Bid price (for a Stop Order that requires an Order to sell a CFD) moves against you to a point that is beyond the level specified by you (and accepted by us). Conversely, your Stop Order would be triggered if our offer price (for a Stop Order that requires an Order to buy a CFD) moves against you to a point that is beyond the level specified by you (and accepted by us).

All Stop Orders are subject to agreement by us, so you cannot be assured that you will always be able to execute a Stop Order. IC Markets will generally try to accept a Stop Order, subject to market conditions and the reasonableness of your Stop Order. Your Order may be unreasonable if, for example, the level you have specified is beyond the level allowed for Orders for the Underlying Instrument or trading in the Underlying Instrument has been halted or suspended on an Exchange.

A Stop Order might not get filled at all. Even if we accept your Stop Order, market conditions may move against you in a way that prevents execution of your Stop Order. For example, in volatile markets, our quoted prices might gap though your Stop Order level, so that the closing level of quotes may be beyond the exact level specified by you.

A gap in market prices reflects the market for the security, so can occur for any reason and without any apparent reason or at any time. Additionally, it may be that not all of the Stop Order can be fulfilled because the underlying

market does not have enough buyers and sellers in the volume of the Underlying Instrument to completely fulfil your Stop Order.

If the opening price of the Underlying Instrument is beyond the level of your Stop Order, your Order will be filled at the opening level, not at your Stop Order level.

A **"stop limit" Order** is a particular kind of Stop Order. A "stop limit" Order means that the Stop Order will not get filled at all below the limit of the Stop Order. This means that if the new or opening price gaps beyond your "stop limit" Order, your Stop Order will not be filled at all.

In any case, the Stop Order, (including a "stop limit" Order) is not a guarantee that it will actually be filled. This is the case with any Order you place (and which is accepted by IC Markets) as long as it is made in accordance with the Account Terms. For example, IC Markets' Hedge Counterparty is required to ensure there is an orderly market, so its trading may be stopped by them or modified (by way of converting a Stop Order to them to a "stop limit" Order) in order to comply with their obligation to maintain an orderly market. That means the Stop Order you place with IC Markets may be similarly affected.

Not only can Stop Orders be used to close Out existing Open Positions but they can also be used to create new Open Positions, this is known as a **"stop-entry" Order**. For example, should you wish to enter the market at a level above the Current Market Price or below the Current Market Price a "stop-entry" Order would be used.

A "stop-entry" Order to create a new long Open Position would be triggered if our offer price (for a "stop-entry" Order that requires an Order to buy a CFD) to a point that is beyond the level specified by you (and accepted by us). Conversely, your "stop-entry" Order to create a new short Open Position would be triggered if our Bid price (for a stop-entry order that requires an order to sell a CFD) moves to a point that is beyond the level specified by you (and accepted by us).

7.4 TRAILING STOP ORDER

A **"sell trailing" Stop Order** sets the stop price below the market price with an attached trailing amount. As the market price rises, the stop price rises by the trail amount, but if the market price falls, the stop-loss price does not change, and a market Order is submitted when the stop price is hit. This technique is designed to allow an client to specify a limit on the maximum possible loss, without setting a limit on the maximum possible gain. **"Buy trailing" Stop Orders** are the mirror image of "sell trailing" Stop Orders, and are most appropriate for use in falling markets.

When setting the stop price, you should be careful not to set it too close to the Current Market Price being the price available to IC Markets, especially in a volatile market, since the stop price might be hit before the price starts to go up/down as you expect. On the other hand, you should carefully consider how much you can afford to lose, if your prediction does not hold.

In any case, the Stop Order of any kind is not a guarantee that it will actually be made. This is the case with any Order you place (and which is accepted by IC Markets) as long as it is made in accordance with the Account Terms.

Order durations

Orders will remain in effect until either it has been cancelled by you or us, executed by us, or we no longer quote the CFD which your Order was placed over.

Typically, IC Markets offers three (3) main Order durations, these are:

- "Good until cancelled" - this is an Order that you have placed that will remain in effect until it is cancelled by you or us.
- "Day Only" – This is an Order placed during the trading session that will remain in effect until the end of the trading session.
- "Good until Date" – This is an Order placed that will remain in effect until a date and time that you set.

Actual availability and name of Order durations may vary and are specified on the relevant Electronic Trading Services.

Other features of Orders

Whether you place your Order via the Electronic Trading Platforms or any other method that may be made available to you by IC Markets, it is important that you make the duration of your Order clear.

It is important to note that Day Only orders are treated as expiring at the close of the day's trading of the Exchange for the Underlying Instrument over which the CFD is offered, so it will not include any overnight trading sessions for that Exchange. This means that it is important that, at the time you place a Day Only order, you specify whether you want that Day Only order to apply for the day's trading on the relevant Exchange or whether you want the Day Only order to apply for a specified period.

If we accept one of these Orders, then when our Bid or our Ask prices reach or exceed the level of your Order, your instruction will be triggered and subsequently executed (subject to the terms set out in the Account Terms).

It is your responsibility to understand how an Order operates before you place any such Order with us. Examples are set out below and further information can be found on our website or by asking us.

Your Order may be executed irrespective of the length of time for which your Order level is reached or exceeded. In volatile markets our Bid/Ask quote might "gap" through your Order level, so that the closing level or the opening level may be beyond the exact level specified by you.

When you place an Order, you are dealing with us as principal and counterparty to that Order - you are not dealing on an Exchange. While we seek to execute your Order at the level that might have been achieved had a similar Order been placed on an Exchange, it may not be possible to determine what such a level might have been. We do not assure you that your Order will be executed at any such level. We will reasonably exercise our discretion to determine when Orders are triggered and the level at which they are executed.

You can cancel or amend the level of an Order with our agreement at any time before our Bid/Ask quote reaches or exceeds your current specified level. We also reserve the right to aggregate or to work the instructions we receive to open or to close out CFDs, including Stop Orders.

Examples of Orders
Example 1: Selling a Forex CFD with a conventional Stop Order

The AUD/USD is 0.77505/0.70510 on the Electronic Trading Platform, and you sell Foreign Exchange CFDs for 100,000 AUD/USD 0.70505 (i.e. the Bid price). You decide to put your Stop Order at 0.70805. There is no cost or fee charged for placing a Stop Order (but remember that any Transaction resulting from your Stop Order will incur the usual Transaction Fees).

If the market moves against you, your Open Position would be Closed Out at 0.70805, however, should the market gap straight through your Stop Order, your Open Position would be Closed Out at the next available price.

In this example, we will assume that the AUD/USD gaps straight through the Stop Order level of 0.70805 and the Open Position is Closed Out at 0.70905, resulting in a loss of USD \$400 (excluding our Transaction Fee, Finance Charge and Finance Credits).

This loss is calculated as USD \$400 (0.70505, the opening level, minus 0.70805, the Stop Order level plus market slippage of 0.0010 = 0.0040 x 100,000 units of currency = USD \$400.)

Triggering the Stop Order

After you have held the Open Position for a few weeks, the Reserve Bank of Australia release positive news for the Australia economy which results in the AUD/USD opening the week significantly higher. The AUD/USD closed the previous week at 0.7080, but it opens the new week at 0.71505. Your Stop Order is triggered, and your Open Position is Closed Out at 0.71505 (the level at which it would be possible to buy 100,00 AUD/USD) to Close Out the Open Position.

Your gross loss on the Transaction is calculated as follows:

Opening level:	0.70505
Closing level:	0.71505
Difference:	-0.01000
Gross loss on Transaction:	-0.01000 x 100,000
	= -USD \$1,000

Example 2: Buying a Share CFD with a "trailing" Stop Order

"Trailing" Stop Orders are a type of Stop Order that track your profitable positions automatically – and close your Transaction if the market move against you. "Trailing" Stop Orders prevent you having to monitor and move your Stop Orders constantly.

When you create an Open Position, you specify two numbers for your "trailing" Stop Order:

Stop distance – how far away from the opening level your "trailing" Stop Order is placed

Step size – the size of the increments by which the "trailing" Stop Order can move.

For example, say Great Big Mining Company is quoted at \$28.20/28.24 in the market. You buy CFDs for 5000 shares at \$28.24/CFD, and you set a "trailing" Stop Order with a "stop" distance of 30 points and a "step" size of 10 points.

The "trailing" Stop Order initially sits at \$27.94 (i.e. 30 points behind your opening price). Immediately, Great Big Mining Company starts to rise. Very soon our sell price has risen to \$28.34/CFD (10 points above your opening price) and your "trailing" Stop Order steps up by 10 points to \$28.04 to re-establish a 30-point distance from the new market level.

The rally continues and by late-afternoon Great Big Mining Company is trading at \$28.89/28.93. Your "trailing" Stop Order has therefore moved automatically five more times, so you are now sitting on a healthy potential profit with your "trailing" Stop Order waiting 35 points behind at \$28.54.

A surprise news announcement suddenly sends Great Big Mining Company share prices plummeting and within minutes trading is back down at \$28.30/\$28.34. Your "trailing Stop Order" has been triggered and your Open Position is closed 35 points below the recent high – at \$28.54, still well above your opening price of \$28.24.

With a conventional Stop Order you would still be in the market because your Stop Order would have remained at its initial level of \$27.94. By contrast, a "trailing" Stop Order follows the market in a profitable direction.

The only difference between a "trailing" Stop Order and a conventional Stop Order is that the level of a "trailing" Stop Order moves positively with the market whereas the level of a conventional Stop Order remains fixed. Once a "trailing" Stop Order is triggered, it is treated in exactly the same manner as a conventional Stop Order.

Example 3: Buying a Commodity CFD with a Limit Order

A Limit Order is an instruction to deal if our price moves to a more favourable level (e.g. to buy if our price goes down to a specified level or to sell if our price goes up to a specified level).

