

## CMC Markets Asia Pacific Pty Limited

ACN 100 058 213  
AFS Licence 238054

### Supplementary Product Disclosure Statement

#### Commission on CFD trades executed - Individual Share CFDs

This document is a Supplementary Product Disclosure Statement ("**SPDS**") that is issued by CMC Markets Asia Pacific Pty Limited ("**CMC Markets**"). This SPDS was prepared on 24 December 2009 and supplements the Product Disclosure Statement issued by CMC Markets dated 29 October 2008 ("**WFE PDS**") as supplemented by the Supplementary Product Disclosure Statements effective 27 July 2009 and 30 November 2009.

This SPDS is to be read together with the WFE PDS. Words defined in the WFE PDS have the same meaning in this SPDS.

This SPDS relates to changes in the Commission rate payable to CMC Markets for individual Share CFD trades executed.

You should retain this SPDS and the WFE PDS and any supplementary and replacement documents and updating information that may be provided to you for future reference.

#### **Effective 4 January 2010, the WFE PDS is amended as follows:**

In section 4.1 Commissions on CFD trades executed on pages 29-31, the rate of Commission charged on individual Share CFDs is changed as follows:

- In the Commission Tables, for United States and Canadian Share CFDs, the rate of 0.10% is changed to USD \$0.02 per contract and CAD \$0.02 per contract respectively. The Minimum Commission of USD \$10 and CAD \$10 remains unchanged for Australian clients and the Minimum Commission of USD \$8.88 and CAD \$8.88 remains unchanged for Foreign Clients.

The relevant section of the tables as amended is set out below:

### Australian Clients

<i>Commission Table</i>		
<i>Country's Share CFDs</i>	<i>Rate</i>	<i>Minimum</i>
United States	USD \$0.02 per contract	USD \$10
Canada	CAD \$0.02 per contract	CAD \$10

### Foreign Clients

<i>Commission Table</i>		
<i>Country's Share CFDs</i>	<i>Rate</i>	<i>Minimum</i>
United States	USD \$0.02 per contract	USD \$8.88
Canada	CAD \$0.02 per contract	CAD \$8.88

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### Supplementary Product Disclosure Statement

#### Commission on CFD trades executed - Individual Share CFDs

This document is a Supplementary Product Disclosure Statement (“**SPDS**”) that is issued by CMC Markets Asia Pacific Pty Limited (“**CMC Markets**”). This SPDS is prepared on 24 November 2009 and supplements the **Marketmaker**<sup>™</sup> Product Disclosure Statement issued by CMC Markets dated 1 July 2008 (“**Marketmaker**<sup>™</sup> **PDS**”) as supplemented by a Supplementary Disclosure Document prepared on 20 July 2009 and effective 27 July 2009.

This SPDS is to be read together with the **Marketmaker**<sup>™</sup> PDS. Words defined in the **Marketmaker**<sup>™</sup> PDS have the same meaning in this SPDS.

This SPDS relates to changes in the Commission charge payable to CMC Markets for individual Share CFD trade executions.

You should retain this SPDS and the **Marketmaker**<sup>™</sup> PDS and any supplementary and replacement documents and updating information that may be provided to you for future reference.

#### Effective 30 November 2009, the **Marketmaker**<sup>™</sup> PDS is amended as follows:

In section 4.1 Commissions on CFD trades executed on pages 28-29, the Minimum Commission charged on individual Share CFDs is changed as follows:

- In the Commission Table, for Australian Share CFDs the Minimum Commission of AUD \$10.00 is reduced to a Minimum Commission of AUD \$7.00.

The relevant section of the table as amended is set out below:

#### Australian Clients

<i>Commission Table</i>		
<i>Country's Share CFDs</i>	<i>Rate</i>	<i>Minimum</i>
Australia	0.10%	AUD \$7.00

## CMC Markets Asia Pacific Pty Limited

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### Supplementary Product Disclosure Statement

#### Financing Rates

This document is a Supplementary Product Disclosure Statement ("**SPDS**") that is issued by CMC Markets Asia Pacific Pty Limited ("**CMC Markets**"). This SPDS is prepared on 20 July 2009 and supplements the **Marketmaker**<sup>TM</sup> Product Disclosure Statement issued by CMC Markets dated 1 July 2008 ("**Marketmaker**<sup>TM</sup> **PDS**").

This SPDS is to be read together with the **Marketmaker**<sup>TM</sup> PDS. Words defined in the **Marketmaker**<sup>TM</sup> PDS have the same meaning in this SPDS.

This SPDS relates to changes in Financing Rates that CMC Markets is offering to existing and new holders of CMC Markets Accounts.

You should retain this SPDS and the **Marketmaker**<sup>TM</sup> PDS and any supplementary and replacement documents and updating information that may be provided to you for future reference.

#### **Effective 27 July 2009, the **Marketmaker**<sup>TM</sup> PDS is amended as follows:**

In section 4.2 Margin Percentages and Financing Rates on pages 34-35, the Financing Rates are changed as follows:

- In the Financing Rate table, the Financing Rate for Australian Share CFDs in the Long column is changed from +2% to +2.75%;
- In the Financing Rate table, the Financing Rate for Australian Share CFDs in the Short column is changed from -2% to -2.75%;
- In the Financing Rate table, the Financing Rate for New Zealand Share CFDs in the Long column is changed from +2% to +3%; and

- In the Financing Rate table, the Financing Rate for New Zealand Share CFDs in the Short column is changed from -2% to -3%.

The relevant section of the table as amended is set out below:

Country	Financing Rate* *	
	The Relevant Interest Rate (plus or minus the following Interest Percentages)	
Share CFDs	Long	Short
Australia	+ 2.75%	- 2.75%
New Zealand	+ 3%	- 3%

**\*\*Financing Rates may be varied per instrument in Exceptional Market Conditions in accordance with clause 38 of the Terms of Business.**

What if I need further information?	<p>You can contact CMC Markets by:</p> <ul style="list-style-type: none"> <li>● telephone: 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100 (English) +61 [0] 2 8221 2166 (Chinese)</li> <li>● email: <a href="mailto:info@cmcmarkets.com.au">info@cmcmarkets.com.au</a></li> <li>● internet: <a href="http://www.cmcmarkets.com.au">www.cmcmarkets.com.au</a></li> </ul>	
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# CMC Markets Asia Pacific Pty Ltd

ABN 11 100 058 213

AFSL 238054

## Marketmaker<sup>®</sup> Product Disclosure Statement

Date – 1 July 2008

## CMC Markets Asia Pacific Pty Ltd

### Marketmaker CFDs

#### Purpose of this Marketmaker Product Disclosure Statement (PDS)

This PDS is dated 1 July 2008. CMC Markets Asia Pacific Pty Ltd (**CMC Markets**) is the issuer of this PDS, and the issuer of contracts for difference (**CFDs**) referred to in this PDS.

This PDS is designed to assist you in making an informed decision regarding opening an Account and trading in CFDs with CMC Markets. Before deciding whether to trade with CMC Markets, you should consider this PDS and whether dealing in CFDs is a suitable investment for you. We recommend you obtain independent financial, legal, taxation and other professional advice concerning this PDS (which includes our Terms of Business), the CMC Markets Product Schedule and CMC Markets' Financial Services Guide for Marketmaker<sup>®</sup> CFDs (**FSG**) before you apply to open an Account with us. This PDS, the CMC Markets Product Schedule and the FSG will be made available to you electronically by email or on CMC Markets' website at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

CFDs are speculative products, the geared nature of which places a significantly greater risk on your initial investment than non-geared investment strategies such as conventional share trading. The risk factors associated with trading CFDs are set out further in section 5.

This PDS contains technical information in respect of our CFDs (such as minimum trade sizes), the costs of dealing in CFDs and any amounts that we may require you to pay or amounts that we will pay you in respect of your Account with us.

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## 1. Important information

### 1.1 How to contact CMC Markets Asia Pacific Pty Ltd

Name	CMC Markets Asia Pacific Pty Limited		
Address	Client Services Governor Phillip Tower Level 44, 1 Farrer Place Sydney NSW 2000 Australia	Telephone	Account opening queries: 1300 303 888 (only in Australia) Client services queries: 1300 660 262 (only in Australia) Trading queries for existing Account holders: 1300 789 181 (only in Australia) General: + 61 [0] 2 8221 2100 +61 [0] 2 8221 2166 (Chinese)
Fax	+ 61 [0] 2 8915 9484	Email	<a href="mailto:info@cmcmarkets.com.au">info@cmcmarkets.com.au</a>
Post	Client Services CMC Markets Asia Pacific Pty Ltd PO Box R1879 Royal Exchange NSW 1225 Australia	Website	<a href="http://www.cmcmarkets.com.au">www.cmcmarkets.com.au</a>

### 1.2 This PDS replaces previous PDS versions

This PDS is dated 1 July 2008. This PDS (including the Terms of Business) (if applicable) replaces all other previous versions of the PDS (including the Terms of Business) at 7.00am AEST on 1 July 2008. If you are an existing client of CMC Markets, CMC Markets will make available this PDS (including the Terms of Business) and the most recent FSG on its website in accordance with CMC Markets' Terms of Business.

If you are already dealing in CFDs with CMC Markets, you should read this PDS before continuing to deal in CFDs as you will be bound by it if you continue to deal in CFDs with CMC Markets on and from 7.00am AEST on 1 July 2008. (If you are a resident of Hong Kong, and wish to trade in Forex CFDs, you will need to refer to the separate LFX Disclosure Document issued to Hong Kong residents.

The English language version of this PDS overrides all other language versions of this PDS to the extent of any inconsistency.

### 1.3 Jurisdiction

This PDS is distributed by CMC Markets to Australian Clients and Foreign Clients. The distribution of this PDS may be restricted in certain jurisdictions outside Australia. Persons into whose possession this PDS comes are required to inform themselves of, and to observe, such restrictions. This PDS does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

If you are a Foreign Client dealing with CMC Markets, you should note:

- the law governing your dealings with CMC Markets is the law of New South Wales, Australia;
- your rights against CMC Markets are restricted as set out in clauses 36 and 43 of the Terms of Business;
- moneys which you deposit with CMC Markets will be regulated by the Australian Client Money Rules;
- CMC markets may require you to confirm your status as a person in your jurisdiction who is eligible to deal with CMC Markets.

## 1.4 Applying to deal with CMC Markets

Before you begin dealing in CFDs you must complete an Application Form and be approved by CMC Markets. There are three (3) application forms, one for applicants that are corporations, partnerships or trusts, one for individual applicants and one for joint applicants. Before completing the appropriate Application Form you should read this PDS (including the Terms of Business), the CMC Markets Product Schedule and the FSG. The Application forms are available from our website or can be obtained by contacting us.

The Application Forms require you to disclose personal information. You should refer to the Privacy Statement in section 11 which explains how the CMC Markets Group collects personal information and then maintains uses and discloses that information.

If you are already dealing in CFDs with CMC Markets, there is no need for you to complete a new Application Form to deal in CFDs with us.

## 1.5 Representations

CFDs are offered on and from the date of this PDS solely on the basis of the information and representations contained in this PDS (including the Terms of Business). No other information or representation is authorised nor is any person authorised by CMC Markets to give any information to clients or to make any representation other than any information or representation contained in this PDS (including the Terms of Business) and the FSG.

## 1.6 References to other parties

References in this PDS or in any CMC Markets Product Schedule to any Underlying Entity or Underlying Market to which a CFD relates are included solely for the purposes of identification of the Underlying Reference Instrument to which that CFD relates. Such references are not to be construed as an express or implied endorsement of the CFDs by such Underlying Entity or Underlying Market. Nor does any Underlying Entity or Underlying Market accept any responsibility for any statement in this PDS nor undertake any liability in respect of the CFDs.

These Underlying Entities and Underlying Markets are not involved in the issue of the CFDs and have not been party to the preparation of this PDS, nor furnished any information specifically to CMC Markets for the purpose of its preparation.

CMC Markets has no affiliation with such Underlying Entities and Underlying Markets and has no access to information concerning those Underlying Entities, Underlying Reference Instruments and Underlying Markets, other than that which is in the public domain. CMC Markets does not, therefore, accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of public information about any Underlying Entity, Underlying Reference Instrument or Underlying Market. You should make your own enquiries.

## 1.7 Consult your adviser

You should obtain independent financial, legal, taxation and other professional advice concerning this PDS (including the Terms of Business), the CMC Markets Product Schedule and the FSG.

## 1.8 CMC Markets does not give personal advice

CMC Markets will not give you personal financial product advice. This PDS does not constitute a recommendation or opinion that CFDs are appropriate for you. However, related entities of CMC Markets may give you such personal financial product advice. Please refer to their relevant financial services guides regarding the services they are able to provide you.

As CMC Markets will only be providing general advice, this advice will not take into account your objectives, financial situation or needs. Accordingly, before applying to deal in CFDs, you must consider your objectives, financial situation and needs and the significant risks of loss which accompany the prospects of profit associated with dealing in CFDs and form the opinion that dealing in CFDs is suitable for your purposes.

## 1.9 This PDS and other documents

The information in this PDS is general information only and does not take into account your individual investment objectives, financial situation or needs. We recommend you read this PDS carefully and obtain independent financial, legal, taxation and other professional advice concerning this PDS (including the Terms of Business), the CMC Markets Product Schedule and the FSG before you apply to open an Account with us.

You should keep this PDS (including the Terms of Business), the CMC Markets Product Schedule and the FSG and any supplementary and replacement documents and updated information that is provided to you by CMC Markets Group including via emails for future reference.

Information contained in this PDS is subject to change from time to time and may be updated by CMC Markets. Any updated information which is not materially adverse to investors will be available from [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au). A paper copy of the updated information will be available without charge by contacting CMC Markets.

Where updated information is materially adverse to investors, CMC Markets will issue a supplementary or replacement PDS.

## 1.10 ASIC

The Australian Securities & Investments Commission takes no responsibility for the contents of this PDS.