For example, if we were quoting Commodity CFDs where the Underlying Instrument was Gold (XAU/USD) at

\$1350.50/1350.70 you might give a Limit Order to buy at a limit of \$1350. Your Limit Order will be triggered if at any time, our offer quote moves through the level of the Limit Order (in this case \$1350). We will normally accept a Limit Order on any Open Position.

Notes to all examples in this PDS:

1. The above examples are to illustrate the impact of different Order types on the outcome of a Transaction. They are not forecasts or projections of any particular Transaction.

2. These examples are not intended to be exhaustive and document every trading strategy.

3. The examples use simplifying assumptions by not taking into account your tax, tax rate or overall tax position, potential changes in interest rates charged to or earned on the Account or the time value of money. While these variables will undoubtedly change the outcome of a Transaction, they are normal market variables which cannot now be predicted and so must be taken into consideration by you when entering into Transactions with us.

4. Margin requirements, interest rates and external charges may change at any time.

Section 8 – Other features of the CFDs

8.1 SPREADS

The Spread is the difference between the Bid and Ask prices and should be factored into trading and transaction cost. Although not a direct cost (or separate charge), this is a feature of CFDs that should be considered prior to trading as it affects the trading profit and loss.

Depending on your Account type and the type of CFD you wish to transact in, IC Markets may charge you a commission amount (i.e. the Transaction Fee) or add a Spread mark-up. Should you elect to deal on a commission free basis, IC Markets will apply a larger Spread to the prices quoted.

The larger Spread is applied by way of adding, or deducting, as the case may be, a further amount to the price shown to you. Spreads can vary according to the volatility of the Underlying Instrument. We may change our Spreads at any time. Certain instruments may have wider Spreads outside of conventional market hours. Information regarding the spreads that we quote is available from us directly and is published on our website.

An example of our normal Spreads is calculated as follows:

AUD/USD : 1.04997/1.05000

Spread = (Bid price – Ask price) : (1.04997-1.05000) = 0.3 Pips

Cost = (quantity x Spread) : (1,000 x 0.00003) = USD 0.03 cents

8.2 DIVIDENDS

A dividend adjustment is applied when a share (or a component share in the case of stock indices) passes its ex-dividend date (also referred to in the market as the "record date", including the ex-dividend date of any special dividend) in the underlying market.

If you hold a long Share CFD, you will be **credited** with an amount equal to the gross unfranked dividend on the relevant number of the CFD's Underlying Instrument on the payment date (CFDs do not confer rights to any dividend imputation credits).

Conversely, if you hold a short Share CFD, your Account will be **debited** an amount equal to the gross franked dividend on the Underlying Instrument on the ex- dividend date.

The dividend reports given by IC Markets record the adjustments made to your CFDs for dividends or other corporate actions affecting the Underlying Instrument (and do not refer to actual dividends paid by the issuer of the Underlying Instrument).

The dividend adjustment for equities (Australian or otherwise) varies depending on local tax arrangements which may vary from time to time. An adjustment will also be made to your Account to reflect the effect of a corporate action such as a bonus share issue, share offer or rights issue affecting the Underlying Instrument if you have an Open Position.

8.3 CORPORATE ACTIONS

If there is a corporate action by the company which issues the Share CFD's Underlying Instrument to which the Share CFD relates, IC Markets may in its discretion make an adjustment to the terms of the Share CFD in accordance with the Account Terms. For example, an adjustment will ordinarily be made for share splits, consolidations or reclassifications of shares, bonus issues or other issues of shares for no consideration, rights issues buy backs, in specie distributions, takeovers, schemes of arrangement or similar corporate actions, a corporate action event that has a dilutive or concentrative effect on the market value of the shares or, if the CFD's Underlying Instrument is an index, a substantial adjustment to the composition of the index outside its own terms allowing for adjustments or weightings, a failure to publish the index or a suspension or a cancellation of the index.

IC Markets has the right to decide to make an adjustment in certain circumstance if IC Markets considers an adjustment is appropriate. IC Markets has a limited discretion to determine the extent of the adjustment so as to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

IC Markets may elect to Close Out an Open Position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment. IC Markets may also elect to Close Out an Open Position if the CFD's Underlying Instrument is the subject of a take-over offer, scheme of arrangement or other mechanism for change in control, prior to the closing date of the offer.

8.4 CRYPTOCURRENCY HARD FORK

When you trade Cryptocurrency CFDs, you need to be aware of the risk of a "hard fork" occurring in the cryptocurrency that is the Underlying Instrument of the Cryptocurrency CFD. A hard fork is when a single cryptocurrency splits in two due to a split in the blockchain network (ledger of cryptocurrency transactions) and occurs when a cryptocurrency's existing code is changed. This can result in both an old and new version of the particular cryptocurrency.

In the event of a hard fork, we will generally follow the blockchain that has the majority consensus of cryptocurrency users. We reserve the right to determine which blockchain and cryptocurrency unit has the majority consensus behind them and use this as a basis for Cryptocurrency CFDs. There may be substantial price volatility around the event and we may suspend prices should pricing from the underlying exchanges be unreliable. Should the hard fork result in a second cryptocurrency becoming tradable on exchanges we have access to, we may in our absolute discretion create an equivalent Cryptocurrency CFD with that new cryptocurrency as the Underlying Instrument of that Cryptocurrency CFD offering or alternatively we make a cash adjustment to your Account to reflect its value.

Given the volatile nature of cryptocurrencies we may enforce exposure limits or even reduce or close your Cryptocurrency CFDs.

8.5 SUSPENSIONS AND DE-LISTINGS

If an Underlying Instrument to which a Transaction relates is suspended or has halted trading for whatever reason, we will suspend trading in the CFD and we may increase the amount of Margin required to support that Open Position using our reasonable discretion. If the Open Position remains suspended for a time that we think is unacceptable to us in our sole discretion, we may Close Out the Open Position at the Closing Price.

If an Underlying Instrument to which a Transaction has been de-listed, we may Close Out all affected Open Positions at the Closing Price using our discretion.

8.6 NO SHAREHOLDER BENEFITS

As a holder of a Share CFD, you do not have rights to vote, attend meetings or receive the issuer's reports, nor can you direct IC Markets to act on those rights. Other benefits such as participation in shareholder purchase plans or discounts are unavailable.

8.7 VALUATION

During the term of a Transaction, IC Markets will determine the value of your

Accounts, based on the mark to market value of the Open Positions in your Account.

If trading in the CFD's Underlying Instrument is suspended or halted by the relevant Exchange, the CFD position will be re-valued by IC Markets for your Account.

8.8 CFDs OVER UNDERLYING FUTURES CONTRACTS

Underlying Futures Contracts

If the Underlying Instrument of a CFD is a Futures Contract ("**Futures Contract CFD**"), your CFD issued by IC Markets operates by reference to a notional Futures Contract which is Exchange-traded. It is your obligation to ensure that you are aware of the expiry date of the underlying Futures Contract since your Account may be adjusted when the underlying Futures Contract expires and is automatically rolled into the next Futures Contract.

Expiry of Futures Contracts and Close Out by IC Markets

It should be noted that since all Futures Contracts CFDs are only ever cash settled, all Open Positions need to be closed or rolled into the next contract month. IC Markets advises you to be aware of the expiry and first notice dates of any Futures Contracts which are the Underlying Futures Contracts CFDs which you trade in and ensure that you Close Out any Open Positions you have for Futures Contract CFDs before that date. If you require any assistance or clarification regarding the expiry of the Futures Contracts underlying a Futures Contract CFD that you have Open Positions for, please contact IC Markets or the relevant Exchange where the Futures Contract is traded on.

If you wish to close a Futures Contract CFD position before it expires, you enter into a Transaction which is equal and opposite to the open Futures Contract CFD through the Electronic Trading Platform.

On the day that the Futures Contract CFD is closed, IC Markets will calculate the remaining payment rights and obligations to reflect movements in the Contract Value since the previous business close (including other credits/debits). Because you enter into a Transaction to Close Out the existing Futures Contract CFD, there may be a Transaction Fee on the Transaction used to Close Out the existing Open Position (see section 6 for further details).

In order to provide the Futures Contract CFDs to you in an efficient and low-cost manner, IC Markets has discretion in determining Closing Prices. In general, without limiting IC Markets' discretion, it should be expected that IC Markets will act reasonably and have regard to a range of relevant factors at the time, such as the price provided to us by our Hedge Counterparties the Closing Price of the underlying Futures Contract underlying the Futures Contract CFD, any foreign currency exchange rates which are relevant due to the Base Currency of your Account and any suspension or halt in trading of the Underlying Futures Contract. In the worst case, it is possible that the Closing Price determined by IC Markets may be zero (0).

IC Markets also has the right to decide to make an adjustment in certain circumstances if IC Markets considers an adjustment is appropriate. IC Markets has a limited discretion to determine the extent of the adjustment so as to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

If the Futures Contract underlying the Futures Contract CFD is automatically rolled into the next contract by us, we will make a cash adjustment to your Account. This will depend on whether you were long or short in the relevant Futures Contract CFD. The cash adjustment will reflect the difference in price between contracts

Section 9 – Other significant risks in CFD trading and trading in general

9.1. OTHER SIGNIFICANT RISKS

In addition to the risks specific to dealing in CFDs with IC Markets, dealing in CFD as a financial product, generally speaking, involves a number of other significant risks as described below. You should seek independent (financial, legal, tax etc.) advice and consider carefully whether CFDs are appropriate for you given your experience, financial objectives, needs and circumstances.