## 1.11 Use of examples in this PDS

The Examples set out in this PDS and the Annexure to this PDS are provided only for illustrative purposes. All examples displayed are based upon the Margin Percentages and Commissions for Australian Clients set out in section 4.1 and 4.2

Foreign Clients should refer to sections 4.1 and 4.2 for their applicable Margin Percentages and Commission.

All other amounts in the examples are approximations for illustration purposes only.

The examples use figures which attempt to demonstrate how CMC Markets' CFDs work. The figures do not necessarily reflect your personal circumstances and do not restrict in any manner the way in which CMC Markets may exercise its powers or discretion. They are also not intended to give any representation about the performance of particular Underlying Markets, Underlying Reference Instruments, Underlying Entities or CFDs.

The examples do not constitute general or personal financial product advice to any person reading this PDS.

## 2. Summary of the key issues when dealing in CFDs with CMC Markets

The below table is provided as a summary only of the key features and characteristics involved in dealing in CFDs. In addition to this summary, you should ensure you have read and understood the contents of this PDS, the Terms of Business, CMC Markets' FSG and the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

Before opening an Account and/or proceeding to trade CMC Markets strongly recommends that you obtain independent financial, legal, taxation and other professional advice.

Issue	Summary	For more detail
<p><b>Who is the issuer of this PDS and the CFDs?</b></p>	<p>CMC Markets Asia Pacific Pty Ltd (<b>CMC Markets</b>).</p> <p>CMC Markets is a wholly owned subsidiary of CMC Markets plc. It was established to give Australians and persons in the Asia Pacific region the opportunity to deal in CFDs. CMC Markets is regulated in Australia by the Australian Securities and Investments Commission (<b>ASIC</b>), and holds Australian Financial Services Licence No. 238054.</p>	
<p><b>What is a CFD?</b></p>	<p>A contract for difference or CFD is an agreement which allows you to make a profit or loss from fluctuations in the price of a CFD. The price of a CFD is based on the price of an underlying reference instrument (<b>Underlying Reference Instrument</b>); for example, a share on an exchange. However, you do not own that Underlying Reference Instrument or trade it on an exchange by owning a CFD.</p> <p>By entering into a CFD, you are either entitled to be paid an amount of money, or required to pay an amount of money, depending on movements in the price of the CFD.</p> <p>The amount of any profit or loss made on a CFD will be the net of:</p> <ul style="list-style-type: none"> <li>● the difference between the price of the CFD when the CFD position is opened and the price of the CFD when the CFD position is closed;</li> <li>● any adjustments made in respect of the CFD;</li> <li>● any Commission payable in respect of the CFD; and</li> <li>● any Rollover Charges and Rollover Benefits and Financing Charges and Financing Benefits relating to the CFD</li> </ul> <p>The balance on your Account will also be affected by other amounts you must pay to CMC Markets in respect of your Account such as exchange fees and interest on debit balances.</p>	<p>See <a href="#">section 3</a></p>
<p><b>A CFD is issued "over the counter". What does this mean?</b></p>	<p>Over the Counter ("<b>OTC</b>") means that you do not trade in a CFD through an exchange or market; rather, it is a transaction between you and CMC Markets. This means you can only enter into contracts with CMC Markets.</p> <p>You do not have the protections normally associated with trading on a regulated market. For example, you will not have the benefit of the guarantee arrangements such as the National Guarantee Fund and you will have a direct exposure to the credit worthiness of CMC Markets.</p>	<p>See <a href="#">sections 3, 5.10, 5.11</a></p>

Issue	Summary	For more detail
	<p>It is not possible to close a CFD issued by CMC Markets by giving instructions to another CFD provider, broker or Australian financial services licensee.</p>	
<p><b>What charges are payable when dealing in CFDs?</b></p>	<p>The common fees and charges when dealing in CFDs may incorporate any or all of the following:</p> <ul style="list-style-type: none"> <li>● Commission on executed trades;</li> <li>● Margin adjustments and Financing Charges;</li> <li>● Rollover Charges calculated at CMC Markets' Rollover Rates;</li> <li>● Interest charges applied to debit balances in your Account;</li> <li>● Exchange fees;</li> <li>● Guaranteed Stop-loss order premiums;</li> <li>● Administration charges.</li> </ul> <p>In addition, CMC Markets will apply a bid / offer spread in respect of its CFDs, which will also affect the profits or losses you make when dealing in CFDs.</p>	<p>See <a href="#">sections 4, 3.9</a></p>
<p><b>How do I open a CFD Account?</b></p>	<p>Read this PDS, the included Terms of Business, the CMC Markets Product Schedule and CMC's FSG, and complete an Application Form.</p> <p>You may obtain these documents by;</p> <ul style="list-style-type: none"> <li>● telephoning CMC Markets Sales on 1300 303 888 (only in Australia) or +61 [0] 2 8221 2100; or</li> <li>● going to CMC Markets' website at <a href="http://www.cmcmarkets.com.au">www.cmcmarkets.com.au</a></li> </ul>	<p>See <a href="#">section 6.1</a></p>
<p><b>What is the minimum balance to open a CFD trading Account?</b></p>	<p>AUD\$1,000 for Australian Clients.</p> <p>USD\$2,000 or its currency equivalent for Foreign Clients.</p> <p>Unless otherwise specified, all dollar amounts referred to in this PDS are denominated in Australian Dollars</p>	<p>See <a href="#">section 6.2</a></p>
<p><b>How do I deal in CFDs with CMC Markets?</b></p>	<p>You may place orders to deal in CFDs in two ways:</p> <ul style="list-style-type: none"> <li>● by telephoning CMC Markets' Dealing Desk on 1300 789 181 (within Australia) or +61 [0] 2 8221 2160 (English) +61 [0] 2 8221 2166 (Chinese); or</li> <li>● using CMC Markets' dealing platform through a computer connected to the internet or your mobile telephone.</li> </ul> <p>CMC Markets will not accept orders or instructions from you through any other means, such as email or using the on-line chat facility, unless CMC Markets has previously agreed with you to do so.</p> <p>It is possible for a third party to place orders on your behalf provided that a written Power of Attorney or authority has been received and accepted by CMC Markets.</p>	<p>See <a href="#">sections 6.4, 7</a></p>

Issue	Summary	For more detail
<b>What are "long" and "short" positions?</b>	<p>You go "long" when you buy a CFD or place an order to open a CFD position in the expectation that the price of the Underlying Reference Instrument will increase, which would have the effect that the CFD price will increase.</p> <p>You go "short" when you sell a CFD or place an order to open a CFD position in the expectation that the price of the Underlying Reference Instrument will decline, which would have the effect that the CFD price will decline. If this occurs, because you have sold a CFD (rather than bought a CFD), you would make a profit if you closed the position at this point, subject to CMC Markets' fees and charges.</p>	See <a href="#">section 3.2</a>
<b>How do I close a position?</b>	You close a position in a CFD by entering into an equal and opposite transaction in the same CFD.	See <a href="#">section 3.3</a>
<b>How do we deal with your money?</b>	Moneys which you deposit with CMC Markets will be regulated by the Australian Client Money Rules.	See <a href="#">sections 6.9, 6.10</a>
<b>What is my "Total Equity"?</b>	<p>Your "<b>Total Equity</b>" is the aggregate of:</p> <ul style="list-style-type: none"> <li>● the current cash balance in your Account; and</li> <li>● your current unrealised profits and losses.</li> </ul>	See <a href="#">sections 3.12, 3.12</a>
<b>What is my "Free Equity"?</b>	Your " <b>Free Equity</b> " is your <i>Total Equity</i> less your current Total Margin Requirement (see below). The <i>Free Equity</i> is the amount that you may withdraw from your Account or use to cover additional margin requirements.	See <a href="#">section 3.12</a>
<b>What is Margin?</b>	<p>Margin is the amount that you must have in your Account to enter into CFD positions with CMC Markets.</p> <p>The level of Margin required to open and maintain a CFD position is called the "<b>Margin Requirement</b>". The sum of your Margin Requirements for all of your open CFD positions is called the "<b>Total Margin Requirement</b>".</p> <p>Margin Requirements will fluctuate with the price of the Underlying Reference Instrument on which the CFD is based. Further, where you deal in a CFD that is denominated in a currency other than the Base Currency of your Account, (such as a Forex CFD or Currency Index CFD) your Margin Requirement may also be affected by fluctuations in the relevant foreign exchange rate.</p>	See <a href="#">sections 3.10, 3.10, 5.5</a>
<b>What is a Margin Call by CMC Markets?</b>	A Margin Call is a demand for additional funds to be deposited in your Account to meet your Total Margin Requirement because of adverse price movements on your open CFD positions.	See <a href="#">section 3.14</a>
<b>How are payments made in and out of my CMC Markets Account?</b>	<p>You may deposit funds by credit card payment, electronic transfer, B-Pay<sup>®</sup> or by cheque. All funds must be Cleared Funds in your Account before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in CFDs.</p> <p>Payments using B-Pay<sup>®</sup> are not Cleared Funds in your Account at the time of use of B-Pay<sup>®</sup>. Generally, Cleared Funds are received in your Account 24 hours after use of B-Pay<sup>®</sup> CMC</p>	See <a href="#">section 6.10</a>

Issue	Summary	For more detail
	Markets will pay you through electronic transfer or cheque.	
<p><b>Do I receive interest on moneys held in my CMC Markets Account or pay interest on moneys that I owe to CMC Markets?</b></p>	<p>Interest will be paid on credit balances in currency ledgers on your Account (after deducting from the balance, Margin Requirements for instruments held and valued in that currency) only if:</p> <ul style="list-style-type: none"> <li>● you are an Australian tax resident; and</li> <li>● the credit balance in your Account (aggregating the credit and debit balances of each currency ledger) is in excess of your Total Margin Requirements, and such excess amount exceeds the Interest Qualification Level, which is USD\$10,000 or its currency equivalent.</li> </ul> <p>Interest will be calculated separately on each currency ledger in your Account at the interest rate applicable to each currency after deducting Margin Requirements for instruments held and valued in those currencies. These interest rates are available from CMC Markets upon request.</p> <p>CMC Markets will charge interest on any debit balances in a currency ledger in your Account. These rates are available from CMC Markets upon request.</p> <p>Any amounts of interest payable to CMC Markets will be deducted from any interest payable to you.</p> <p>CMC Markets reserves the right to pay interest to clients who are non-residents of Australia for taxation purposes from time to time in its absolute discretion.</p>	<p>See <a href="#">section 6.8</a></p>
<p><b>Do I pay any Financing /Rollover Charges?</b></p>	<p>You may be required to pay a Financing Charge or Rollover Charge on long positions for CFDs that remain open overnight. However, you should note that on occasions when you have long positions in Forex and Bullion CFDs you may in fact receive Rollover Benefits.</p>	<p>See <a href="#">section 3.7</a></p>
<p><b>Do I receive any Financing /Rollover Benefits?</b></p>	<p>You may receive a Financing Benefit or Rollover Benefit on short positions for CFDs that remain open overnight. However, you should note that on occasions when you have short positions in Forex and Bullion CFDs you may in fact pay Rollover Charges.</p>	<p>See <a href="#">section 3.7</a></p>
<p><b>What are the risks of CFDs?</b></p>	<p>CFDs are speculative products that are highly leveraged and carry significantly greater risk than non-gearred investments such as share trading. <b>You may incur losses to the extent of your total exposure to CMC Markets and any additional fees and charges that apply. These losses may be far greater than the money that you have deposited into your Account or are required to deposit to satisfy Margin Requirements.</b></p> <p>You should obtain your own <b>independent financial, legal, taxation and other professional advice</b> as to whether CFDs are an appropriate investment for you.</p>	<p>See <a href="#">section 4 and 5</a></p>

Issue	Summary	For more detail
<b>What procedures are in place to deal with client complaints?</b>	CMC Markets provides a complaints handling and dispute resolution process for its clients and is a member of the Financial Ombudsman Service ( <b>FOS</b> ), an external complaints resolution body.	See <a href="#">section 8</a>
<b>What are the taxation implications of entering into CFDs?</b>	The taxation consequences of dealing in CFDs depend on your personal circumstances. Some general taxation consequences are set out in <a href="#">section 9</a> .	See <a href="#">section 9</a>
<b>How do I learn to use the Marketmaker® trading platform and how to deal with CMC Markets?</b>	CMC Markets Pty Ltd, an associate of CMC Markets, offers training on the use of Marketmaker® trading platform and dealing with CMC Markets. There are also online tutorials available in the Education section of the CMC Markets website <a href="http://www.cmcmarkets.com.au">www.cmcmarkets.com.au</a> . Contact CMC Markets Client Services for further details (see below for further information contact details).	
<b>What CMC Markets' trading and office hours?</b>	<p><b>Trading hours</b> Trading hours for CFDs will depend on the relevant Underlying Market's hours of operation. Please refer to the CMC Markets Product Schedule available at <a href="http://www.cmcmarkets.com.au">www.cmcmarkets.com.au</a> for details of various trading hours for CFDs.</p> <p><b>Office hours</b> Our office hours are Monday to Friday, 9.00am to 5:30pm AEST. However, the Client Services Department and the Dealing Desk are available from 6.00am Monday to 6.00am Saturday (AEST) (subject to public holidays) inclusive to service your Account.</p>	See clause 4, Terms of Business.
<b>What if I need further information?</b>	<p>You should speak to your financial adviser or, alternatively, you can contact CMC Markets by:</p> <ul style="list-style-type: none"> <li>● telephone: 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100 (English) +61 [0] 2 8221 2166 (Chinese)</li> <li>● email: <a href="mailto:info@cmcmarkets.com.au">info@cmcmarkets.com.au</a></li> <li>● internet: <a href="http://www.cmcmarkets.com.au">www.cmcmarkets.com.au</a></li> </ul>	

### 3. Significant features of dealing in CFDs with CMC Markets

#### 3.1 Types of CFDs issued by CMC Markets

CMC Markets offers CFDs to its clients based on the following Underlying Reference Instruments:

- shares and other securities (**Share CFDs**);
- share indices and sectors (**Index CFDs, Sector CFDs**);
- gold and silver (**Bullion CFDs**);
- foreign exchange (**Forex CFDs, Currency Index CFDs**);
- commodities (**Commodity CFDs**);
- treasuries (**Treasury CFDs**);
- equity index futures contract (**Index Future CFDs**);
- currency futures contract (**Currency Future CFDs**); and
- such other products as are notified by CMC Markets to clients from time to time.

CFDs will be traded in the currency listed in the CMC Markets Product Schedule for that CFD. A copy of the Product Schedule is located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

CFDs may allow you to benefit from normal market movements in the Underlying Reference Instrument in the Underlying Market. Your open CFD positions are valued every night at CMC Markets' close of business prices. Profits or losses are credited / debited to your Account each day in real time and marked against CMC Markets' close of business prices.

#### 3.2 How you open a CFD

A CFD position is opened by either buying (going long) or selling (going short) a CFD.

You go "long" when you buy a CFD in the expectation that the price of the Underlying Reference Instrument to which the CFD is referable will increase, which would have the effect that the CFD price will increase.

You go "short" when you sell a CFD in the expectation that the price of the Underlying Reference Instrument to which the CFD is referable will decline, which would have the effect that the CFD price will decline.

CMC Markets provides you with a number of different order types to facilitate the opening and closing of long and short positions. The order types are discussed further in section 7 of this PDS.

#### 3.3 How you close a CFD

You close a CFD by entering into and executing an equal and opposite transaction in the same CFD.

Please also see sections 3.14 and 3.15 on Liquidation Levels and Margin Calls for cases where CMC Markets may automatically close your CFD positions.

***If you close a position, you must cancel any related orders you have placed against that position. Failure to do so will mean that the related orders remain at risk of execution. Please see section 7.12 for more detail about cancelling orders.***

#### 3.4 Currency Index CFD's

When trading an ordinary Forex Spot CFD, you take a position on the exchange rate of one currency against another (e.g. AUD/USD). This means that the price of the CFD and Underlying Reference Instrument is referable to factors affecting two specific currencies. In an ordinary Forex CFD position, you are taking a view in each of the currencies in the currency pair (AUD/USD).

A Currency Index CFD allows you to take a more general view, by comparing the performance of a particular currency against a weighted basket of currencies, called a Currency Index. This means that (unlike a Forex CFD position) the price of a Currency Index CFD is referable to factors affecting the primary reference currency

against all other currencies in the basket, and the price of each Underlying Reference Instrument (cross-currency) in the basket is referable to factors affecting those two specific currencies.

By way of illustration, a USD Currency Index may be comprised of the following basket of currencies:

USD Currency Index
USD/EUR
USD/JPY
USD/GBP
USD/CAD
USD/SEK
USD/AUD
USD/CHF
USD/EUR
USD/JPY
USD/GBP

The weightings chosen by CMC Markets for each Currency Index are based on those weightings used by the corresponding central bank to calculate the trade-weighted index for its own currency. In some cases, the weightings applied by CMC Markets to currencies in a particular Currency Index may be nil. Generally, the weightings are only adjusted when trade flows for that country change sufficiently enough to warrant a change in the calculations by the relevant central bank. CMC Markets derives a weighted price for each Currency Index and apply a constant to determine the mid-market price of the Currency Index. In this regard, the formula used to calculate a Currency Index is similar to that used by many central banks to calculate their trade-weighted indices.

In the USD Currency Index shown above, the Euro (EUR) and Canadian Dollar (CAD) are likely to be most highly weighted because the highest proportion of the USA's trading volume is to/from Canada and to / from Europe, when compared with other regions in the world (such as Australia).

**IMPORTANT NOTE:**

1. **Please note that the currencies and weightings in a Currency Index are determined by CMC Markets and may vary from time to time. They may also differ from those used in a trade-weighted index calculated by the relevant central bank,**
2. **The constant in a Currency Index CFD will not change,**
3. **It is your responsibility to familiarise yourself with the composition of each Currency Index before trading in Currency Index CFDs. The currency, weightings and constant for each Currency Index CFD are available upon request (by telephone or email) from CMC Markets (see section 1.1 of this PDS).**

Refer to paragraph 3.17 and 3.18 for more information about the circumstances in which CMC will exercise its discretion.

Please refer to paragraph 3.9 for more information about how CMC Markets prices Currency Index CFDs,

### Types of Currency Index CFDs

Currency Index CFD's are currently available for the following 10 major currencies USD, EUR, JPY, GBP, CHF, AUD, NZD, CAD, NOK and SEK. These are set out in the CMC Markets Product Schedule. and may change from time to time. You should consult the CMC Markets Product Schedule for information on the availability of

Currency Index CFD's (please refer to section 1.9 for further details about the CMC Product Schedule and updated information).

## 3.5 Fees and charges

You will pay fees and charges when dealing in CFDs with CMC Markets, including charges which are described in section 3.7. Refer to section 4, which deals with fees and charges.

## 3.6 Adjustments for Dividends and other Corporate Actions

CMC Markets may adjust your Account to reflect dividends and certain Corporate Actions (including, but not limited to, bonus issues, rights issues and stock splits) that occur in respect of the Underlying Reference Instrument to which Share, Index and Sector CFDs are referable. There are no Corporate Action adjustments applicable to CFDs other than Share, Sector and Index CFDs, although Rollover Charges and Rollover Benefits may apply (refer to table below).

CFD Type	Adjustments for Dividends and Corporate Actions	Financing and Rollover Charges and Benefits (see <a href="#">Section 3.6</a> )
Share	Yes	Yes
Index	Yes	Yes
Sector	Yes	Yes
Forex	Not Applicable	Yes
Bullion	Not Applicable	Yes
Commodity	Not Applicable	No
Treasury	Not Applicable	No
Index Future	Not Applicable	No
Currency Future	Not Applicable	No
Currency Index	Not Applicable	No

Adjustments made relating to Dividends and Corporate Actions in respect of the Underlying Reference Instrument will be reflected in your Account (whether by way of a debit or credit of an amount or the increase or decrease in the number of CFDs) should they occur.

The particular adjustments in respect of Cash Dividends and Corporate Action events are detailed in paragraph 5 of Schedule 2 of the Terms of Business. A summary of these adjustments is outlined below.

### Adjustments for Dividends

#### Long Share CFD position

If you have a long Share CFD position, your Account will be adjusted for any Cash Dividend that the holder of the Underlying Reference Instrument would have received after any tax has been paid or withheld at source by the Underlying Entity (assuming that the holder of the Underlying Reference Instrument is an Australian resident corporate taxpayer). The adjustment will result in your Account being credited with an amount equal to the net amount of the Cash Dividend after taking into account such taxes.

The reference to Cash Dividend is to the cash dividend or distribution declared only. Accordingly, your Account is not adjusted for any Franking Credits attached to a dividend or distribution on your long Share CFD positions.

### Short Share CFD position

If you have a short Share CFD position, your Account will be adjusted for an amount equal to the Cash Dividend. If an Australian share is its Underlying Reference Instrument, CMC Markets may at its sole discretion hedge its exposure to your short position by borrowing the Australian share from a non resident of Australia for Australian taxation purposes. However, CMC Markets has no obligation to do so and is under no obligation to inform you as to whether or not it has done so.

If CMC Markets chooses to borrow the underlying Australian share from an Australian tax resident, your Account will also be adjusted for any amount charged to CMC Markets for any Franking Credits attached to the Cash Dividend, in addition to the amount of the Cash Dividend. That is your Account will be debited with an amount equal to the Grossed-up Dividend.

### Sector and Index CFDs

Where a Cash Dividend is declared in respect of an Underlying Reference Instrument of a Sector CFD or Index CFD, any adjustment to your Account for the Cash Dividend declared will also be applied pro rata by CMC Markets in proportion to the weighting that the relevant Underlying Reference Instrument has within the basket of securities or index. Adjustments to your Account in respect of Sector and Index CFDs will not take into account Franking Credits for both long and short Sector and Index CFD positions.

The weighting that a particular Underlying Reference Instrument has within a Sector CFD is calculated in accordance with the relative market capitalisations of all companies whose securities constitute a basket of securities, over which CMC Markets is offering the Sector CFD.

The weighting that a particular Underlying Reference Instrument has within an underlying index is calculated in accordance with the relative market capitalisations of all companies whose securities constitute part of that index, as reported in a specialist dividend forecasting and index tracking service used by CMC Markets. The weightings of an Underlying Reference Instrument within the index may also be available independently from other specialist dividend forecasting and index tracking services and data vendors.

### Timing of Dividend adjustments

All dividend adjustments relating to a Share, Index or Sector CFD will be made by close of business on the day following the ex-dividend date. Refer to paragraphs 5.1 – 5.4 of Schedule 2 to the Terms of Business for more detail.

## **Adjustments for Corporate Actions (such as rights issues)**

When a Corporate Action occurs affecting an Underlying Reference Instrument, CMC Markets will endeavor to replicate the effects on your CFD position as closely as possible.

If CMC Markets cannot replicate the Corporate Action, CMC Markets may close and re-open your CFD position at a new price and/or vary the terms of your orders and CFDs to preserve the economic equivalence of the rights and obligations of the parties immediately prior to a Corporate Action. You will be refunded any Commission that you have paid for any of your positions and/or orders that have been closed or re-opened.

In addition, the underlying exchange may purge orders on Underlying Reference Instruments during Corporate Actions, and when this occurs, your orders (with the exception GSLOs) may be cancelled by CMC Markets.

CMC Markets has discretion to make the adjustments in the different ways outlined above. This discretion will only be exercised by CMC Markets to ensure that any Corporate Action is replicated in your CFD position as closely as possible. Refer to Part 5 of Schedule 2 to the Terms of Business for more details.

CMC Markets is not obliged to, and does not intend to, provide you with any information or advice about Corporate Actions. It is your responsibility to be aware of Corporate Actions that may affect your Account and to decide whether to take any action or to obtain any advice as to what action you should take in respect of such Corporate Actions.

## **Qualifying for Adjustments relating to dividends and Corporate Actions**

To qualify for adjustments relating to dividends and Corporate Actions, you must hold the CFD in respect of the affected Underlying Reference Instrument at the close of business on the day preceding the ex-dividend, or equivalent date relating to the Corporate Action as quoted in the Underlying Market.

### 3.7 Financing and Rollover Charges and Benefits

#### Overnight Financing for Share, Index and Sector CFDs

Share, Index and Sector CFD positions held overnight will have a Financing Charge or Financing Benefit applied according to the total notional value of the position at the relevant Financing Rate. If you are long on a Share, Index or Sector CFD you may pay a Financing Charge to CMC Markets, whilst if you are short on a Share, Index or Sector CFD you may receive a Financing Benefit from CMC Markets at the relevant Financing Rate. The method used by CMC Markets to calculate the Financing Rates is set out in section 4.2.

If a Share, Index or Sector CFD position is not held overnight you will pay no Financing Charge nor receive a Financing Benefit. To see how financing charges may affect your Account, please see the trading examples in Annexure A.

#### Forex CFDs Rollovers

Forex Spot CFD positions that are rolled over may result in you paying a Rollover Charge, or may result in you receiving a Rollover Benefit, at the CMC Markets Rollover Rate.

The CMC Markets Rollover Rate for Forex Spot CFDs is a varying rate dependent on the currency pair, the applicable rate in the interbank markets according to the duration of the rollover period, the size of the position and the CMC Markets Spread that is applied at CMC Markets' discretion.

The interbank rate for Forex Spot CFDs is the interest rate differential between the two applicable currencies (**Interbank Rate**). For example, if you have a long Australian Dollar/Japanese Yen (AUD/JPY) position and interest rates are higher in AUD than in JPY, then you may receive a Rollover Benefit of interest at the CMC Markets Rollover Rate if you hold the position overnight and do not close it before the Settlement Time. This is because you are holding the higher yielding currency. However, if the JPY interest rate is higher than AUD then the interest rate differential may cause you pay a Rollover Charge (being interest at the CMC Markets Rollover Rate) if you hold the position overnight and do not close it before the Settlement Time.

Any interest that you pay or receive at the CMC Markets Rollover Rate is reflected in the price at which the open position is rolled forward.

#### Bullion CFDs Rollovers

Bullion CFD positions held overnight and not closed before the Settlement Time will have a Rollover Charge or Rollover Benefit applied, which is calculated by multiplying the total notional value of the position by the Rollover Rate. The CMC Markets Rollover Rate for Bullion CFDs is a varying rate dependent on the applicable rate in the interbank markets according to the duration of the rollover period, the size of the position and the CMC Markets Spread that is applied at CMC Markets' discretion.

If you are long on a Bullion CFD you may have to pay a Rollover Charge to CMC Markets, whilst if you are short you may receive Rollover Benefit from CMC Markets. In some circumstances, however, the opposite may apply. For example, if you have a long Australian dollars/short Bullion position and interest rates in Australia are higher than the Bullion Rollover Reference Rate applied by CMC Markets then you will receive a Rollover Benefit of interest at the CMC Markets Bullion Rollover Rate if you hold the position overnight and do not close it before Settlement Time. This is because you are holding the higher yielding asset. However if the Bullion Rollover Reference Rate applied by CMC Markets is higher than the Australian interest rate you may have to pay a Rollover Charge (charged at the CMC Markets Bullion Rollover Rate) if you hold the position overnight and do not close it before Settlement time.

#### Rollover at CMC Markets' Expiry Day for Commodity CFDs

If held until CMC Markets' Expiry Day your Commodity CFD position will be automatically closed out by CMC Markets at CMC Markets' "Commodity Rollover Price" (see the next paragraph) on the CMC Markets Expiry Day of the CFD contract. The CFD position will then be "rolled over" and re-opened by CMC Markets in the Next Serial CFD Contract.

CMC Markets determines the Commodity Rollover Price by obtaining on the expiry date, the average difference between the trading price during that day of the Underlying Reference Instrument and the next serial Underlying Reference Instrument. CMC Markets then subtracts that difference from the settlement price of the next serial Underlying Reference Instrument to formulate the price at which you are closed out of the expiring Commodity

CFD. The application of this difference has the effect of smoothing the increased price volatility due to decreased liquidity on the days close to the expiry date of the Underlying Reference Instrument.