Significant Risk	Important issues
Market risk:	<p>There is a high risk that market prices will move such that the Contract Value of your CFDs on closing can be significantly less than the amount you invested in them.</p> <p>There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged.</p> <p>Markets for currency and other Underlying Assets can be influenced by a number of things, including:</p> <ul style="list-style-type: none"> • interest rate fluctuations; • changes in asset valuations; and • suspensions in trading in the Underlying Market, Underlying Asset or reduced liquidity in the financial products. <p>These influences reflect unforeseen events or changes in conditions and are very hard to predict. They inevitably result in rapid price fluctuations and market volatility.</p>
Market disruptions:	<p>A market disruption may mean that you may be unable to deal in CFDs when desired, and you may suffer a loss as a result of that. Common examples of disruptions include the "crash" of a computer-based trading system, a fire or other Exchange emergency, or an Exchange regulatory body declaring an undesirable situation has developed in relation to particular series of contracts or a particular trade, and suspends trading in those contracts or cancels that trade.</p>

<p>Online trading platform:</p>	<p>You are responsible for the means by which you access the Electronic Trading Platform or your other contact with IC Markets. If you are unable to access the Electronic Trading Platform, it may mean that you are unable to trade in CFDs (including Closing them out) or you might not be aware of the current Margin requirements and, so you may suffer loss as a result.</p> <p>IC Markets may also suspend the operation of the Electronic Trading Platform or any part of it, without prior notice to you. Although this is considered to be a low risk since it would usually only happen in unforeseen and extreme market situations, IC Markets has discretion in determining when to do this. If the Electronic Trading Platform is suspended, you may have difficulty contacting IC Markets, you may not be able to contact IC Markets at all, or your orders may not be able to be executed at prices quoted to you.</p> <p>There is a moderate to high risk that IC Markets will impose volume limits on client accounts or filters on trading, which could prevent or delay execution of your Orders, at your risk. You have no recourse against IC Markets in relation to the availability or otherwise of the Electronic Trading Platforms, nor for their errors and software. Please review the terms and any guidance material for any particular Electronic Trading Platform.</p>
<p>Exchange:</p>	<p>The rules of the relevant Exchange govern the trading in an Underlying Instrument which is Exchange-traded and so will indirectly affect the dealing in those CFDs.</p>
<p>Conflicts:</p>	<p>Your dealing with IC Markets carries an unavoidable risk of actual conflicts of interests because IC Markets is acting as principal in its CFD Transactions with you. IC Markets issues the CFD to you based on the prices available from independent providers so the way we operate is not designed to negatively impact you even though we are acting as principal.</p>
<p>Valuations:</p>	<p>The CFDs are valued by IC Markets. Typically, this is by direct reference to (but not automatically solely derived from) the market value (or, if relevant, index level) of the relevant Underlying Instrument on the relevant Exchange which in turn affects the price quoted by a Hedge Counterparty to IC Markets.</p> <p>If the Exchange fails to provide that information (for example, due to a failure in the Exchange’s trading system or data information service) or trading in the Underlying Instrument is halted or suspended, IC Markets may exercise its discretion to determine a value.</p> <p>Due to the nature of CFDs, in common with industry practice for such financial products, IC Markets’ discretion is unfettered and so has no condition or qualification. While there are no specific limits on IC Markets’ discretions, IC Markets must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly. You therefore have the risk of relying on whatever value is determined by IC Markets in the circumstances permitted by the Account Terms.</p>
<p>Regulatory risk:</p>	<p>A Client may incur losses that are caused by matters outside the control of IC Markets. Changes to Australian law, government, fiscal, monetary, and regulatory policies may have a material adverse effect on your dealings in CFDs.</p> <p>We will endeavour to let you know whenever there is a change in legislation that will impact the way that you deal with us.</p>
<p>Dealing spread risk:</p>	<p>For CFDs where we have applied a spread amount to the quoted prices there may be circumstances where the spread that you were quoted when you opened your position is greater than the Spread applied when your position was Closed Out and vice versa. In such a scenario you may face greater costs in closing a position than anticipated. Furthermore, dealing Spreads may widen depending on market volatility and trading hours.</p>
<p>Operational risk:</p>	<p>There is always operational risk in a CFD Transaction. For example, disruptions in operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a Transaction.</p> <p>We are not liable to you if losses arise owing to delays, errors or failures in operational processes outside our control, in particular, due to faults in the Electronic Trading Platform or in the provision of data by third parties.</p>

9.2. YOUR COUNTERPARTY RISK ON IC MARKETS

When you deal in IC Markets’ CFDs, we are the issuer of the CFDs and the counterparty to each transaction, we also manage the platform you trade on. For this reason, you have a counterparty risk on IC Markets, so you should consider your credit risk of IC Markets having the financial resources at the time to pay you the amounts it owes you.

IC Markets does not always hedge all CFD transactions with a Hedge Counterparty as such we may have exposure to market risk. We have in place internal risk management procedures to manage market risk.

Your credit risk on IC Markets

You have credit risk on IC Markets when your Account has a net credit balance made up from the amounts you pay as Margin, the

Realised/Unrealised Profit of your CFDs, other amounts credited to your Account (from closed positions or Finance Charges credited to your Account),

less fees and charges and the minimum required Margin.

Your credit risk on IC Markets depends on the overall solvency of IC Markets, which is affected by IC Markets risk management.

Any moneys to which you are entitled but have not been withdrawn by you are unsecured and as such for that amount you are an unsecured creditor of IC Markets.

Please note that the moneys withdrawn from the CMTA by IC Markets for fees and charges are payments by the Client to IC Markets and so the moneys become the property of IC Markets.

From the time of the withdrawal from the CMTA the statutory protections ordinarily afforded by a CMTA are inapplicable.

Please note that IC Markets does not use Client moneys to hedge any of its positions with its Hedge Counterparties. Those positions are funded by IC Markets’ own operating account.

Risks from IC Markets' Hedge Counterparty

It is possible that IC Markets' Hedge Counterparties or any custodian used by a Hedge Counterparty may become insolvent or it is possible that other clients of a Hedge Counterparty may cause a default which reduces the financial resources or capacity for that Hedge Counterparty to perform its obligations owed to IC Markets under the hedge contracts.

Since IC Markets is liable to you as principal on any CFD we issue to you, IC Markets could be exposed to the insolvency of any Hedge Counterparty or other defaults which affect a Hedge Counterparty.

Counterparty Risk – Financial Resources

Since IC Markets is the CFD issuer, you are exposed to the financial and business risk, including the credit risk associated with trading with IC Markets. If IC Markets becomes insolvent, IC Markets may be unable to meet its obligations to you.

IC Markets has risk management and compliance systems in place to manage risks including but not limited to financial, operational and credit risks.

IC Markets maintains a written policy to ensure it maintains adequate financial resources and complies with the financial requirements of its AF SL. The steps that are taken to ensure this include:

- ensuring compliance with our financial obligations and AFSL conditions through conducting of an adjusted surplus liquid funds calculation in addition to cash flow projections;
- performing a daily client cash segregation calculation, ensuring we hold adequate cash in the CMTA in order to meet our obligations to Clients; and
- all client money is held in trust accounts that are separate to IC Markets' operating account.

The risks you have by dealing with IC Markets (being paid all of your moneys deposited into the CMTA) cannot be simplistically assessed by reference to historical financial information about IC Markets or its Hedge Counterparty or general statements of principle. It is also dependent on the creditworthiness of the ADI in which the CMTA's are held.

The credit risk you have on IC Markets depends on its solvency generally, as well as on the amount (and kind) of its capitalisation, its cashflow, all of its business risks, its counterparty risks for all of its business and transactions (not just CFDs), its risk management and actual implementation of that risk management.

Your credit risk on IC Markets will fluctuate throughout the day and from day to day, including due to the implied credit risk on its Hedge Counterparties, whose credit risk to IC Markets (and so indirectly to you) cannot be assessed or verified on a continuous basis or perhaps at all.

You should take into account all of those factors and not rely only on past financial statements since that could be materially incomplete information for your purposes, not current and therefore potentially misleading as a guide to the current solvency and credit-worthiness of IC Markets.

IC Markets' latest audited annual financial statements are available for inspection at our offices (free of charge).

Payments to you in IC Markets Insolvency

If IC Markets becomes insolvent, here is how you can be paid for any net credit balance in your Account:

- Any of your client moneys in the CMTA should be paid to you, after deduction for any amounts properly payable to IC Markets for the CFDs or which you have otherwise agreed are payable to IC Markets (and subject to any court orders to the contrary).
- IC Markets would review whether it can and should pursue recovery action against any of its Hedge Counterparties for any claim against them.

- The precise amounts and timing of payments will not be known until the net position with the Hedge Counterparties are known.
- The position of the Hedge Counterparties depends on what it recovers from its Hedge Counterparties and what it owes its clients.
- IC Markets will need to assess the amounts prudently available to pay CFD Clients, and may choose to pay out interim amounts.
- IC Markets will need to assess fair and reasonable allocation to CFD Clients, having regard to, for example amounts paid from the CMTA, Account balances and amounts recovered from a Hedge Counterparty.

Counterparty Risk – Hedging

The term 'hedging' refers to the process where a financial services provider such as IC Markets reduces their exposure by entering into a trade with another entity referred to as a Hedge Counterparty. IC Markets manages its hedges of its CFD with its Hedge Counterparties based on internal risk management procedures and so, for the purposes of disclosing this risk you should be aware of the general outline of the selection process and roles of counterparties used by IC Markets.

Before entering into a relationship with a new Hedge Counterparty, IC Markets undertakes a due diligence process. This process includes a review of a number of key factors that relate to the risk of dealing with the counterparty. These include the counterparty's credit worthiness, reputation, regulatory oversight, funding arrangements, reporting processes, reliability, technology, fees and charges.