The position in the Next Serial CFD contract is opened at the official settlement price of the Underlying Reference Instrument on the expiry date of relevant Commodity CFD.

No charges are incurred when positions are rolled over as the closing and opening prices relate directly to where the relevant instruments have been trading.

Please note that the expiry dates for CMC Markets' Commodity CFDs may differ to that of the underlying referenced commodity futures contract. The expiry dates for CMC Markets' Commodity CFDs can be obtained from the CMC Markets trading platform.

## **Rollover at CMC Markets' Expiry Day for Treasury CFDs**

If held until CMC Markets' Expiry Day your Treasury CFD position will be automatically closed out by CMC Markets and then "rolled over" and re-opened by CMC Markets in the Next Serial CFD Contract.

CMC Markets obtains the official Underlying Reference Instrument settlement price of the expiring contract and of the Next Serial CFD Contract. You will have your position closed out at the official Underlying Reference Instrument settlement price of the expiring contract and reopened in the new contract at the official Underlying Reference Instrument settlement price of the Next Serial CFD Contract.

No charges are incurred when positions are rolled as the closing and opening prices relate directly to where the relevant instruments have been trading.

Please note that the expiry dates for CMC Markets' Treasury CFDs may differ to that of the underlying referenced treasury futures contract. The expiry dates for CMC Markets' Treasury CFDs can be obtained from the CMC Markets trading platform.

## **Rollover at CMC Markets' Expiry Day for Index Future CFDs**

An Index Future CFD will expire on the last business day preceding the day of expiry of the relevant Underlying Reference Instrument, which is an Equity Index Futures Contract that expires on a monthly or quarterly basis.

The Next Serial CFD Contract will become available 2 business days prior to the expiry of the current Index Future CFD. This is dependant upon liquidity and may be subject to change at CMC Markets' absolute discretion.

Pending orders on Index Future CFDs will be cancelled upon the expiry of the Index Future CFD upon which the pending order is placed.

Should an open position in relation to an Index Future CFD be held until expiry, then that position will be automatically closed at the official closing price of the relevant Underlying Reference Instrument and re-opened at the official closing price of (and on the same day as) the next expiry of the relevant Underlying Reference Instrument.

No charges are incurred when positions are rolled as the closing and opening prices relate directly to where the relevant instruments have been trading.

## **Rollover at CMC Markets' Expiry Day for Currency Future CFDs**

A Currency Future CFD will expire on the last business day preceding the day of expiry of the relevant Underlying Reference Instrument, which is a Currency Futures Contract that expires on a quarterly basis.

The Next Serial CFD Contract will become available 2 business days prior to the expiry of the current Currency Future CFD. This is dependant upon liquidity and may be subject to change at CMC Markets' absolute discretion.

Pending orders on Currency Future CFDs will be cancelled upon the expiry of the Currency Future CFD upon which the pending order is placed.

Should an open position in relation to a Currency Future CFD be held until expiry, then that position will be automatically closed at the official closing price of the relevant Underlying Reference Instrument and re-opened at the official closing price of (and on the same day as) the next expiry of the relevant Underlying Reference Instrument.

No charges are incurred when positions are rolled as the closing and opening prices relate directly to where the relevant instruments have been trading.

### Rollover at CMC Markets' Expiry Day for Currency Index CFDs

If held until CMC Markets' Expiry Day your Currency Index CFD position will be automatically closed out by CMC Markets and then "rolled over" and re-opened by CMC Markets in the Next Serial CFD Contract

The Next Serial CFD Contract will become available 2 business days prior to the expiry of the current Currency Index CFD. This is dependant upon liquidity and may be subject to change at CMC Markets' absolute discretion.

Pending orders on Currency Index CFDs will be cancelled upon the expiry of the Currency Index CFD upon which the pending order is placed.

No charges are incurred when positions are rolled as the closing and opening prices relate directly to where the relevant instruments have been trading.

## 3.8 Minimum trade sizes

The minimum trade size for each CFD is set out in the CMC Markets Product Schedule by reference to the Underlying Reference Instrument.

### Share, Index, Sector, Commodity, Treasury, Index Future and Currency CFDs

For Share, Index, Sector, Commodity, Treasury, Index Future, Currency Future and Currency Index CFDs, the minimum transaction size is generally 1 CFD, with the exception of the JGB where the minimum is 100.

As new CFDs are periodically added to CMC Markets' Product Schedule you should consult the CMC Markets Product Schedule for the current minimum trade size amounts.

### Forex CFDs

The minimum trade sizes for Forex Spot CFDs are listed in the CMC Markets Product Schedule.

The minimum trade size for Forex Forward CFDs is USD\$250,000 or the equivalent in another currency.

If you have also been issued the latest version of LFX Disclosure Document, the minimum trade sizes outlined in that Disclosure Document will apply to you.

### Bullion CFDs

The minimum deal size for Bullion CFDs is:

- Gold CFDs: 10 ounces.
- Silver CFDs: 1,000 ounces.

## 3.9 Pricing

### CMC Markets' prices may differ from those in the Underlying Market

The CFD prices at which you trade CFDs with CMC Markets are determined taking into account the prices of the Underlying Reference Instrument to which CFDs relate. However, the bid/offer prices quoted by CMC Markets for its CFDs may not be the same as those of the Underlying Reference Instrument in the Underlying Market.

The difference in the CMC Markets bid / offer price is the "**CMC Markets Spread**". The CMC Markets Spread is calculated and applied by CMC Markets having regard primarily to the liquidity in the Underlying Market. As a result, CMC Markets prices may change in response to fluctuations in the aggregate demand for particular CFDs and Underlying Market conditions.

The real time dealing prices displayed on the dealing platform are indicative prices that CMC Markets is offering for its CFDs. Furthermore, the CMC Markets Spread may not be the same as the spreads in the Underlying Market.

The CMC Markets dealing platform may also display the indicative volume of CFDs which are available at CMC Markets' indicative price. However, the platform will not display the number of orders already placed (except those that have been accepted and processed) for these CFDs. That is, should you place an order, the platform will not display your position in the queue. Please refer to the CMC Markets dealing platform for the indicative

availability of volume and indicative price depth information in respect of each CFD. Please also see section 5.4 for more information about how dealing in CFDs may be affected by factors in the Underlying Market.

CMC Markets does not provide you with access to prices in the Underlying Market or market depth information in relation to the Underlying Market on its dealing platform. Accordingly, it is for you to access such information from other sources, and decide whether you wish to deal in the CFD with CMC Markets or directly in the Underlying Reference Instrument in the Underlying Market.

Where the volume of CFDs you wish to deal in is not reflected in the Underlying Reference Instrument in the Underlying Market, CMC Markets may re-quote the price at which it offers the CFDs to you to reflect that lack of liquidity in the Underlying Reference Instrument. For further information on the circumstances in which CMC Markets may re-quote a price, see section 7.4.

You may obtain real time prices in the Underlying Reference Instrument by accessing any of a number of services that provide investors with real time prices from those markets. In particular, information vendors offer real time and delayed prices from the Underlying Market, whilst exchanges, such as the ASX, usually offer delayed prices at no cost. Finally, the financial media also provides opening and closing prices.

If you are unsure about where you can obtain prices in the Underlying Market, please telephone the Client Services Department on 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100 for assistance.

### How does CMC Markets determine the prices for its CFDs?

CMC Markets' prices for Share CFDs are calculated taking into account CMC Markets' expected price of the Underlying Reference Instrument, which is a share.

CMC Markets' prices for Index CFDs are based on CMC Markets' determination of the "fair value" of Index CFDs which is calculated taking into account CMC Markets' expected price of the underlying futures contract (which in turn is calculated by taking into account the cash index level, dividends, days to expiry on the underlying futures contract and compounded interest). CMC Markets' expected price of an underlying futures contract may differ from the actual price of the underlying futures contract.

CMC Markets' prices for Sector CFDs are calculated taking into account the bid / offer prices of the constituent Underlying Reference Instrument, weighted in accordance with the Underlying Entities' relative market capitalisations, and the application of a CMC Markets Spread.

CMC Markets' prices for Commodity and Treasury CFDs are based on the last traded price of the Underlying Reference Instrument, which is a futures contract, with the application of a CMC Markets Spread.

CMC Markets' prices for Bullion and Forex CFDs are based on the Interbank Rate prices of the constituent Underlying Reference Instrument, calculated by CMC Markets by applying the CMC Markets Spread to the Interbank Rate.

CMC Markets' prices for Index Future CFDs are based on the underlying mid-market price of the Underlying Reference Instrument, which is a futures contract based on an Equity Index, and the application of the CMC Markets Spread.

CMC Markets' prices for Currency Future CFDs are based on the underlying mid-market price of the Underlying Reference Instrument, which is a Currency Futures Contract, and the application of the CMC Markets Spread.

CMC Markets' prices for Currency Index CFD's calculated by taking into account:

- the mid-market prices of each constituent Underlying Reference Instrument (currency) in the Currency Index,
- the weightings chosen by CMC Markets for each currency in the Currency Index, having regard to the trade volumes between the currency of the index subject (for a USD Currency Index CFD, the USD) and the currencies issued by each country represented in the Currency Index; and
- a constant to calculate the bid /offer price for the relevant Currency Index. The constant is chosen by CMC Markets' in a manner that is representative, fair and reasonable having regard to the constant used by the relevant central bank in calculating the trade-weighted index (but may differ); and
- the application of a CMC Markets Spread.

The weightings and constant are available from CMC Markets upon request, although they may change from time to time. The Bid / Offer price for each Currency Index CFD is calculated in a manner that is representative, fair and reasonable, to broadly reflect the trade weighted index used by the relevant central bank (detailed

information is set out in Schedule 9 of the Terms of Business). By way of example, the price of a USD Currency Index CFD, (which compares the performance of the USD against a basket of currencies of its major trading partners) is determined by CMC Markets in a manner that is representative, fair and reasonable, to broadly reflect the trade-weighted index calculated by the central bank of the United States (i.e. the US Federal Reserve).

Prices for each Currency Index CFD are denominated in the primary reference currency (that is, a USD Currency Index CFD is denominated in USD). Please also refer to paragraph 6.7 for details about currency balances in your account.

See the Schedules attached to the Terms of Business for more detail.

### Pricing errors

If errors occur in the prices of CFDs quoted by CMC Markets, neither party, without prejudice to any rights it may have under statute or common law, will be bound by any dealing which purports to have been made (whether or not confirmed by CMC Markets) at a price which was, or ought reasonably to have been, known to either party to be materially incorrect at the time of the dealing. If you give notice to CMC Markets that you wish not to be bound by a dealing due to a pricing error, CMC Markets will determine in its sole discretion, acting reasonably, whether the price quoted was materially incorrect.

## 3.10 Your Margin obligations to CMC Markets

### The Margin you need when you open a CFD position with CMC Markets

When you open a CFD position with CMC Markets you need to have sufficient Total Equity in your CMC Markets Account to satisfy the Margin Requirement for the relevant number of CFDs. A list of Margin Percentages for CFDs at the date of this PDS is located in section 4.2 of this PDS. CMC Markets may alter your Margin Requirement under the circumstances set out at section 3.15. Examples of the calculation of the Margin Requirement for various types of CFDs are listed below (using the Margin Percentages in section 4.2) You should refer to CMC Markets Product Schedule for information concerning current Margin Percentages per instrument.

Margin Requirements on Share, Index and Sector CFDs are calculated as follows:

$$(Contract\ Quantity \times Contract\ Price) \times Margin\ Percentage = Margin\ Requirement$$

### Share CFDs Margin Requirements

CMC Markets' Margin Percentages on individual Share CFDs are **generally** between 1 and 50% of the notional value of your position.

For example, if you bought 10,000 Telstra Share CFDs at a price of AUD \$4.50, the Margin Requirement would be calculated as follows:

$$(10,000 \times AUD4.50) \times 3\% = AUD\ \$1,350$$

### Index and Sector CFDs Margin Requirements

CMC Markets' margin percentage on Index and Sector CFDs is **generally** 1%. For example, a AUD\$10,000 initial deposit allows you to deal in up to AUD\$1,000,000 notional value on Index or Sector CFDs.

For example, if you bought 10 AUSSIE200 Index CFDs at a price of AUD\$6,000, the Margin Requirement would be calculated as follows:

$$(10 \times 6,000) \times 1\% = AUD\$600$$

### Bullion CFDs Margin Requirements

CMC Markets' Margin Percentage on Bullion CFDs is **generally** 1% of the notional value of your position.

Margin requirements on Bullion CFDs are calculated as follows:

$$(Contract\ Quantity \times Contract\ Price) \times Margin\ Percentage = Margin\ Requirement$$

For example, to buy 100 ounces of XAUUSD Spot CFDs at a price of USD\$750 the Margin Requirement would be calculated as follows:

$$(100 \times 750) \times 1\% = \text{USD\$750}$$

### Treasury CFDs Margin Requirements

CMC Markets' Margin Percentage on Treasury CFDs is **generally** 1% of the notional value of your position.

Treasury CFDs move in Minimum Point Increments (or "ticks") of 0.01 as outlined in the CMC Markets Product Schedule. As a result, your Margin Requirement can be calculated as follows:

$$(\text{Margin Percentage} \times \text{current Contract Price} / \text{Minimum Point Increment}) \times \text{Contract Quantity} = \text{Margin Requirement}$$

For example, to buy 10 TNOTE10YR CFDs at a price of AUD\$105.00, the Margin Requirement would be calculated as follows:

$$(1\% \times 105.00 / 0.01) \times 10 = \text{AUD\$1,050}$$

For an outline and description of Minimum Point Increments see section 3.23 of this PDS.