You should note that:

- IC Markets' Hedge Counterparties have not been involved in the preparation of this PDS nor authorised any statement made in this PDS relating to it.
- IC Markets' Hedge Counterparties have no contractual or other legal relationship with you as holder of the CFD. Our Hedge Counterparties are not liable to you and you have no legal recourse against them (because IC Markets acts as principal to you and not as agent) nor can you require IC Markets to take action against our Hedge Counterparties.
- IC Markets gives no assurance as to the solvency or performance of any Hedge Counterparty. IC Markets does not make any express or implied statement about the solvency or credit rating of any Hedge Counterparty; however, we maintain a policy for managing the appropriateness of our counterparties.
- The regulation of a Hedge Counterparty is no assurance of the credit quality of the Hedge Counterparty or of any regulated or voluntary scheme for meeting the claims of creditors of the Hedge Counterparty. For example, although a Hedge Counterparty may be licensed by the Australian Securities and Investments Commission or other regulatory body that gives no assurance that the Hedge Counterparty has good credit quality, or it will perform its obligations to IC Markets.
- The credit quality of a Hedge Counterparty can change quickly. IC Markets is not able to make assessments of the credit quality of its Hedge Counterparty which it can disclose and reports by independent credit rating agencies may not be available because of their lack of consent.

IC Markets is not authorised to set out in this PDS any further information published by a Hedge Counterparty and IC Markets takes no responsibility for third-party information about the Hedge Counterparty which may be available to you. If you require further information about the Hedge Counterparty used by IC Markets before deciding whether to invest in CFDs, please first contact IC Markets for that information or view our list of hedge counterparties on our website.

Section 10 – Costs, Fees & Charges

10.1 SPREADS

Depending on your Account type and the type of CFD you wish to transact in, where there is no Transaction Fee charged, IC Markets may apply a larger

Spread to the prices quoted.

The larger Spread is applied by way of adding (or deducting, as the case may be) a further amount to the price shown to you. The widened Spread is built into the quote currency of the instrument that you are trading, you can then convert this to the Base Currency of your account to determine the cost. Spreads can vary according to the volatility of the Underlying Instrument. The Spread would be wider than the Spread in the prices of the Underlying Instrument. The amount of the Spread affects the prices for opening or Closing Out your positions.

We may change our Spreads at any time. Certain Underlying Instruments may have wider Spreads outside of conventional market hours. Information regarding the Spreads that we quote is available from us directly and is published on our website.

An example of how our normal Spreads are calculated is shown in section 8.1.

Example: A 1 Pip Spread mark-up in a foreign exchange contract in EUR/USD is worth USD \$10. If you're trading on an AUD based Account, the cost for this trade would be USD \$10 converted into AUD at the spot rate.

10.2 CFD TRANSACTION FEES

IC Markets may charge a Transaction Fee for entering into a Transaction, depending on your chosen Account type and the type of CFD you wish to transact in. A Transaction Fee is applied to each Transaction. That means, a separate Transaction Fee is charged when a position is opened and when Closing Out that position (in whole or in part).

The Transaction Fee for a particular transaction is calculated differently depending on the type of CFD.

The calculation of Transaction Fees for each type of CFD are explained in the worked examples in this section 10 and further in section 11.

Commodity CFDs

Commodity CFDs cover a wide range of markets including metals, energies and agriculture. Commodity CFDs whose Underlying Instruments are metals will trade like Foreign Exchange CFDs in that the Transaction Fee will be expressed as a nominal dollar value per standard Lot, calculated in the Base Currency of your Account.

Foreign Exchange CFDs

For Foreign Exchange CFDs, A Transaction Fee will be expressed as a nominal dollar value per standard Lot, calculated in the Base Currency of your Account

Example: You decide to open a Transaction that is long on the Australian dollar (AUD) against the US Dollar (USD) AUD/USD, and ask for a quote for 5 Lots, the equivalent of USD \$500,000 (Lot sizes are set out in the trading details of your Account).

We quote you 1.0498/1.0499 and you buy 5 Lots at 1.0499. Using a rate of AUD\$4.50 per Lot, the Transaction Fee would be AUD \$22.50 (5 x \$4.50).

Share CFDs

For Share CFDs, Transaction Fees will be expressed as a percentage of the nominal value of the Transaction. A minimum dollar value Transaction Fee may apply depending on the ticket size. The Transaction Fee that you will actually be charged is disclosed on your statement. The Transaction Fee accrues immediately upon execution of the Transaction, and will be reflected in the execution price in accordance with the Account Terms.

Please remember that because you are required to enter into one CFD Transaction to Close Out the existing CFD Transaction, there may be a Transaction Fee on the CFD Transaction used to Close Out the position.

Example:

CFD Transaction value:	10,000 Share CFDs at \$1 = \$10,000
	(\$1 x 10,000)
Rate:	0.1% (i.e. 10 basis points)
Transaction Fee:	\$10 (\$1 x 10,000 x 0.001)

Index CFDs, Bond CFDs and Cryptocurrency CFDs

Index CFDs, Bond CFDs and Cryptocurrency CFDs are a "Spread only" product so you will deal at the Bid or Ask price. There are no additional Transaction Fees that apply to these CFDs.

10.3 FINANCE CHARGE/FINANCE CREDIT ADJUSTMENTS

Finance Charges and Finance Credits are calculated daily on CFD positions held overnight and are dependent on the underlying market of the Underlying Instrument. If the Underlying Instruments are futures contract, there is no Finance Charge or Finance Credit applied. If the Underlying Instruments are spot contracts, that is, direct exposure to the asset class, there are Finance Charge and Finance Credit applicable as described in this section.

Generally, if you hold a long position in a CFD overnight, you will be charged a Finance Charge. If you hold a short position in a CFD overnight, a Finance Credit will be applied to your Account.

Depending on the type of CFD, the Swap Rate can be displayed as:

- swap long/short points: quoted in Points, per Lot per night;
- annual interest rates: quoted in percentage of closing price per unit of the Underlying Instrument, per night; or
- Nominal value: quoted in the currency of the CFD, per Lot per night.

See section 11 for trading examples (which include both Finance Charges and Finance Credits).

Foreign Exchange CFDs

Foreign Exchange CFDs will be charged a Finance Charge or applied a Finance Credit daily. Three (3) times the Finance Charge or Finance Credit will be applied on Wednesdays to account for Finance Charges and/or Finance Credit that are accrued, but not paid to your Account, over the weekend.

For Foreign Exchange CFDs the Swap Rates are displayed as swap long/short points, quoted in Points, per Lot per night.

Finance Charge and Finance Credit adjustments for Foreign Exchange CFDs are calculated according to the formula:

Financing Charge/Finance Credit = (Swap Rate/10) x Pip Value x Number of Lots x number of nights.

See the worked examples in section 11 for further information.

Index CFDs

For Index CFDs the Swap Rates are displayed as a nominal value, quoted in the currency of the index, per Lot per night.

To calculate the Finance Charge or Finance Credit, you apply the following formula:

Financing Charge/Finance Credit = Swap Rate x number of Lots x number of nights.

See the worked examples in section 11 for further information.

Commodity CFDs

Commodity CFDs over futures markets will **not** attract a Finance Charge or Finance Credit.

Commodity CFDs over spot markets will be charged a Finance Charge or applied a Finance Credit daily. Three (3) times the Finance Charge or Finance Credit will be applied on the Friday preceding a weekend to account for the Finance Charge and/or Finance Credit that accrues, but is not payable, over a weekend.

For Commodity CFDs over spot markets the Swap Rates are displayed as swap long/short points, quoted in Points, per Lot per night.

Finance Charges and Finance Credits for Commodity CFDs over spot markets are calculated according to the formula:

Financing charge/credit = (Swap Rate/10) x Pip Value x Number of Lots x number of nights

Bond CFDs

Since the Underlying Instrument for all our Bonds CFDs are futures contracts, there are no Finance Charges or Finance Credits applicable to our Bond CFDs.

Cryptocurrency CFDs

Cryptocurrency CFDs will be charged a Finance Charge or applied a Finance Credit daily. Three (3) times the Finance Charge or Finance Credit will be applied on a Friday preceding a weekend to account for Finance Credit and/or Finance Charge that accrues, but is not payable, over a weekend.

For Cryptocurrency CFDs the Swap Rates are displayed as an annual interest rate, quoted as a percentage (%) of the Closing Price per unit of the Underlying Instrument, per night.

The Finance Charges and Finance Credits of Cryptocurrencies CFDs are calculated according to the formula:

Financing Charge/Finance Credit = ((Swap Rate/100)/360) * market closing price * Lot Size * number of Lots * number of nights

See the worked examples in section 11 for further information.

Share CFDs

Share CFDs will be charged a Finance Charge or applied a Finance Credit daily. Three (3) times the Finance Charge or Finance Credit will be applied on a Friday to account for Finance Charge and/or Finance Credit that accrues, but is not payable, over a weekend.

For Share CFDs the Swap Rates are displayed as an annual interest rate, quoted as a percentage (%) of the Closing Price per unit of the Underlying Instrument, per night.

The Finance Charges and Finance Credits of Share CFDs are calculated according to the formula:

Financing Charge/Finance Credit = ((Swap Rate/100)/360) * market closing price * Lot Size * number of Lots * number of nights

See the worked examples in section 11 for further information.

10.4 SWAP FREE/ISLAMIC ACCOUNTS – OVERNIGHT POSITION HOLDING FEE

If you have chosen to open an Account (during the Account application process) which is an "Islamic" Account (i.e. a "swap-free" Account), your Accounts will **not** be credited with any Finance Credit or debited for any Finance Charge for Open Positions held overnight. **Instead**, you will be charged an Overnight Position Holding Fee for all contracts that you hold overnight.

Overnight Position Holding Fees and the Holding Period may vary from time to time. Further information on "Islamic" (i.e. "swap-free Accounts") is published on our website at www.icmarkets.com.au/en/trading-accounts/islamic-account.

10.5 INTEREST ON CASH BALANCES

You do not receive interest on moneys held for you in the CMTA. The default position is that IC Markets does not pay any interest on cash balances in your Account unless otherwise agreed with you in writing.

10.6 BANK FEES

Depending on the payment method, certain payment options to fund your Account will attract a processing fee.

The Account funding charges are merchant fees that we are charged by the banks that we deal with. IC Markets, in its absolute discretion, may elect to pass these fees onto you. Please be aware that you may incur additional fees imposed to you directly on your Transaction by your bank or intermediary banks. IC Markets is not responsible for these additional charges.

10.7 CONVERSION FEE

When you Close Out an Open Position in a currency other than the Base Currency of your Account, we automatically convert the Realised Profit or Realised Loss into the Base Currency of your Account at our current exchange rate quoted by us which may be different to the spot foreign exchange rate. For example:

Opening CFD Transaction Value: Buy 10,000 Share CFDs at £1 = £10,000
(£1 x 10,000)

Closing CFD Transaction Value: Sell 10,000 Share CFDs at £2 = £20,000
(£2 x 10,000)

Realised Profit and Loss : AUD \$16,300

(using GBP/AUD 1.6300 to convert £10,000)

10.8 INACTIVITY FEE

Where no activity (i.e. opening or Closing Out a Transaction and/or maintaining an Open Position on a CFD) has occurred on your Account for a period of 12 months or more, your Account will be deemed inactive. Placing an Order on an Account without executing a Transaction will not qualify as 'activity' for these purposes. A monthly inactivity fee of AUD \$20 (or Base Currency equivalent) in aggregate (or your entire cash balance if your Account Value is less than AUD \$20 at the time the inactivity fee is charged) will be applied for accounts that are inactive for 12 months or more. In the event that your Account Value is zero(0) after the inactivity fee is charged, your Account may be subject to closure in accordance with the Account Terms.

10.9 EXTERNAL FEES, TAXES AND CHARGES

You are responsible for any stamp duty, transaction duty, GST or similar goods and services or value added tax payable in respect of trading in Transactions. Bank charges and fees imposed on IC Markets to clear your funds or in respect of your payments will also be charged to your Account.

The Account Terms allows IC Markets to pass to you other fees or charges from time to time which do not relate directly to Transactions (and so are not costs, fees or charges for acquiring or later dealing in the CFD itself) but are charged by other third-parties in relation to providing you with use and access to the Electronic Trading Platform. For example, you may be required to pay royalty or similar charges set by data providers or Exchanges (e.g. the ASX) for your use of information feeds or for online transaction services. IC Markets may debit these amounts from your Account.

Section 11 – CFD Trading Examples

Here are some examples to illustrate the variables for a typical Transaction and how they affect the calculations. The information used is only for illustration purposes and not the actual product specifications. The variables of your actual Transactions will differ.

11.1 SHARE CFD

A Share CFD allows you to gain exposure to movements in the price of the Underlying Instrument. Share CFDs held overnight will incur a Finance Charge which may work in your favour or against you depending on whether you have an Open Position that is either long or short over that Underlying Instrument. A commission that is a percentage of the value of the Share CFD Transaction is charged.

Opening and closing a 'long' Share CFD

Creating an Open Position

BHP Billiton Limited (**BHP**) shares are quoted at AUD 40/AUD 40.10 on the Exchange, and you believe that the share price will rise. You decide to 'buy' 1,000 Share CFDs at AUD 40.10 (i.e. the Ask price). While you have an Open Position, your Account will incur Finance Charges to reflect interest adjustments and paid Finance Credits to reflect any dividends.

Closing Out the Open Position

Some weeks later, BHP's price has risen to AUD 45.00/45.10 on the Exchange and you decide to Close Out your Open Position to take your profit. You sell 1,000 Share CFDs at AUD 45.00 (i.e. the Bid price). Your profit on the Transaction is calculated as follows:

Closing level:	AUD 45.00
Opening level:	AUD 40.10
Difference:	AUD 4.90
Gross profit on Transaction:	$AUD\ 4.90 \times 1,000 = AUD\ 4,900$

Initial Margin

The Initial Margin required to create your Open Position was $20\% \times \$40.10 \times 1,000 = \$8,020.00$.

Finance Charge adjustments

Finance Charges (i.e. interest costs) are calculated daily on positions held overnight by applying the applicable Swap Rate to the daily Closing Value of the Open Position. The daily Closing Value is the number of shares multiplied by the Closing Price.

For example, the applicable Swap Rate of the Finance Charge might be 8.00% p.a. and the Closing Price of the share on a particular day might be AUD 41.00. The Closing Value of a 1,000 Share CFD position would be AUD 41,000 (i.e., 1,000 equity units \times AUD 41.00). So, the Finance Charge for the position for this particular day would be AUD 9.11 (i.e., $AUD\ 41,000 \times 8.00\%/360$).

Finance Charge adjustments are calculated and posted to your Account on a daily basis.

Transaction Fee

For Share CFDs, a Transaction Fee is payable on the opening and closing Transaction value. In the above example (and using a Transaction Fee rate of 0.1%) the Transaction Fee payable would be:

Opening value:	$1,000 \times 40.10 \times 0.1\% = AUD\ 40.10$
Closing Value:	$1,000 \times AUD\ 45.00 \times 0.1\% = AUD\ 45.00$
Total Transaction Fee:	AUD 85.10

There is no GST payable on CFD Transactions.

Calculating the overall result

To calculate the overall or net profit or loss made on any Transaction you have to take into account the Transaction Fees you have paid and the Finance Charges (i.e. interest) and dividend adjustments) that have either been credited or debited from your Account.

In the above example, you might have held an Open Position on that Transaction for 21 days, at a total Finance Charge of AUD 162. During this time, if BHP declared a cash dividend of AUD 0.60 cents per share your Account would be posted with a credit for a dividend adjustment of AUD 600 (1,000 \times AUD 0.60).

Here is a summary (this and any summaries in this PDS exclude the effect of tax on your financial situation):

Gross profit on Transaction:	AUD 4,900
Total Transaction Fees:	(AUD 85.10)
Finance Charge) adjustment:	(AUD 162)
Dividend adjustment:	AUD 600
Net profit on Transaction:	AUD 5,252.90

Opening and closing a 'short' or 'sold' Share CFD Contract

Creating an Open Position

It is July and you think BHP shares are about to fall. The Share CFD that has BHP shares as the Underlying Instrument is quoted on the Exchange at AUD 40.00/40.10. You sell 1,000 Share CFDs at AUD 40.00 (i.e. the Bid price) at the time.

Using a Transaction Fee rate of 0.1%, the Transaction Fee to open this position would be AUD 40.00 (1,000 \times AUD 40.00 \times 0.1%). Your Initial Margin Requirement for this Transaction is 20%. Therefore, the Initial Margin you must have for this Transaction is AUD 8,000 (1,000 \times AUD 40.00 \times 20%). Your Account balance is currently AUD 50,000 before you create an Open Position from this Transaction taking place.

Because you have taken a short position, in this example, your Account is credited to reflect Finance Credit and debited to reflect any dividends.

Finance Charge adjustments

The Finance Credit on your position is calculated daily, by applying the applicable Swap Rate to the daily Closing Value of the Open Position. In this example, the applicable Swap Rate of the Finance Credit might be 8.00% and the Closing Price of the shares on a particular day might be AUD 41.00, giving a Closing Value of AUD 41,000 (i.e., 1,000 \times AUD 41.00). So, the Finance Credit for the position for this particular day would be AUD 9.11 (i.e. $AUD\ 41,000 \times 8.00\%/360$).

Dividend adjustment

At the end of August your position is still open at the time of BHP's ex-dividend date. The amount of the declared cash dividend is AUD 0.60 cents per share and this is debited from your Account. The adjustment is calculated as follows: $1,000 \times AUD\ 0.60 = AUD\ 600$.

Closing Out your Open Position

By early September, B H P shares have risen to AUD 45.00/45.10 on the Exchange and you decide to cut your losses and Close Out the Open Position. To do this, you buy 1,000 Share CFDs at AUD 45.10 (i.e. the Ask price). The Transaction Fee on the Transaction is 0.1% or AUD 45.10 (1,000 \times AUD 45.10 \times 0.1%).

Your gross loss on the Transaction is calculated as follows:

Closing level:	AUD 45.10
Opening level:	AUD 40.00
Difference:	(AUD 5.10)
Gross loss on Transaction:	(AUD 5.10) x 1,000 = (AUD 5,100)

When dividends are paid, the share price drops and these need to be adjusted for in the price of our Index CFDs (cash).

The adjustment may even be made the night before the ex-dividend date in order to maintain a fair and orderly market.

For example, BHP announces a dividend of AUD 0.60 cents per share and is the only company in the AUS200 Index that day to pay a dividend. BHP's share price closes on the night before the ex-dividend date at AUD 45.00. All things being equal, a company's share price will fall by the price of the dividend being paid so when the shares start trading ex-dividend, they should open up AUD 0.60 lower at AUD 44.40 on the morning of the ex-dividend date.

If BHP constitutes 10% of the AUS200 Index and assume for this illustration that the AUS200 Index is at 9000, then BHP represents 900 points of the value of the AUS200 Index. With BHP priced at AUD 45.00/share, a 1-point movement in its own share price equates to a movement of 0.2 points in the AUS200 Index. Therefore, a AUD 0.60 cent movement in BHP's share price (i.e. a 1.33% drop in value) would equate to a 12-point movement in the AUS200 Index.

IC Markets would charge or credit Clients' Accounts with the appropriate amount of the dividend (i.e. dividend adjustment) depending on their respective holdings (i.e. long or short) at that time of the adjustment.