### Commodity CFDs Margin Requirements

CMC Markets' Margin Percentage on Commodity CFDs is **generally** 3%. Commodity CFDs have Minimum Point Increments (or "ticks") of between 0.01 and 1.0. As a result, your Margin Requirement can be calculated as follows:

$$(\text{Margin Percentage} \times \text{current Contract Price} / \text{Minimum Point Increment}) \times \text{Contract Quantity}$$

For example, to buy 10 USCRUDE CFDs trading at a price of USD \$70, the Margin Requirement calculation would be as follows:

$$(3\% \times 70 / 0.01) \times 10 = \text{USD\$2,100}$$

Please refer to the CMC Markets Product Schedule for individual commodity tick values.

### Forex CFDs Margin Requirements

CMC Markets' Margin Requirement for Forex CFDs is **generally** 1% of the notional value of the position.

Margin requirements on Forex CFDs may be calculated as follows:

$$\text{Margin Percentage} \times \text{Contract Price} \times \text{Contract Quantity} = \text{Margin Requirement}$$

For example, to buy USD\$10,000 USDJPY CFDs the Margin Requirement calculation would be as follows:

$$10,000 \times 1\% = \text{USD\$100}$$

If you have also been issued the latest version of LFX Disclosure Document, the margin requirements outlined in that Disclosure Document will apply to you.

### Index Future CFDs Margin Requirements

CMC Markets' Margin Requirement for Index Future CFDs is **generally** 1% of the notional value of the position.

Margin requirements on Index Future CFDs may be calculated as follows:

$$\text{Margin Percentage} \times \text{Contract Price} \times \text{Contract Quantity} = \text{Margin Requirement}$$

For example, to buy 10 Index Future CFDs trading at a price of AUD\$6,000, the Margin Requirement calculation would be as follows:

$$1\% \times 6,000 \times 10 = \text{AUD \$600}$$

### Currency Future CFDs Margin Requirements

CMC Markets' Margin Requirement for Currency Future CFDs is **generally** 1%. Your Margin Requirement can be calculated as follows:

***Margin Percentage x [(Contract Quantity x current Contract Price) x Contract Size] = Margin Requirement***

For example, to buy 10 EURO Future Dec 07 CFD at a price of USD\$1.3861, which have a Contract Size of USD\$12,500, the Margin Requirement would be as follows:

***1% x [(10 x 1.3861) x 12,500] = USD \$1,732.63***

Please refer to the CMC Markets Product Schedule for the Contract Size of each Currency Future CFD.

### Currency Index CFDs Margin Requirements

CMC Markets' Margin Requirement for Currency Index CFDs is **generally** 1%. Your Margin Requirement can be calculated as follows:

***(Margin Percentage x current Contract Price / Minimum Point Increment) x Contract Quantity = Margin Requirement***

For example, to buy EUR/FXI CFD at a price of €101.85, the Margin Requirement would be as follows:

***1% x [(101.85/0.01 x 10)] = €1,018.50***

For an outline and description of Minimum Point Increments see section 3.23 of this PDS.

### 3.11 Margin on an ongoing basis

As the price of the CFD moves, your Total Margin Requirement will also move in alignment with this price change. This is because your Total Margin Requirement is based upon the current notional value of your positions.

For example, if you bought 1,000 Google Share CFDs at the price of USD \$350, the calculation would be as follows:

***(1000 x 350) x 5% = USD \$17,500***

If the price of Google then moved to \$351, the Margin Requirement would be as follows:

***(1000 x 351) x 5% = USD \$17,550***

You must maintain sufficient Free Equity in your Account in Cleared Funds to cover any increases in your Total Margin Requirement. If your Total Margin Requirement exceeds your Total Equity, then your Account will be placed on Margin Call (see section 3.14). If your Account reaches the Liquidation Level some or all of your positions may be liquidated (see sections 3.15 and 5.2).

### 3.12 Profits and losses

Profits made from your dealing activities increase the Total Equity in your Account. Losses made as a result of your dealing activities decrease the Total Equity balance on your Account, and therefore the Total Equity available for dealing in CFDs or holding positions (see section 3.13 and the trading examples in the Annexure for further information).

### 3.13 Total Equity balances

The Total Equity of your Account will fluctuate according to the money you have deposited in your Account, the dealings conducted on your Account and the positions you hold.

During the trading day, your Account balance is constantly calculated in line with movements in CMC Markets' prices using CMC Markets' Mid Price. The Account balance is also calculated at the end of the day using CMC Markets' Mid Price closing rates (or CMC Markets' last dealing price).

Your Total Equity balance is used to assess your available Margin against current positions, and any potential new positions you may wish to take. The Total Equity balance is used to establish if there is a requirement for additional Margin to be paid in respect of your Account.

Once a position is opened, the Total Margin Requirement must always be maintained for the open position(s). It is your responsibility to ensure that your Account is sufficiently funded at all times, especially during volatile trading periods.

To assist you to monitor your equity balances in your Account, we summarise your Total Equity and Free Equity together with your Total Margin Requirement at the end of the day (using CMC Markets' Mid Price closing rates or CMC Markets' last dealing prices) in your daily statement, and our back office facility provides you with your open position and Total Equity report online.

You will only be allowed to withdraw from the Free Equity in your Account, which is the Total Equity in your Account less your Total Margin Requirement. Additionally, you will only be allowed to deal and maintain open positions on the basis of Cleared Funds in your Account, **not on promised funds or funds in transit**.

### 3.14 Margin Calls

If your open CFD positions move against you and your Total Equity balance falls below your Total Margin Requirement, your Account will be placed on Margin Call.

Restoring your Total Equity balance and satisfying your Margin Call obligations will require:

- closing or reducing one or more of your open position(s) in order to reduce your Total Margin Requirement to CMC Markets; and/or
- depositing additional funds into your Account in order to satisfy the Total Margin Requirement.

If you choose to deposit additional funds into your Account, these additional funds must be Cleared Funds before they will be treated as having satisfied your Margin Call obligations.

These steps may not be necessary if there is an increase in the value of your held positions due to a further market fluctuation.

For an example of how your Account may be placed on Margin Call, please refer to Example 21 in the Annexure. In this example you opened a long position on a Share CFD, and the price of the Share CFD subsequently fell. As a result, your Total Equity balance fell below your Total Margin Requirement and your Account was consequentially placed on Margin Call. To meet this Margin Call, you closed your long position at a lesser price (thereby reducing your Total Margin Requirement), and after Commission and Financing Charges, incurred a \$7,769.90 loss.

Once your Total Equity balance falls below your Total Margin Requirement, you may wish to consider whether to place a Stop-loss order with us to try to avoid a deficit balance on your Account. Section 7 outlines the orders that you may place (including Stop-loss orders) that, if used appropriately, can assist you in avoiding a deficit balance on your Account. Our policy is not to provide credit facilities on any Accounts.

In some instances, the placing of Stop-loss orders may not always limit your losses to the amounts that you may want. Refer to section 7.5.

Once your Total Equity balance falls below your Total Margin Requirement, you may be restricted from dealing on your Account until your Total Equity balance meets or exceeds your Total Margin Requirement.

### 3.15 Liquidation Level

We may place a liquidation order for your open position(s) when your Total Equity balance falls below the levels outlined in section 6.3 (the **Liquidation Level**). At or below this Liquidation Level, we may liquidate some or all of your open positions. For an example of how a liquidation order will affect your Account, please see Example 22 in the Annexure.

However, CMC Markets does not represent or warrant, or give any assurance that it will place such liquidation orders, or that they will be executed, or that your open positions will be closed out at any particular level. Accordingly, your losses may be higher than what they would have been had CMC Markets exercised its right to place a liquidation order.

Furthermore, you will be liable for those losses, despite CMC Markets having had the right to close out your position at a time before you incurred those additional losses. Any such loss may result in you losing all moneys that you have deposited in your Account with CMC Markets, and may require you to pay CMC Markets further funds representing losses and other fees on your open and closed positions (refer to section 5.1).

It is your responsibility to ensure that your Total Equity balance does not fall below the Liquidation Level, and to ensure that you do not rely on CMC Markets to close out your positions should they be nearing, or exceed, the Liquidation Level. You may do this by reviewing your Account details on the Marketmaker<sup>®</sup> trading platform with a view to monitoring your Total Equity balance in respect of your open positions, bearing in mind that any

additional funds that you deposit into your account will not contribute towards your Total Equity balance until those funds become Cleared Funds. You may also contact our Client Services Department should you have any queries about your current Margin obligations.

Margin Calls can be made at any time of the day and alternative payment arrangements must be made if you cannot be contacted or if you are travelling.

You should refer to the Terms of Business, and in particular clause 8.1 of the Terms of Business, for the consequences arising from non-payment of Margin Calls. Where you fail to pay a Margin Call, CMC Markets has the right to close your open positions, limit the size of your open positions or refuse orders to establish new positions.

### 3.16 Changes in Margin Requirement

CMC Markets may under the Terms of Business exercise its right to alter the Margin Percentage of any CFD position at any time at its discretion (refer to clause 7.8 of the Terms of Business). This, in turn, alters your Total Margin Requirement.

Furthermore, if CMC Markets determines that a Force Majeure Event (defined in clause 38.1 of the Terms of Business) exists then it may, without prejudice to any other rights under the Terms of Business and at its sole discretion, take any one or more of the steps outlined in clause 38.2 of the Terms of Business.

One of the steps that CMC Markets may take is to increase the Margin Percentage from that specified in section 4.2 of this PDS up to 100%. Accordingly, you should be prepared at any time to have funds equal to the notional value of your CFD position available to meet any increase in the Margin Percentage by CMC Markets.

### 3.17 Conflicts of interest

CMC Markets, its associates or other persons connected with CMC Markets may have an interest, relationship or arrangement that is material in relation to any CFD entered into with CMC Markets, or advice provided by CMC Markets.

CMC Markets is a market maker, not a broker. Accordingly, you will be trading CFDs directly with CMC Markets, and not on any financial market. As a market maker, CMC Markets sets the prices that refer to, but may not always be the same as, those in the Underlying Market. CMC Markets will always act as a principal, not as an agent, for its own benefit in respect of all CFD transactions with you.

The CMC Markets Group may also conduct transactions as principal in the Underlying Reference Instruments on which CFDs are based, including shares and futures. In particular, the CMC Markets Group may at its sole discretion, hedge CMC Markets' liability to you in respect of your CFD positions by undertaking transactions in the Underlying Reference Instruments in the Underlying Markets. However, CMC Markets has no obligation to do so and is under no obligation to inform you as to whether or not it has done so. These trading activities may affect (positively or negatively) the prices at which you may trade CFDs.

For further information on how CMC Markets treats these interests, relationships or arrangements, as well as other conflicts, please refer to clause 27 of the Terms of Business.

### 3.18 Discretions

CMC Markets may exercise a variety of discretions in respect of your trading in CFDs. In exercising such discretions, CMC Markets will have regard to its commercial objectives, which will include:

- maintaining its reputation as a product issuer;
- responding to competitive market forces;
- managing all forms of risk including but not limited to operational risk and market risk; and
- complying with its legal obligations as a holder of an Australian financial services licence.

CMC Markets exercises its discretion in a wide range of circumstances including where CMC Markets changes its Commission rates, calculates a Currency Index and accepting to deal in CFDs with you. Where we increase Commission rates, we will issue a new, or supplementary PDS. New information for other changes will be placed on our website at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

### **3.19 Clients may be treated differently**

CMC Markets in its absolute discretion may quote different prices, and charge Commission, Financing Charges, Rollover Charges and other charges at different rates, to different clients.

### **3.20 Sharing of Commissions and other amounts**

CMC Markets may share Commission, the CMC Markets Spread, Financing Charges, Financing Benefits and other charges or benefits with its associates or other third parties or receive remuneration from them in respect of Contracts entered into by CMC Markets with you. CMC Markets may share such amounts with introducing advisers and referrers for the introduction or referral of clients to CMC Markets.

### **3.21 Indemnity**

Please note that in accordance with clause 30.1 of the Terms of Business, you must indemnify CMC Markets for any losses incurred by CMC Markets as a result of a number of reasons including CMC Markets entering into any Contract with a client or any third person to enable CMC Markets to fulfil its contractual obligations to you. Refer to clause 30.1 of the Terms of Business for further information.

### **3.22 Security**

Please note that in accordance with clause 7.1(c) of the Terms of Business, and in addition to Margin, you must pay to CMC Markets such sums of money as CMC Markets may from time to time require as security for your obligations to CMC Markets.

### **3.23 Minimum Point Increment**

The Minimum Point Increment can also be referred to as a "tick movement", "tick value", "tick size" or a "pip movement" and represents the minimum price change between two successive transaction prices. The Minimum Point Increment can represent either an upward or downward movement in price.

It is important to note that the size and value of a Minimum Point Increment can differ between different instruments. The size and value of a Minimum Point Increment are listed in the CMC Markets Product Schedule.

For example; if the price of BHP moved from \$25.01 to \$25.02 or if the price of AUD / USD Spot moved from 0.7510 to 0.7511 both would have moved one Minimum Point Increment.

The effect of an increase of one Minimum Point Increment on both the CFD and Underlying Reference Instrument is detrimental to a buyer and beneficial to a seller. The effect of a decrease of one Minimum Point Increase is beneficial to a buyer and detrimental to a seller.

## 4. Fees and charges when dealing in CFDs

Fees and charges when dealing in CFDs may incorporate any or all of the following:

- Commission on CFD trades executed;
- Margin adjustments and Financing charges;
- Rollover Charges at CMC Markets' Rollover Rates;
- Interest charges applied to debit balances in your Account;
- Stock borrowing costs
- Exchange fees;
- Guaranteed Stop-loss order premiums; and
- Administration charges.

Fees and charges may change from time to time and in some cases will differ according to whether you are an Australian Client or a Foreign Client. Accordingly, you should ensure that you refer to the relevant sections in this section 4 depending on whether you are an Australian Client or a Foreign Client.

### 4.1 Commissions on CFD trades executed

#### What is CMC Markets' Commission structure for CFD trades executed?

CMC Markets charges a minimum Commission on all order executions detailed in the Commission tables below.

The Commission charge on any given trade executed will be:

- for Share and Sector CFDs, the greater of:
  - the amount that is calculated by multiplying the commission rate by the notional value of the CFD; or
  - the minimum Commission as outlined in the Commission table.
- for Index, Commodity and Treasury CFDs, the amount calculated by reference to the Commission charge per contract outlined in the relevant Commission tables and the number of contracts transacted.