11.3 FOREIGN EXCHANGE CFD

Foreign exchange CFDs allow you to gain exposure to price movements in currency rates. The prices of the Foreign Exchange CFDs we quote are derived from the price feeds from the banks and financial institutions that we deal with.

Foreign Exchange CFDs are opened in the same way as other CFDs. We will quote a Bid and Ask price for a currency exchange rate. For example, we might quote the GBP against the USD as 1.5048/1.5050. If you thought the GBP was going to rise against the USD, you would 'buy' the Foreign Exchange CFD at 1.5050 (i.e. the Ask price). If you thought the GBP was going to fall against the USD, you would 'sell' the CFD at 1.5048 (i.e. the Bid price).

You can Close Out your Open Position in the same way. If the Foreign Exchange CFD you have an Open Position on is a buy (i.e. purchased at the Ask price), the closing level will be the lower figure quoted by us (e.g. 1.5048, using the example above); if the Foreign Exchange CFD you have an Open Position on is a sell (i.e. purchased at the Bid price), then the Closing Price will be the higher figure (e.g. 1.5050, using the example above). The Swap Rate that is applied to a Transaction will be **tripled** for positions held over the Wednesday to Thursday rollover period to account for the weekend during which Finance Charges accrue but are neither debited nor credited from your Account.

Details of currency trading sizes, Margin Requirements and Swap Rates (i.e. Finance Charges) are set out in the Trading Conditions and are shown on the Electronic Trading Platform. The default Foreign Exchange CFD contract size is 1 standard Lot, which is equivalent to 100,000 units. However, this can be as low as 0.01 standard Lots or 1,000 units.

Creating an Open Position

You decide to go long on the AUD against the USD (AUD/USD), and ask for a quote for 5 Lots, the equivalent of 500,000 units (Lot sizes are set out in the Transaction details and in your Account). We quote you 1.0498/1.0499 and you buy 5 Lots at 1.0499. Using a Transaction Fee rate of USD 3.50 per Lot, the commission amount payable to us would be USD 17.50 (5 x USD 3.50).

Finance Charge and Finance Credit adjustments

When you hold a position overnight, your Account is debited or credited the overnight Swap Rate (i.e. the Finance Charge or Finance Credit as the case may be).

For example, if the interest rate is higher in Australia than in the United States you would earn interest on AUD positions held overnight. You could do so by buying or "going long" the AUD/USD pair. In the case of you selling or "going short" the same pair you would be liable to pay the Swap Rate should the position be held past 5:00 p.m. EST New York (end of day).

Calculating the overall result

To calculate the overall or total loss on the Transaction you also have to take account the Transaction Fees you have paid and the Finance Charges and dividend adjustments.

In this example, you might have held the Open Position for 65 days, earning a total Finance Credit of AUD 411.45. During the same period, your Account has been debited for a dividend adjustment of AUD 800. The overall or total result of the Transaction is a loss, which is calculated as follows:

Gross loss on Transaction:	(AUD 5,100)
Total Transaction Fee:	(AUD 85.10)
Finance Charge adjustment:	AUD 411.45
Dividend adjustment:	(AUD 600)
Overall or total loss:	(AUD 5,373.65)

11.2 INDEX CFD

Index CFDs are opened in the same way as Share CFDs. To create an Open Position on an Index CFD you will be required to pay Initial Margin. Details of how this will be calculated are set out below.

The Margin requirements for Index CFDs is available from us and can be found on the Electronic Trading Platform.

Example of Buying the Index CFD (Cash)

The ASX 200 Index CFD is trading at 9,000-9,001, you believe that the S&P/ASX 200 (AUS200) Index will rise. As a result, you buy 10 Index CFDs at 4,451.

Finance Charge: Finance Charge adjustments on the Account. with respect to cash stock Index CFDs (cash) is calculated and charged on a daily basis at the Swap Rate.

Two days later the AUS200 Index is trading at 9,020-9,021 and you decide to take your profits and Close Out your Open Position by selling 10 AUS200 Index CFDs at 9,020. Assuming the Swap Rate is AUD 2 per lot per night, and you held the AUS200 Index CFD for 2 nights.

Calculating the overall result

Your profit or loss is calculated as follows:

Closing level:	10 x 9,020 = AUD 90,200
Opening level:	10 x 9,001 = AUD 90,010
Difference:	(AUD 90,200 – AUD 90,010) = AUD 190
Finance Charge:	(AUD 2) x 10 x 2 = (AUD 40)
Gross profit on Transaction:	AUD 150

Example of Index CFD (Cash) dividend adjustment

In circumstances where two interest rates are near parity (i.e. almost equal to each other), a swap charge may be imposed for both long and short positions. A double negative Swap Rate implies that there is no interest advantage gained by borrowing in one currency to invest in the other.

For example, if you go long AUD/USD and the overnight interbank rate for AUD/USD in swap points is -0.00005, we would display this in the Electronic Trading Platform as +5 points.

You bought 5 lots (100,000 units) of Foreign Exchange CFD over AUD/USD which you hold overnight. The overnight interbank rate for AUD/USD is 5 points for long AUD/USD positions and -5.5 points for short positions.

Using this formula to calculate the Finance Credit for 1 night:

Financing Charge/Finance Credit = (Swap Rate/10) x Pip Value x Number of Lots x number of nights

$$= (5/10) * 10 * 5 * 1 = \text{USD } 25.00$$

Where:

Number of Lots = 1 (100,000 = 1 Lot)

Swap Rate = 5 points

Pip Value = USD 10 (since the 5th decimal place = 1 point on AUD/USD and Pip size equal to USD 0.0001)

This amount would be calculated at rollover and, since it is a positive figure, USD 25.00 would be credited to your Account.

If you had sold in the above example as opposed to buying, you are long USD and short AUD, you would pay a Finance Charge and the formula to calculate the charge is as follow:

Financing Charge/Finance Credit = (Swap Rate/10) x Pip Value x Number of Lots x number of nights

$$= (-5.5/10) * 10 * 5 * 1 = -\text{USD } 27.50$$

This amount would be calculated at rollover and -USD 27.50 would be debited from your Account.

Closing Out the Open Position

Later, AUD/USD has risen to 1.0598/1.0599, and you take your profit by selling 5 lots at 1.0598. Using a Transaction Fee rate of USD 3.5 per lot, it would be USD 17.50 (5 x USD 3.50). Your gross profit on the Transaction is calculated as follows:

$$\text{Closing transaction: } 500,000 \text{ (5 contracts)} \times 1.0598 = \text{USD } 529,900$$

$$\text{Opening Transaction: } 500,000 \text{ (5 contracts)} \times 1.0499 = \text{USD } 524,950$$

$$\text{Gross Profit on Transaction: } = \text{USD } 4,950$$

Calculating the overall result

To calculate the overall or net profit, you also have to take account of the Swap Rate (i.e. Finance Charge/Credit). In this example, you might have held the Open Position for 20 days, earning a total Finance Credit of USD500.00 (\$25 a day):

$$\text{Gross profit on Transaction: } \text{USD } 4,950$$

$$\text{Finance Credit: } \text{USD } 500.00$$

$$\text{Gross profit: } \text{USD } 5,450.00$$

$$\text{Total Transaction Fees: } \text{USD } 35.00$$

$$\text{Net profit: } \text{USD } 5,415.00$$

You can choose which currency you wish to hold your Account balance in. Exchange rates are subject to fluctuations and Clients should always be aware of the effect that exchange rates will have on their positions.

There may be circumstances where IC Markets agrees to quote a spread rather than charge Transaction Fee as commission for its Foreign Exchange CFDs. The spread would be wider than the Spread in the prices of the Underlying Instrument.

The amount of the Spread affects the prices for opening and closing your positions (not a separate fee).

11.4 CRYPTOCURRENCY CFD

Creating an Opening Position

You decide to go long on BitCoin (XBT) against the USD (XBT/USD), and ask for a quote for 5 contracts, the equivalent of 5 BitCoins (Lot sizes are set out in the trading details in your Account). We quote you USD 149,950/150,000 and you buy 5 Lots at USD 150,000.

Finance Charge and Finance Credit adjustments

Finance Charges are calculated daily on positions held overnight by applying the applicable Swap Rate to the daily Closing Value of the position. The Swap Rate is determined by Hedge Counterparties and are usually much higher than interbank lending rates to reflect the greater risk for holding this product.

The daily Closing Value is the number of cryptocurrency multiplied by the Closing Price. For example, the applicable Swap Rate of the Finance Charge might be 20.00% p.a. and the Closing Price of the cryptocurrency on a particular day might be USD 150,000. The Closing Value of a 5 Cryptocurrency CFD position would be USD 750,000 (i.e., 5 cryptocurrency units x USD 150,000). So, the interest cost for the position for this particular day would be USD 416.67 (i.e. USD 750,000 x 20.00%/360).

This amount would be calculated at rollover and USD 416.67 would be debited from your Account as a Finance Charge.

Closing Out the Open Position

Later, XBT/USD has risen to 160,000/160,050 and you take your profit by selling 5 lots at 160,000. Your gross profit on the Transaction is calculated as follows:

$$\text{Closing transaction } 5 \text{ (contracts)} \times \text{USD } 160,000 = \text{USD } 800,000$$

$$\text{Opening transaction: } 5 \text{ (contracts)} \times \text{USD } 150,000 = \text{USD } 750,000$$

$$\text{Gross profit on Transaction: } \text{USD } 50,000$$

Calculating the overall result

To calculate the overall or net profit, you also have to take account of the Finance Charge. In this example, you might have held the position for 20 days, paying a total Finance Charge of USD \$8,333.33:

$$\text{Gross profit on Transaction: } \text{USD } 50,000$$

$$\text{Finance Charge: } (\text{USD } 8,333.33)$$

$$\text{Net profit: } \text{USD } 41,666.67$$

You can choose which currency you wish to hold your Account balance in.