The Commission charge payable to CMC Markets for CFD trade executions is not subject to Goods and Services Tax (**GST**) in Australia.

#### How is the Commission charged?

The Commission will be debited from your Account as soon as possible after a CFD order is executed. All Commissions are charged in the currency in which the instrument is denominated. Details of your Commission charges are provided on your daily and monthly statements.

#### Can the Commission change?

You should note that CMC Markets may change its Commission structure from time to time in which case a new or supplementary PDS will be issued or made available and the CMC Markets Product Schedule may also be updated.

#### What Commission is charged on CFDs?

Commission charged for CFD trade executions varies depending on your country of residence.

#### Australian Clients

For Australian Clients, CMC Markets applies a Commission rate on individual Share CFDs as detailed in the table below. The Commission charged on individual Share CFDs varies depending on the Underlying Market.

For example, a transaction in Vodafone (UK) CFD with a notional value of GBP15,000.00 is charged Commission of GBP15.00, being 0.10% of 15,000.00.

<b>Commission Table</b>		
<b>Country's Share CFDs</b>	<b>Rate</b>	<b>Minimum</b>
Australia	0.10%	AUD \$10
New Zealand	0.10%	NZD \$10
Hong Kong	0.25%	HKD \$25
Japan	0.25%	YEN ¥1000
Singapore*	0.25%	SGD \$15 or USD \$15
European countries	0.10%	EUR €10
Czech	0.35%	CZK 350
Hungary	0.35%	HUF 3500
Poland	0.35%	PLN 35
Russia	0.10%	USD \$10
Turkey	0.35%	TRY 35
Denmark	0.10%	DKK 50
Norway	0.10%	NOK 50
Sweden	0.10%	SEK 50
Switzerland	0.10%	CHF 10
United Kingdom	0.10%	GBP £5
Egypt	0.10%	USD \$10
South Africa	0.20%	ZAR 100
United States listed South American Share CFDs	0.10%	USD \$10
United States	0.10%	USD \$10
Canada	0.10%	CAD \$10

\*Singapore Share CFDs are quoted in USD or SGD and Commission is charged in the currency that the Share CFD is quoted in.

All instruments and the applicable currency value are specified in the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

CMC Markets may vary the CMC Markets Product Schedule at any time, except when reducing the types of CFDs available for trading, in which case 7 days' notice will be given to you. The CMC Markets Product Schedule is available either electronically by email or on CMC Markets' website.

CMC Markets does not charge Australian Clients any Commission for trades executed on Index CFDs, Sector CFDs, Forex CFDs, Bullion CFDs, Commodity CFDs, Treasury CFDs, Index Future CFDs, Currency Future CFDs or Currency Index CFDs.

Note: CMC Markets may offer a client a lower Commission rate to those outlined above at its discretion (for example, when a client trades a certain volume of CFDs). (see section 3.19)

### Foreign Clients

For Foreign Clients, CMC Markets applies a Commission rate on individual Share CFDs as detailed in the table below. The Commission charged on individual Share CFDs varies for each Underlying Reference Instrument and the relevant Underlying Market.

<b>Commission Table</b>		
<b>Country's Share CFDs</b>	<b>Rate</b>	<b>Minimum</b>
Australia	0.10%	AUD \$10
New Zealand	0.10%	NZD \$10
Hong Kong	0.35%	HKD \$35
Japan	0.25%	YEN ¥1000
Singapore*	0.25%	SGD \$15 or USD \$15
European countries	0.0888%	EUR €8.88
Czech	0.35%	CZK 350
Hungary	0.35%	HUF 3500
Poland	0.35%	PLN 35
Russia	0.0888%	USD \$8.88
Turkey	0.35%	TRY 35
Denmark	0.0888%	DKK 88.88
Norway	0.0888%	NOK 88.88
Sweden	0.0888%	SEK 88.88
Switzerland	0.0888%	CHF 8.88
United Kingdom	0.0888%	GBP £8.88
Egypt	0.0888%	USD \$8.88
South Africa	0.20%	ZAR 100
United States listed South American Share CFDs	0.0888%	USD \$8.88
United States	0.0888%	USD \$8.88
Canada	0.0888%	CAD \$8.88

\*Singapore Share CFDs are quoted in USD or SGD and Commission is charged in the currency that the Share CFD is quoted in.

All instruments and the applicable currency value are specified in the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

CMC Markets may vary the CMC Markets Product Schedule at any time, except when reducing the types of CFDs available for trading, in which case 7 days' notice will be given to you. The CMC Markets Product Schedule is available either electronically by email or on CMC Markets' website.

For Foreign Clients, CMC Markets applies a Commission rate on Sector CFDs as detailed in the table below. The Commission charged on Sector CFDs varies depending on the relevant Underlying Market to which the Sector CFD relates.

<b>Commission Table</b>		
<b>Country's Sector CFDs</b>	<b>Rate</b>	<b>Minimum</b>
Australia	0.10%	AUD \$10
Europe	0.0888%	EUR €8.88
United Kingdom	0.0888%	GBP £8.88
United States	0.0888%	USD \$8.88

All instruments and the applicable currency value are specified in the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

CMC Markets may vary the CMC Markets Product Schedule at any time, except when reducing the types of CFDs available for trading, in which case 7 days' notice will be given to you. The CMC Markets Product Schedule is available either electronically by email or on CMC Markets' website.

For Foreign Clients, CMC Markets applies a Commission rate on Index CFDs as detailed in the table below. The Commission charged on Index CFDs varies depending on the relevant Underlying Market to which the Index CFD relates.

<b>Commission Table</b>	
<b>Index CFDs</b>	<b>Rate per CFD</b>
AUSSIE200	AUD \$0.36
NEWZEALAND15	NZD \$0.88
UK100	GBP £0.88
NDAQ100	USD \$0.44
US30	USD \$1.76
SPX500	USD \$0.18
USRUSS2000	USD \$0.09
EUSTOX50	EUR €0.88
GERMAN30	EUR €0.36
GERMANTEC30	EUR €0.88
GERMANMID50	EUR €1.76
FRENCH40	EUR €0.88
DUTCH25	EUR €0.04
SPANISH35	EUR €1.76
ITALIAN30	EUR €1.76
SWISS30	CHF 0.88
JAPAN225	YEN ¥8.88
HONGKONG33	HKD \$1.76
NORWAY25	NOK 0.04
SWEDEN30	SEK 0.04
TORONTO60	CAD \$0.04

All instruments and the applicable currency value are specified in the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

CMC Markets may vary the CMC Markets Product Schedule at any time, except when reducing the types of CFDs available for trading, in which case 7 days' notice will be given to you. The CMC Markets Product Schedule is available either electronically by email or on CMC Markets' website.

For Foreign Clients, CMC Markets applies a Commission rate on Commodities CFDs as detailed in the table below. The Commission charged on Commodities CFDs varies depending on the relevant Underlying Market to which the Commodity CFD relates.

<b>Commission Table</b>	
<b>Commodity CFDs</b>	<b>Rate per CFD</b>
PALLADIUM	USD \$0.88
PLATINUM	USD \$1.76
PORK BELLIES	USD \$0.35
LIVE CATTLE	USD \$0.35
FEEDERCATTLE	USD \$0.88
LEANHOGS	USD \$0.88
OATS	USD \$0.44
CORN	USD \$0.44
ROBCOFFEE	USD \$1.76
USCOFFEE	USD \$2.00
COTTON	USD \$0.88
LUMBER	USD \$0.88
ORANGEJUICE	USD \$0.88
ROUGH RICE	USD \$0.73
SOYBEAN	USD \$0.88
SOYMEAL	USD \$0.88
SOYOIL	USD \$0.53
SUGAR	GBP £0.44
US SUGAR	USD \$2.00
UKCOCOA	GBP £0.88
USCOCOA	USD \$0.88
US WHEAT	USD \$0.88
UKCRUDE	USD \$0.88
USCRUDE	USD \$0.88
USHEATOIL	USD \$0.21
RBOBGASOLINE	USD \$0.88
COPPER	USD \$0.35
GOLD FUTURE	USD \$0.88
SILVER FUTURE	USD \$0.88
USNATGAS	USD \$0.09

All instruments and the applicable currency value are specified in the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

CMC Markets may vary the CMC Markets Product Schedule at any time, except when reducing the types of CFDs available for trading, in which case 7 days' notice will be given to you. The CMC Markets Product Schedule is available either electronically by email or on CMC Markets' website.

For Foreign Clients, CMC Markets applies a Commission rate on Treasury CFDs as detailed in the table below. The Commission charged on Treasury CFDs varies depending on the relevant Underlying Market to which the Treasury CFD relates.

<b>Commission Table</b>	
<b>Treasury CFDs</b>	<b>Rate per CFD</b>
SHORTSTG	GBP £1.10
GILT	GBP £0.88
EURODOLLAR	USD \$2.22
TNOTE2YR	USD \$0.88
TNOTE5YR	USD \$0.88
TNOTE10YR	USD \$0.88
TBOND	USD \$0.88
EURIBOR	EUR €2.20
EUROBOBL	EUR €0.88
EUROBUXL	EUR €0.88
EUROSCHATZ	EUR €0.88
EUROBOND	EUR €0.88
EUROSWISS	CHF 0.88
EUROYEN	YEN ¥8.88
AUST10YR	AUD \$0.22
AUST3YR	AUD \$0.33
AUST BANKBILL	AUD \$0.33
JGB	YEN ¥8.88

All instruments and the applicable currency value are specified in the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

CMC Markets may vary the CMC Markets Product Schedule at any time, except when reducing the types of CFDs available for trading, in which case 7 days' notice will be given to you. The CMC Markets Product Schedule is available either electronically by email or on CMC Markets' website.

Note: CMC Markets may offer a client a lower Commission rate to those outlined above at its discretion (for example, when a client trades a certain volume of CFDs).

CMC Markets does not charge Foreign Clients any Commission for trades executed on Forex CFDs, Bullion CFDs, Index Future CFDs or Currency Future CFDs.

## 4.2 Margin Percentages and Financing Rates

The table below sets out the Margin Percentages used to calculate your Margin Requirement, and how the Financing Charges and Financing Benefits you pay or may receive on long and short CFD positions held overnight are calculated.

The overnight Financing Rate is determined by adding or subtracting the interest percentages in the table below from the Relevant Interest Rate.

Please note that the minimum CMC Markets Financing Rate for any short Share, Index or Sector CFD position is zero. That is, no Financing Benefit will be credited to your Account when the interest percentage to be deducted in calculating the Financing Rate is greater than the Relevant Interest Rate.

For example, you establish a short Japanese Share CFD position; the Relevant Interest Rate would be less than 3.0%, which is currently equal to the interest percentage for the CMC Markets Financing Rate. In that case, no Financing Benefit would be paid to you in respect of the short Japanese Share CFD position.

### Example:

CFD Type	Relevant Interest Rate	Less	Japanese Short CFD Rate	Equals	Financing Rate (minimum of 0%)
Japanese Share CFD	2.5%		3.0%		0%

Please also note that the Relevant Interest Rate and the Financing Rate are calculated on the basis of a 360 day year. The exceptions to this are CFDs relating to Australian and United Kingdom Underlying Reference Instruments, where the Relevant Interest Rate and the Financing Rate are calculated on the basis of a 365 day year.

The Relevant Interest Rate is the rate determined by CMC Markets from time to time. CMC Markets may vary the Relevant Interest Rate at any time. You may contact the Client Services Department on 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100 (English) +61 [0] 2 8221 2166 (Chinese) for details of the prevailing Relevant Interest Rate.

Country	Margin Percentage*	Financing Rate**	
		The Relevant Interest Rate (plus or minus the following Interest Percentages)	
<i>Share CFDs</i>		Long	Short
Australia	1% - 50%	+2%	-2%
New Zealand	5%	+2%	-2%
Hong Kong	5 -10%	+3%	-3%
Japan	6%	+3%	-3%
Singapore	10%	+3%	-3%
European countries	3% - 5%	+3%	-3%
Czech	15%	+3%	-3%
Hungary	15%	+3%	-3%
Poland	15%	+3%	-3%
Russia	10%	+3%	-3%
Turkey	20%	+3%	-3%
Denmark	5%	+3%	-3%
Norway	5%	+3%	-3%
Sweden	5%	+3%	-3%
Switzerland	5%	+3%	-3%
United Kingdom	5%	+3%	-3%

Egypt	10%	+3%	-3%
South Africa	10%	+3%	-3%
United States listed South American Share CFDs	15%	+3%	-3%
United States	5%	+3%	-3%
Canada	5%	+3%	-3%
<b>All Index &amp; Sector CFDs</b>			
Australia	0.5% - 1%	+4%	-4%
New Zealand	1%	+4%	-4%
Hong Kong	0.5% - 1%	+4%	-4%
Japan	0.5% - 1%	+4%	-4%
Singapore	1%	+4%	-4%
Taiwan	1%	+4%	-4%
Europe	0.5% - 1%	+4%	-4%
Norway	1%	+4%	-4%
Sweden	1%	+4%	-4%
Switzerland	1%	+4%	-4%
United Kingdom	1%	+4%	-4%
United States	0.5 - 1%	+4%	-4%
Canada	1%	+4%	-4%
<b>All Treasury CFDs</b>	1%	n/a	n/a
<b>All Commodity CFDs</b>	3%	n/a	n/a
<b>All Forex CFDs</b>	0.5% - 1%	A rollover charge applies. See <a href="#">section 3.6</a>	A rollover charge applies. See <a href="#">section 3.6</a>
<b>All Bullion CFDs</b>	1%	A rollover charge applies. See <a href="#">section 3.6</a>	A rollover charge applies. See <a href="#">section 3.6</a>
<b>All Index Future CFDs</b>	1%	n/a	n/a
<b>All Currency Futures CFDs</b>	1%	n/a	n/a
<b>All Currency Index CFDs</b>	1%	A rollover charge applies. See <a href="#">section 3.6</a>	A rollover charge applies. See <a href="#">section 3.6</a>

\*The Margin Percentages are typically within these ranges. All instruments and the applicable Margin Percentage are specified in the CMC Markets Product Schedule. CMC Markets may vary the CMC Markets Product Schedule at any time except when reducing the list of tradable CFDs, in which case 7 days' notice will be provided. The CMC Markets Product Schedule is available either electronically by email or on CMC Markets' website.

\*\*Financing Rates may be varied per instrument in Exceptional Market Conditions in accordance with clause 38 of the Terms of Business.

## Rollover Charge

You may pay a Rollover Charge, which is calculated according to the applicable rate in the Interbank markets according to the duration of the period of rollover and the CMC Markets Spread (**Rollover Rate**). These Rollover Rates are calculated on an ongoing basis by CMC Markets. You may contact the Client Services Department on 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100 (English) or +61 [0] 2 8221 2166 (Chinese) for the current applicable Rollover Rate for any Forex and Bullion CFDs.

For further information about the Rollover Charges, please refer to section 3.7 of this PDS.

### Application to Hong Kong residents trading Forex CFDs

If you are a resident of Hong Kong and wish to trade in Forex CFDs, you will need to read the separate LFX Disclosure Document and make a separate application to CMC Markets. All information in relation to Forex CFDs including the margin requirements, financing rates and rollover charges set out in this PDS **does not apply** to Hong Kong residents trading Forex CFDs.

## 4.3 Interest charges applied to debit balances in your Account

Interest charges may be applied to debit balances in your Account as per the below table.

Balance on Account	Conditions	Interest Rate
Debit Balance	If you have a debit balance in any currency ledger in your Account after the Margins for CFDs valued in that currency have been taken into account (i.e., you owe money to meet the Margin Requirement on the relevant currency ledger), you will pay interest on the debit balance (notwithstanding any collateral that you may have provided to CMC Markets).	The interest rate used for these interest calculations is based upon the official Relevant Interest Rate for that currency plus 3%.  You may contact our Client Services Department on 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100 for details of the applicable interest rate for your Account. CMC Markets may vary the applicable interest rate at any time in response to changes in the official Relevant Interest Rate.

## 4.4 Stock Borrowing Costs

If CMC Markets chooses to go short in the Underlying Market to hedge any of your CFD positions, CMC Markets reserves the right to pass on any stock borrowing costs incurred by CMC Markets in Exceptional Market Conditions as reasonably determined by CMC Markets. You will be notified as to the nature and amount of stock borrowing costs before they are applied to your account.

As this cost only relates to Exceptional Market Conditions it will be extremely unlikely that these costs would be passed on to you in the course of regular trading.

## 4.5 Exchange Fees

### ASX Fees

If you login to the Marketmaker<sup>®</sup> software or if you deal in Australian Share or Sector CFDs, you will be required to pay an exchange fee per calendar month plus GST of 10%, unless the Commission you pay exceeds a certain level as described below. The exchange fee covers fees that CMC Markets must pay to the Australian Stock Exchange for use of real-time ASX prices in the online trading platform.

The following table shows the current ASX fees:

Non-Professional investor	\$37.50 + 10% GST (Total: \$41.25)
Professional investor	\$45.00 + 10% GST (Total: \$49.50)

A non-professional investor is defined by the ASX to be any person who accesses the real-time prices for their personal and private use. Clients will be treated as non professional investors unless they are notified otherwise by CMC Markets in writing. The exchange fee is subject to change and is dependent upon the method and rate by which CMC Markets is charged by the ASX. You may contact the Client Services Department on 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100 (English) +61 [0] 2 8221 2166 (Chinese) for details of the prevailing exchange fee.

You have the choice to opt out of receiving real-time ASX prices and thus avoid this fee. However, if you do opt out you will not be able to trade Australian Share or Sector CFDs with CMC Markets.

The amount of the exchange fee will be debited from your account, monthly in arrears, if you have logged in to the Marketmaker<sup>®</sup> software or dealt in Australian Share or Sector CFDs in the calendar month. You will not have to pay an exchange fee to CMC Markets for any given month if the total Commission you pay for any given calendar month is greater than or equal to A\$50. Please note that CMC Markets may amend these conditions from time to time.

### Other Underlying Markets

Our other CFDs currently do not attract a fee from any operator of other Underlying Markets. In the event that trading our CFDs incurs a fee from an operator of another Underlying Market, we will not charge you for these fees before issuing a new or supplementary PDS.

## 4.6 Guaranteed Stop-loss order (GSLOs) Premiums

Guaranteed Stop-loss orders (**GSLOs**) are accepted at CMC Markets' discretion and may only be placed over the telephone with CMC Markets' Dealing Desk. In return for guaranteeing your closing price, CMC Markets charges a premium for placing a GSLO. Conditions apply to the treatment of GSLOs and you are advised to confirm these at the time of placing a GSLO. For example, a GSLO may only be placed at a minimum distance away from the current CMC Markets CFD bid / offer price.

The current premiums charged by CMC Markets for placing a GSLO, and the minimum distance from the CFD bid / offer price are specified in the table below:

Product	Premium	Minimum Percentage Away From Current CMC Markets Price
Share CFDs	0.3% or 30 basis points*	5%
Sector CFDs	0.2% or 20 basis points	1%
Index CFDs	0.1% or 10 basis points	1%
Commodity CFDs	n/a	n/a
Treasury CFDs	n/a	n/a
Bullion CFDs	n/a	n/a
Foreign Exchange CFDs	n/a	n/a
Index Future CFDs	n/a	n/a
Currency Futures CFDs	n/a	n/a
Currency Index CFDs	n/a	n/a

\*This is with the exception of German Share CFDs outside the top 30 which cost 0.6% or 60 basis points.

The premium paid is calculated by multiplying the notional value of the GSLO by the premium stated above.

It is important to note that the acceptance, amendment or cancellation of a GSLO is at the sole discretion of CMC Markets. Please refer to section 7.12 for further information about GSLOs, and to Example 23 in the Annexure for an example of how a GSLO works.

## 4.7 Administration charges

All charges are inclusive of GST (where applicable).

Administration service	Fee	
	Australian Clients	Foreign Clients
<b>Receipts</b>		
Electronic Funds Transfer (AUD)	AUD1.50	n/a
B-Pay® (AUD)	AUD1.50	n/a
Cash & cheque deposits (AUD)	AUD3.00	n/a
Telegraphic transfer	Upon Application	n/a
Credit card (Visa/MasterCard excluding corporate/commercial/platinum) (AUD)	1.80%	1.80%
Credit card (corporate/commercial/platinum Visa/MasterCard) and (non AUD)	3.00%	3.00%
Credit card (non Visa/MasterCard) (AUD, NZD, USD, HKD)	3.00%	3.00%
<b>Withdrawals</b>		
Electronic Funds Transfer (AUD)	AUD1.50	n/a
Cheque withdrawals (AUD)	AUD5.00	n/a
Telegraphic transfers (beneficiary outside Hong Kong and China)	AUD30.00	AUD30.00
Telegraph transfers (beneficiary account in Hong Kong or China) (USD)	n/a	USD20 or HKD equivalent
Telegraph transfers (beneficiary account in Hong Kong) (HKD)	n/a	HKD50.00
Telegraph transfers (beneficiary account in China) (HKD)	n/a	HKD100.00
Telegraph transfers (beneficiary account in Hong Kong or China) (non USD or HKD)	AUD30.00	AUD30.00
<b>Other</b>		
Duplicated statements by post	AUD40.00 per statement	AUD40.00 per statement
Returned cheque fee	Upon application	Upon application
Transcripts of telephone conversations	Upon application	Upon application
Audit certificates	Upon application	Upon application
Debt collection	First call AUD25.00	First call AUD25.00

	Second call AUD50.00	Second call AUD50.00
	Referral to agency AUD150.00	Referral to agency AUD150.00

## 5. Significant risks of dealing in CFDs with CMC Markets

Carefully consider whether dealing in CFDs is appropriate for you in the light of your financial circumstances. In deciding whether or not you wish to become involved in dealing in CFDs with CMC Markets, you should be aware ***CFDs are speculative products that are highly leveraged and carry significantly greater risk than non-g geared investments such as share trading*** and you could lose large amounts of money. ***You may sustain losses in excess of the moneys you initially deposit and also in excess of the Margin required to establish and maintain a CFD position with CMC Markets.***

CMC Markets will not give you any personal financial product advice. As CMC Markets will only be providing general advice, this advice will not take into account your objectives, financial situation or needs. Accordingly, ***you should obtain your own financial, legal, taxation and other professional advice as to whether CFDs are an appropriate investment for you.***

### 5.1 You may suffer losses in excess of the moneys you deposit with CMC Markets

You may incur losses to the extent of your total exposure to CMC Markets and any additional fees and charges that apply. These losses may be far greater than the money that you have deposited into your Account or are required to deposit to satisfy Margin Requirements. In addition you could be required to pay further funds representing losses and other fees on your open and closed CFD positions. For example, if the Margin payable at the time a CFD is opened for a Share CFD position is \$1,000, and the market moves against your position, you could lose much more than the initial \$1,000 you outlaid to open the position.

For an example of suffering a loss greater than funds deposited, please refer to Example 22 in the Annexure.

### 5.2 Risks resulting from Margin Calls

If the CFD price moves against your CFD position you may be required, at short notice, to deposit further moneys with CMC Markets in order to satisfy your Total Margin Requirement (set out in section 3.11) and maintain your position. This is known as being on ***Margin Call***. The amount of the additional Margin may be substantial. Failure to pay these additional funds promptly may result in:

- some or all of your open positions being closed or liquidated by CMC Markets;
- you being prevented from opening new positions or extending existing positions; and
- you being liable for interest charges on negative or debit balances.

Further, any additional funds deposited must become Cleared Funds before they will be taken as satisfying your Margin Call. In some circumstances, your position may be liquidated before you have an opportunity to deposit additional funds and before any additional funds that you deposit in response to a Margin Call have had the opportunity to become Cleared Funds.

### 5.3 Derivative markets are speculative and volatile

Derivative markets can be highly volatile. The prices of CFDs and the Underlying Reference Instruments and indices may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by you.

The prices of CFDs will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

### 5.4 Dealing may be affected by factors in the Underlying Market

The prices of the CFDs are derived from the prices in the Underlying Markets.

Sometimes markets move so quickly that "gapping" occurs. Gapping is the exposure to loss from failure of market prices or rates to follow a "smooth" or continuous path due to external factors such as world, political, economic and specific corporate events. If Gapping occurs in the Underlying Market, it will also occur in the price

of the relevant CFD and may mean that you are unable to close out your position or open a new position at the price at which you have placed your order or may have liked to place your order.

The Underlying Market may also lack liquidity, caused by insufficient trading activity, or because the aggregate of all requests for orders at a particular price or range of prices determined by CMC Markets exceeds the available volume in the relevant Underlying Markets. This may affect the ability of CMC Markets to offer the relevant CFD in sufficient volume to allow you to close out your position or open a new position. Alternatively, CMC Markets may re-quote the price at which it offers the CFDs to you. Refer to section 7.4 and clauses 5.3 and 8.1 of the Terms of Business.

Finally, if trading in the Underlying Market is affected by Exceptional Market Conditions, CMC Markets may use its discretion to determine if you are able to place an order to close out your position or open a new position. Refer to section 3.18 for a description as to how CMC Markets exercises its discretions.

As a result, a potentially profitable deal may not be executed, or it may not be possible to close out a position in a timely fashion at the price you require. This may lead to reduced profits and higher losses.

CMC Markets has the right to close your open position, limit the size of your open position or refuse orders to establish new positions, by giving you notice orally or in writing. Refer to clause 8.3 of the Terms of Business.

## 5.5 Foreign exchange exposure

Your Account is maintained in the currency you have nominated, that is, the Base Currency.

Where you deal in a CFD that is denominated in a currency other than the Base Currency of your Account, all Margins, profits, losses and Financing Charges and Benefits in relation to that CFD are calculated using the currency in which the CFD is denominated.

Accordingly, your profits or losses may be affected by fluctuations in the relevant foreign exchange rate between the time the order is placed for the CFD and the time the position is closed, liquidated, offset or exercised.

Upon closing a position in a CFD that is denominated in a currency other than the Base Currency of your Account, you will be able to request that the foreign currency cash balance is converted to the Base Currency of your Account. A request to convert a foreign currency cash balance may only be made by contacting Client Services on 1300 660 262 (in Australia) or +61 [0] 2 8221 2100 (outside Australia) or +61 [0] 28221 2166 (Chinese) during the hours that the Dealing Desk is open (6am Monday to 6am Saturday AEST, subject to public holidays – see section 4.3 of the Terms of Business). Foreign currency cash balances are converted to the Base Currency of your Account shortly after a request is received by the Dealing Desk using the CMC Markets Exchange Rate applicable at the time of conversion. A request received when the Dealing Desk is not open will not be processed.

If you do not request CMC Markets to convert a foreign currency cash balance to the Base Currency of your Account (whether upon closing a position or subsequently), the balance will continue to be reflected in your Account in the relevant foreign currency (unless CMC Markets' converts the foreign currency cash balance to the Base Currency of your Account in the circumstances described below). A foreign currency balance in your Account will continue to be subject to fluctuations in the relevant foreign exchange rate.

### Foreign balance conversion by CMC Markets without a request

If at Settlement Time, your Total Equity balance (including any foreign currency cash balances and unrealised profits and losses) falls below US\$200 (or its equivalent in your Base Currency), CMC Markets may, at its absolute discretion, convert any such foreign currency cash balances into the Base Currency of your Account.

Any such foreign currency cash balance conversion will occur shortly after Settlement Time and will be at the CMC Markets Exchange Rate quoted by CMC Markets as at Settlement Time. The actual conversion may give rise to a different amount in your Base Currency than the amount that may have been showing in your Account before the actual conversion. This is due to the CMC Markets price for Forex CFDs in the relevant cross-currency being used to notionally convert foreign currency amounts in your Account rather than the CMC Markets Exchange Rate).