Exchange rates are subject to fluctuations and Clients should always be aware of the effect that exchange rates will have on their positions.

There may be circumstances where IC Markets agrees to quote a Spread rather than charge commission for its Cryptocurrency CFDs. The Spread would be wider than the Spread in the prices of the Underlying Instrument. The amount of the Spread affects the prices for creating an Open Position and Closing Out your Open Positions (not a separate fee).

Section 12 – General Information

12.1 TAXATION IMPLICATIONS

Trading in CFDs may have taxation implications for Clients, depending on the current tax laws and administration, the nature of the Client for tax laws, the terms of the Transactions and other circumstances. These are invariably complex and specific to each Client. You should consult your tax advisor before trading in these financial products.

The following information should be regarded as **general information only**.

Australian Taxation regime for CFDs

The ATO has released Taxation Ruling which describes the income tax and capital gains tax consequences of dealing in CFDs. A copy of the Taxation Ruling is available from the ATO's website www.ato.gov.au. Potential investors should note that this is a public ruling for the purpose of Part IVAAA of the Taxation Administration Act 1953 (Cth) and therefore, if the ruling applies to the investor, the Commissioner of Taxation is bound to assess that investor on the basis outlined in the ruling.

Penalties may apply where the treatment outlined in a taxation ruling (including the Taxation Ruling) is not followed and the investor has a tax shortfall.

The following statements do not set out all of the content of the Taxation Ruling and there might be other taxation aspects that are relevant to your particular circumstances.

Profits and losses on CFDs

Any gains derived, or losses incurred by you in respect of a CFD ordinarily should be included in your assessable income. When calculating the amount

of profit or loss, you need to consider the difference between the Closing Value and the Contract Value on commencement of the Open Position and any fees on Open Positions paid or received by you. If you hold your CFDs for the purpose of trading, you should seek independent taxation advice relevant to your circumstances.

Tax file number withholding rules

The tax file number withholding rules only apply to those investments as set out in income tax legislation. IC Markets' current understanding is that those withholding rules do not apply to its CFD financial products; however, if it is later determined to apply and you have not provided IC Markets with your tax file number or an exemption category, IC Markets may be obliged to withhold interest payments at the highest marginal tax rate and remit that amount to the ATO.

Other fees, charges or commissions

If a Transaction gives rise to gains that are assessable or losses that are deductible, any fees other than charges or Transaction Fees ordinarily should be available as a deduction at the time they are paid by the investor and debited against their Account.

Taxation of Financial Arrangements (TOFA)

The Australian laws on taxation of financial arrangements have rules for determining the timing of gains and losses that arise in respect of financial arrangements. These rules provide that gains and losses from financial arrangements will be deemed to be a revenue amount for tax purposes.

These rules are particularly important because it will have an impact on when a taxable gain or loss is recognised. This will affect your taxable income for the year and hence increase or decrease the tax payable.

These rules could apply to Transactions made in CFDs; however, it excludes (i) individuals; (ii) superannuation funds and managed investment schemes whose total assets are less than AUD \$100 million and (iii) and other entities with a turnover which is less than AUD \$100 million or other threshold tests, unless any of these persons elect to be treated by TOFA. You should seek independent taxation advice relevant to your circumstances.

12.2 GST

With the exception of fees and charges as set out in this PDS, amounts payable for, or in respect of, CFDs are not subject to GST, in accordance with ATO's GST Ruling, available from www.ato.gov.au.

12.3 COOLING OFF

There is no cooling off arrangement for CFDs. This means that you do not have the right to return the CFD, nor request a refund of the money paid to acquire the CFD. If you change your mind after entering into a CFD with IC Markets, you must Close Out the Transaction, pay any Transaction Fees and take the risk of incurring a loss in doing so.

12.4 JURISDICTIONS

The distribution of this PDS in jurisdictions outside Australia may be subject to legal restrictions. Any person who resides outside Australia who gains access to this PDS should comply with any such restrictions and failure to do so may constitute a violation of financial services laws

12.5 DISPUTE RESOLUTION

If you have a complaint about the financial product or service provided to you by IC Markets, please take the following steps:

1. Contact IC Markets and provide details of your complaint. You may do this by telephone, email or letter.
2. IC Markets will try to resolve your complaint quickly and fairly. IC Markets will use try to resolve your complaint with you within 30 calendar days of receipt of your complaint having been received unless we advise you that we require more time due to the nature of your complaint or other reasonable consideration.
3. If you are unsatisfied with the outcome of our internal process, you have the right to complain to AFCA. You may contact AFCA (for free) using the details below:

Australian Financial Complaints Authority

G.P.O. Box 3, Melbourne VIC 3000

Telephone: 1800 931 678

Website: www.afca.org.au

Email: info@afca.org.au

12.6 AML REQUIREMENTS

When opening an account, you need you to provide us with identity documents and personal information, so that we can comply with AML Laws. You agree that when you submit an account application you will provide with the information we require to comply with AML Laws.

12.7 PRIVACY

All of the information collected, used and retained by IC Markets when you apply to open an Account, trade and/or close an Account with us, is done for the purposes set out in IC Markets' in accordance with IC Markets "Privacy Policy" available here: <https://www.icmarkets.com.au/en/company/privacy->

[policy](#) and in accordance with the *Privacy Act 1988* (Cth).

Section 13 – Glossary

Account means your account with IC Markets established under the Account Terms, including all trading accounts and Transactions recorded in them, for using the Electronic Trading Platform. Your Account may consist of one or more trading Accounts.

Account Terms means the terms of your Account with IC Markets for all of your Accounts by which you deal in Transactions (as amended from time to time). Variations or additional terms may be notified to you from time to time in accordance with your current Account Terms.

Account Value means the current value of your Account which is calculated by IC Markets by combining:

- the equivalent balance of your Account in the CMTA, which includes Realised Profits and Realised Losses;
- the Unrealised Losses and Unrealised Profits;
- indicative fees and costs to Close Out; and
- the values of Transactions not yet booked.

This term may be referred to as “equity” on the Electronic Trading Platform.

AEST means Australian eastern standard time.

AFSL means Australian Financial Services Licence.

AFCA means the Australian Financial Complaints Authority.

AML Laws means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and any rules or regulations as amended from time to time.

Ask means the price which IC Markets as the seller is willing to accept (i.e. the price at which you can buy the CFD.) This is also known as the “offer price”.

ASIC means the Australian Securities and Investments Commission.

ASIC PIO means the *ASIC Corporations (Product Intervention Order – Contracts for Difference) Instrument 2020/986* (Cth).

ASX means the securities and other exchanges operated by Australian Securities Exchange Limited (ACN 000 943 377).

ATO means the Australian Taxation Office.

Australian Dollars or **AUD** means the lawful currency of the Commonwealth of Australia.

Base Currency means the currency nominated by you when applying for and/or opening an Account with IC Markets. The currencies that are on offer include AUD, USD, EURO and GBP. These may include any other currencies as made available by IC Markets from time to time.

Bid means the price which IC Markets as the buyer is willing to accept (i.e. the price at which you can sell the CFD.)

Bond CFD means a CFD whose Underlying Instrument is a bond or similar fixed income securities issued by a government, government entity, a bank or other entity. For example, this includes but is not limited to, US Treasuries, Japanese Government bonds and Eurozone bonds.

Business Day means a weekday which is not a gazetted public holiday in Sydney.

CFD means an OTC derivative contract for the parties to pay in cash the

difference in prices of Underlying Instruments on the terms of the Account.

Claims is used in this PDS to refer to all of the benefit of IC Markets’ claims against the Hedge Counterparty arising out of the hedge contracts.

Client refers to the person who has the Account.

Client Money means the money that you and our other clients deposit with us, which we hold in compliance with the Australian Client Money Rules.

Client Money Rules means the relevant provisions of the Corporations Act (including its related regulations), and relevant ASIC instruments in relation to Australian financial services licensees dealing with client moneys (including the new laws and regulations that come into effect on and from 4 April 2018).

Close Out, Closed Out and Closing Out in relation to a Transaction means discharging or satisfying the obligations of the Client and IC Markets under the Transaction and this includes matching up the Transaction with a Transaction of the same kind under which the Client has assumed an offsetting opposite position.

Closing Date means the date on which the CFD Transaction is agreed to be Closed Out, or earlier, if actually or deemed to be Closed Out in accordance with the Account Terms.

Closing Price means the closing price (or, if an index, level) of the Underlying Instrument.

Closing Value means the value determined by multiplying the number of CFDs by the value or level of the CFD’s Underlying Instrument at the Closing Date.

CMTA means Client Money Trust Account (or any one of several of them) maintained by IC Markets as a trust account under section 981B of the Corporations Act. The moneys held in it beneficially for you are credited to your Account.

Commodity CFD means a CFD (issued by IC Markets pursuant to the Account Terms) whose Underlying Instrument is a Commodity Transaction and may be denominated in any of the currencies made available by IC Markets from time to time.

Commodity Transaction means a Transaction to buy or sell a specific quantity of a described commodity or to make a payment calculated by reference to changes in the level of an index or interest rate, at an agreed date in the future.

Contract Value means the face value of the CFD, and is calculated by IC Markets by multiplying the price (or, if an index, the level) of the relevant Underlying Instrument by the number of securities (or, if an index, multiplier) specified in or for the purposes of the CFD.

Corporations Act means the *Corporations Act 2001* (Cth).

Cryptocurrency CFD means a CFD whose Underlying Instrument is a cryptocurrency.

Current Market Price is the price available to IC Markets from its Hedge Counterparties, which may be a delayed price depending on whether you have subscribed for live pricing.

Day Order means an order for a Transaction which expires at the close of the Business Day’s trading in the Exchange where the Underlying Instrument over which the CFD is offered is traded.

Electronic Trading Platforms means any of the online trading platforms provided by IC Markets for accessing your Account and placing Orders including but not limited to “MetaTrader 4” and “MetaTrader 5” developed by MetaQuotes Software Corp, “cTrader” developed by Spotware Systems Ltd and/or any other platform offered that allows the placing of Orders in any other financial product (including OTC derivatives such as CFDs).

EST means eastern standard time.

EURO means the lawful currency of the European Union.

Exchange means the market operated by the ASX, ASX 24 operated by Australian Securities Exchange Limited (ABN 83 000 943 377), the Australian Clearing House operated by ASX Clearing Corporation Limited (ABN 45 087 801 554), or any other exchange or market in which IC Markets participates from time to time, whether directly or through agents or other market participants.

Finance Charge means an amount you pay in respect of your Transaction held overnight, in accordance with the Account Terms. Sometimes this is referred to as 'interest' a 'swap' rate or 'rollover' rate.

Finance Credit means an amount you receive from us in respect of your Transaction held overnight, in accordance with the Account Terms.

Foreign Exchange CFDs means CFDs issued by IC Markets whose Underlying Instrument is a foreign exchange contract.

FSG means Financial Services Guide.

Futures Contract means a financial product traded on a futures Exchange whose specifications determine the terms of the relevant futures derivative. For example, the terms of a futures derivative whose Underlying Instrument is the ASX/SPI 200 Index will be determined based on the specifications of that Futures Contract.

GBP means the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

GST means the Goods and Services Tax introduced under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Ruling means the ATO's public ruling titled 'GSTD 2005/3 – Goods and services tax: are contracts for difference and financial spread betting contracts financial supplies?'

Hedge Counterparty means a person with whom IC Markets enters into a hedge contract to hedge IC Market's market risk exposure following CFD transactions with clients.

Holding Period means the number of nights that we will charge the Overnight Position Holding Fee. For each such period, we will deduct Overnight Position Holding Fees from your Account. The Overnight Position Holding Fee will be charged in proportion to the size of your Open Position.

IC Markets means IC Markets Pty. Ltd. ABN 12 123 289 109; Australian Financial Services Licence No. 335 692.

Index CFD means a CFD whose Underlying Instrument is an index comprised of securities of issuers listed on an Exchange, typically an index sponsored or promoted by an Exchange whose price is derived from the value of the relevant index as calculated by the relevant Exchange or IC Markets' own valuation of the index. For example, the S&P/ ASX 200 (AUS200): an AUS200 index contract is a CFD of which the Underlying Instrument is the S&P/ ASX 200 and the values of the Open Positions are based on the price of the S&P/ ASX 200. The index sponsor has no involvement in the IC Markets Index CFD.

Initial Margin means the amount which you are required to pay to IC Markets as the initial Margin Cover requirement for any Transaction which you propose to enter into.

Limit Order is an Order to buy or sell at a specified price or better.

Liquidity Provider means an external counterparty or potential counterparty that we source prices from and can also trade with to manage our risk (also known as a Hedge Counterparty).

Lot means the unit that represents the volume of a Transaction taking into consideration the Contract Value. It can be represented as a portion of a Lot subject to the minimum Transaction size (e.g. 0.1 of a Lot being a mini-Lot or 0.01 of a Lot being a micro-Lot.)

Margin means the amount of money (or money's worth) paid to IC Markets and credited to your Account as Margin Cover.

Margin Closeout means the automatic Close Out of any or all of your Open Positions, in whole or in part, which occurs if the Account Value falls below a certain level.

Margin Cover means the amount of Margin available for margin trading (and your continued trading) on your Account.

Negative Balance Protection refers to the protective measures referred to under the same name in *ASIC Corporations (Product Intervention Order – Contracts for Difference) Instrument 2020/986*.

Non-Margin Product means an IC Markets issued financial product (or other Transaction) which has a Margin requirement equal to the full Contract Value (i.e. 100%) of the Underlying Instrument. This means there will be no later Margin requirement for that product (unless in respect of an instalment payment on an Underlying Instrument which is a partly paid security). For example, such a product may include a synthetic equity.

Open Position means, at any time, a Transaction which has not been Closed Out, or settled prior to the time agreed for settlement.

Opening Price means the opening price (or, if an index, level) of the Underlying Instrument.

Order means any order placed by you to enter into a Transaction.

OTC means over-the-counter.

OTC contract means an OTC contract for a financial product, including options and contracts in respect of foreign exchange or other commodities, such as metals.

Overnight Position Holding Fee means the fee that applies to an "Islamic" (i.e. swap-free) Account, which is set on a per open Lot basis. The amount of the fee varies depending on the Underlying Instrument you are trading. The fee we charge for each product is outlined on our website <https://www.icmarkets.com.au/en/trading-accounts/islamic-account>

Pip means, in the context of a foreign exchange contract, the unit of measurement by which a foreign exchange contract's price changes. One (1) Pip equals to ten (10) Points. For example, on a AUD/USD Transaction, which is quoted with five (5) decimal points, one (1) Pip equals 0.0001. That means the Pip size for AUD/USD pair is USD0.0001.

Pip Value means the nominal value (in currency) of 1 Pip per Lot. The formula to calculate Pip Value is: Pip size x Lot size

Point means, in the context of a foreign exchange contract, the smallest increment by which a foreign exchange contract's price changes and is quoted depending on the number of decimal places the currency is quoted. For example, on a AUD/USD Transaction, which is quoted with five (5) decimals, one (1) Point equals 0.00001. That means the Point size for AUD/USD pair is 0.00001USD

Point Value means nominal value (in currency) of 1 Point per Lot. The formula to calculate Point Value is: Point size x Lot size.

PDS means Product Disclosure Statement

Realised/Unrealised Loss means:

(a) **(realised loss)** – the amount by which the value of an Open Position **on Close Out** is less than the value of the Open Position when the Open Position was last valued or if the Open Position has never been valued previously, it is the value when the position was opened; and

(b) **(unrealised loss)** – the amount by which the value of an Open Position (not on Close Out) is less than the value of the Open Position when it was last valued or if the Open Position has never been valued previously, it is the value when the position was opened. Unrealised Loss may be described as "Floating Loss" on the Electronic Trading Platform.

Realised/Unrealised Profit means:

(a) **(realised profit)** – the amount by which the value of an Open Position **on Close Out** is more than the value of the Open Position when the Open Position was last valued or if the Open Position has never been valued previously, the value when the position was opened; and

(b) **(unrealised profit)** – the amount by which the value of an Open Position (not on Close Out) is more than the value of the Open Position when it was last valued or if the Open Position has never been valued previously, the value when the position was opened. Unrealised Profit may be described as “Floating Profit” on the Electronic Trading Platform.

Retail Client has the same meaning given by sections 761G and 761GA of the Corporations Act.

RG227 means ASIC Regulatory Guide 227.

S&P means S&P Global Inc.

Share CFD means a form of CFD that provides exposure to changes in share prices that you would obtain directly from owning the Underlying Instrument. It is not an agreement to buy or sell any amount of shares and, it cannot result in the delivery of any shares to or by you..

Spread means the difference between the Bid price and the Ask price of a CFD.

Stop Order is an Order which is triggered when the price or level reaches a particular price/level (i.e. the stop price). Once the price/level has reached this price, a Stop Order essentially becomes a market Order which is acted on.

Swap Rate means the rates used to calculate the Finance Charge and Finance Credit, which can be found on the Electronic Trading Platform.

Target Market means the class of Retail Clients as defined in our TMD.

Taxation Ruling means the ATO’s public ruling titled ‘TR 2005/15 – Income tax: tax consequences of financial contracts for difference’.

Tick Size refers to the minimum price change (up or down) in the Underlying Instrument.

TMD means the Target Market Determination made for the purposes of section 994B of the Corporations Act.

Trading Conditions means the operational rules and conditions relating to the Electronic Trading Platform. It includes information relating to fees, spreads and commissions, interest, Margin, contract specifications and any other details relating to a CFD.

Transaction means any of the kinds of OTC contracts (including CFDs) which are traded under the Account Terms.

Transaction Fee means the fee or commission from time to time specified by IC Markets to be the amount payable by you to IC Markets in respect of each Transaction as set out in this PDS or as later varied in accordance with the Account Terms and this PDS.

Underlying Instrument means any security, financial product, foreign exchange, cryptocurrency, commodity, index or other item (or any combination of one or more of those) the subject of a Transaction, including a value determined by reference to an index or an index multiplied by an amount of currency, in any jurisdiction, whether or not through an Exchange or other market facility.

US Dollars or **USD** means the lawful currency of the United States of America

Variation Margin means an amount which you are required to pay to IC Markets as additional Margin Cover.

We or **Us** refers to IC Markets.

Wholesale Client has the same meaning as under section 761G of the Corporations Act.

Withdrawable Funds means the amount calculated by IC Markets as the amount of cash which would be paid to you from the Account if requested. For CFDs covered by this PDS, the Withdrawable Funds is calculated based on:

- the Withdrawable Funds of the Account, being:
 - the cash balance of the Account (if any); plus
 - the value of any unrealised profits and minus the value of any unrealised losses of all open positions in the Account; minus
 - the value of all Margin Cover requirements for all Transactions on the Account (including all trading Accounts).

The amount is subject to final adjustment by IC Markets at any time including immediately after payment of cash to you for any reason whatever, including changes in the value or level of Underlying Instrument, interest rates, currency rates, and unposted (or unreported) but accrued dividend or corporate action adjustments, Finance Charges or Transaction Fees.

You means the Client.