Until the foreign currency cash balance is actually converted to the Base Currency, fluctuations in the relevant CMC Markets Exchange Rate may affect the ultimate profit or loss made on the closed CFD position in the Base Currency in your Account.

## 5.6 Interest rate fluctuations

The interest that you receive or pay in relation to your Account balance will be affected by fluctuations in the interest rate specified by CMC Markets for the currency in which your Account is denominated.

Should you deal in a CFD denominated in a foreign currency, the fluctuations in the relevant Financing Rate will also affect your profits and losses.

## 5.7 Warning about segregated trust accounts

It is important to note that CMC Markets holding your moneys in one or more segregated trust accounts as described in section 6.9 may not afford you absolute protection.

The purpose of segregated trust accounts is to segregate our clients' moneys, including your moneys, from our own funds. However, individual client's moneys are co-mingled into one or more segregated trust accounts. Segregated trust accounts may not insulate your moneys from a default in the segregated trust accounts. However, it is CMC Markets' policy to top-up a segregated trust account from CMC Markets' own funds where there is a deficit in that account due to the default of a client.

Should there be a deficit in the segregated trust accounts and in the unlikely event CMC Markets becomes insolvent before it topped-up the segregated trust account in deficit, you will be an unsecured creditor in relation to the balance of the moneys owing to you.

In the event that you become an unsecured creditor of CMC Markets, you will need to lodge a proof of debt with the liquidator for the amount of moneys that are owing to you as evidenced by your Account statements. The liquidator then assesses all proofs of debt to determine which creditors are able to share in the assets of the company, and to what extent, depending on the amounts owing to them and any priority they may have to be paid.

## 5.8 Loss caused by spread

Because of the difference between the buying and selling price of a CFD, the relevant CFD price must move favourably before you can break even. In other words, even if the CFD price does not move at all and you close out your position, you will make a loss to the extent of the CMC Markets Spread and of any CMC Markets charges and Commissions which have been charged.

Furthermore, the CMC Markets Spread may be larger at the time you close out the position than it was at the time you opened it.

## 5.9 Changes in Margin Percentage

CMC Markets may under clauses 7.8 and 38.1 of the Terms of Business exercise its right to alter the Margin Percentage in relation to any of its CFDs at any time at its discretion. Notification of this alteration can be given to you either orally or in writing. The alteration will take immediate effect over the affected open positions. This change will affect your Margin Requirement.

Refer to section 3.16 of this PDS for further information.

## 5.10 CMC Markets as the product issuer

As CMC Markets issues the CFDs, you are exposed to the financial and business risks, including credit risk, associated with dealing with CMC Markets. That is, if CMC Markets were to become insolvent it may be unable to meet its obligations to you.

You should also refer to section 3.17 of this PDS, where information about CMC Markets' conflicts of interest is discussed. These conflicts of interest arise because CMC Markets is the issuer of the CFDs to you, and therefore CMC Markets has an opposing interest in the price at which you deal and the subsequent movement in the CFD price.

### 5.11 Not a regulated market

As the CFDs are contracts with CMC Markets and are not traded on a licensed market, some of the protections associated with licensed markets are not available for trading in CFDs. For example, trading on the ASX 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 National Guarantee Fund does not apply to CFD trading with CMC Markets, nor any other compensation fund operated by an Underlying Market.

### 5.12 Regulatory changes

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in CFDs with CMC Markets.

### 5.13 Delay

Operational risks in relation to the **Marketmaker**<sup>®</sup> trading platform are inherent in every CFD transaction. For example, disruptions in CMC Markets' operational processes such as communications, computers, computer networks, software or external events may lead to delays in the execution and settlement of a transaction. CMC Markets does not accept or bear any liability whatsoever in relation to the operation of the **Marketmaker**<sup>®</sup> trading platform, except to the extent that it is caused by the fraud or dishonesty on the part of CMC Markets or its employees, agents or representatives.

### 5.14 CMC Markets' powers on default, indemnities and limitations on liability

If you fail to pay, or provide security for, amounts payable to CMC Markets or fail to perform any obligation included in the Terms of Business, CMC Markets has extensive powers to take steps to protect its position. These powers include the power to close out positions (see sections 3.14, 5.2 and 5.15) and the power to charge default interest (see sections 4.3 and 6.8). Under clause 30 of the Terms of Business you also indemnify CMC Markets and its employees, agents and representatives against certain losses and liabilities. Further, CMC Markets' liability to you is expressly limited. You should read the Terms of Business carefully to understand these matters.

### 5.15 Liquidation

CMC Markets has the right to close out a CFD without your agreement, in a number of circumstances. Accordingly, you may not be able to anticipate or control the time at which a CFD position is closed out. Please refer to section 3.15 for further information.

## 6. Trading with CMC Markets Asia Pacific Pty Ltd

### 6.1 Applying to deal with CMC Markets

Before you begin dealing in CFDs you must complete an Application Form and be approved by CMC Markets. There are three types of Application Forms, one for applicants that are corporations, partnerships or trusts, one for individual applicants and one for joint applicants. Before completing the appropriate Application Form you should read this PDS including the Terms of Business, the FSG and the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

The Application Form requires you to disclose personal information. You should refer to the Privacy Statement in section 11 of this PDS which explains how the CMC Markets Group collects personal information and then maintains, uses and discloses that information.

### 6.2 Minimum initial Account opening deposit

There is usually a minimum Account opening deposit of AUD\$1,000 for Australian Clients or USD\$2,000 or its currency equivalent for Foreign Clients. This may be varied at CMC Markets' absolute discretion from time to time.

### 6.3 Minimum Total Equity balance following the opening of the Account

The minimum Total Equity balance required to hold a position after you have opened your Account is the greater of the two amounts as set out in the following table:

Forex CFDs	10% of the Total Margin Requirement or USD\$200 or its currency equivalent
Bullion CFDs	10% of the Total Margin Requirement or USD\$200 or its currency equivalent
Index and Sector CFDs	20% of the Total Margin Requirement or USD\$200 or its currency equivalent
Share CFDs	20% of the Total Margin Requirement or USD\$200 or its currency equivalent
Commodity and Treasury CFDs	20% of the Total Margin Requirement or USD\$200 or its currency equivalent
Index Future CFDs	20% of the Total Margin Requirement or USD\$200 or its currency equivalent
Currency Future CFDs	20% of the Total Margin Requirement or USD\$200 or its currency equivalent
Currency Index CFDs	20% of the Total Margin Requirement or USD\$200 or its currency equivalent

The above levels are referred to as the **Liquidation Level**. At or below this level we may close out (i.e., liquidate) some or all of your open positions. Refer to section 3.15 for more details.

If you have also been issued the latest version of LFX Disclosure Document, the **Liquidation Level** outlined in that Disclosure Document will apply to you.

### 6.4 Operating your Account through CMC Markets' dealing platform

When using CMC Markets' dealing software your positions may be viewed at any point in real-time, as well as all deals, orders, pending orders and available statements using the dealing platform. Under clause 7 of the Terms of Business you agree to use the dealing platform to:

- confirm all CMC Markets transactions entered into with CMC Markets; and

- monitor your obligations to CMC Markets.

Under clause 28 of the Terms of Business you also agree that CMC Markets may make available to you documents updating the PDS (including the Terms of Business), the CMC Markets Product Schedule and the FSG, including any supplementary, revised and new product disclosure statements and financial services guides by either:

- sending them to you by email or other electronic means;
- posting them on CMC Markets' website;
- sending to you an electronic link to the relevant document by email or other electronic means; or
- sending them as otherwise permitted by law.

## 6.5 Account administration

### Delivery of confirmations and statements electronically

At any time you execute a CFD transaction with CMC Markets, a confirmation of the executed trade will appear in the dealing platform. Daily and monthly statements will also be made available to you through the dealing platform following their respective trading periods. You may print these daily and monthly statements for your records.

#### Daily statements

Following CMC Markets' end of day Settlement Time, provided you have dealt or have an open position, we will produce electronically a daily statement which will be emailed to you and then made available on the trading platform.

Daily Statements include:

- your executed CFD trades for that date;
- your open CFD positions valued using the mid-closing rate or last price for that date;
- profit and loss for that day per CFD in the currency of the Underlying Reference Instrument;
- Financing Charges, Rollover Charges, Commission and any other charges applied to your Account on that date;
- Financing Benefits and Rollover Benefits and any other benefits applied to your Account on that date;
- your financial position per currency ledger on your Account; and
- a summary of your financial position in the currency your Account is denominated.

#### Monthly statements

Following month end, we will produce an electronic version of your monthly statement which will be emailed to you and also be available on the trading platform.

Monthly Statements include:

- your executed CFD trades for that month;
- your open CFD positions valued using the mid-closing rate or last price for that month;
- profit and loss for that month per CFD in the currency of the Underlying Reference Instrument;
- Financing Charges, Rollover Charges, Commission and any other charges applied to your Account for that month;
- Financing Benefits, Rollover Benefits, and any other benefits applied to your Account for that month;
- your financial position per currency ledger on your Account;
- a summary of your financial position in the currency your Account is denominated; and
- any interest paid to your Account based on deposited moneys.

You may print these daily and monthly statements for your records.

### Checking of confirmations and statements

It is very important that you check all the contents of the daily statements and monthly statements in detail and contact us within 3 Business Days if you disagree with any of their contents.

Such documents will, in the absence of manifest error, be conclusive unless you notify CMC Markets in writing to the contrary within 3 Business Days of receiving such document. Under clause 46.9 of the Terms of Business, the 3 Business Days begins from the time the document is posted on the trading platform, although we may also send the document to you electronically via email.

The summary of your financial position will provide you with your Margin position, and indicate to you whether you are approaching your minimum Total Equity balance. It will also indicate the excess funds available, if any, that you may either use to open new CFD positions or withdraw. It is very important that you remain aware of your daily Total Equity balance, your Total Margin Requirement for your open position(s), and any Free Equity available.

CMC Markets recommend that your electronic trading platform is fully logged off at the end of each usage session to ensure optimum performance and security.

**Queries about your Account: All queries should be made to our Client Services Department by phone on 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100 (English) or +61 [0] 2 8221 2166 (Chinese), or by email [clientservices@cmcmarkets.com.au](mailto:clientservices@cmcmarkets.com.au).**

### 6.6 CMC Markets' administration charges

Please refer to section 4.7 for details of CMC Markets' administration charges.

### 6.7 The currency balances in your Account

#### The Base Currency of your Account

Your Account is maintained in a currency that you may nominate, known as the Base Currency. Australian Clients will have their Base Currency defaulted to AUD if they do not nominate a different Base Currency.

All your profits, losses, Commissions, Rollover Charges and Benefits and Financing Charges or Benefits in relation to a CFD are denominated in the currency of the CFD, which is shown in the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au).

All Forex CFDs and Currency Future CFDs transacted will have their profits or losses denominated in US dollars.

All Currency Index CFDs transacted will have their profits or losses denominated in the primary currency of the CFD. For example, profit or loss from a EUR Currency Index Mar 08 CFD will be denominated in EUR (the Euro).

All foreign currency cash balances and unrealised profits and losses shown in your Account can be notionally converted by CMC Markets into your Base Currency using the applicable CMC Markets prices for Forex CFDs in the relevant cross-currencies at the relevant time in order to calculate your Total Equity in the Base Currency of your Account.

#### The Currency Ledger Balances of your Account

Upon realising your profit and loss for a CFD position denominated in a foreign currency you will hold a foreign currency balance in your Account. This can be actually converted to the Base Currency of your Account using CMC Markets Exchange Rate at your request by calling the Client Services Department on 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100 (outside Australia) or +61 [0] 2 8221 2166 (Chinese) during times when the Dealing Desk is open (being 6am Monday to 6am Saturday AEST, subject to public holidays). CMC Markets may also, at its discretion, convert these balances into your Base Currency if at Settlement Time your Total Equity balance falls below USD\$200 or the Base Currency equivalent. Any conversion will be at the relevant CMC Markets Exchange Rate quoted by CMC Markets as at Settlement Time, which may be different to the applicable CMC Market price for Forex CFDs in the relevant cross-currency at the relevant time (see section 5.5 for a more detailed explanation).

## 6.8 Interest received or charged on balances in your Account

### When do you qualify to receive interest on the balances in your Account?

Interest will be paid on credit balances in currency ledgers on your Account (after deducting from the balance, Margin Requirements for instruments held and valued in that currency) only if:

- you are an Australian tax resident (ie a resident of Australia for Australian tax purposes);
- the credit balance in your Account (aggregating the credit and debit balances of each currency ledger) is in excess of your Total Margin Requirements, and such excess amount exceeds the Interest Qualification Level, which is USD\$10,000 or its currency equivalent.

Interest will be calculated separately on each currency ledger in your Account at the interest rate applicable to each currency after deducting Margin Requirements for instruments held and valued in those currencies. These interest rates are available from CMC Markets upon request.

CMC Markets will charge interest on any debit balances in a currency ledger in your Account. These rates are available from CMC Markets upon request.

Any amounts of interest payable to CMC Markets will be deducted from any interest payable to you.

### How is interest on balances calculated?

Subject to meeting the Interest Qualification Level, interest is calculated separately on each Currency Ledger Balance in your Account. Each Currency Ledger Balance will have its own Relevant Interest Rate.

### When is interest on balances calculated?

Interest is calculated daily based upon your positions, Margin Requirement and Currency Ledger Balances on your daily statement for that date.

### When is interest on balances posted to your Account?

Interest is usually posted once a month on your Account. This usually occurs within 5 Business Days following the end of the month.

### When are you charged interest on balances in your Account?

If you have a debit Currency Ledger Balance on your Account after the Margins for CFDs valued in that currency have been taken into Account, you will pay interest on the debit balance in that currency ledger.

### What interest rates are applicable?

The interest rate used for these interest calculations on the Currency Ledger Balances is the Relevant Interest Rate for that currency plus or minus the CMC Markets rate detailed below:

Applicable Interest Rates	
The Relevant Interest Rate for the Currency Ledger Balance plus or minus the following CMC Markets Interest Percentage rates	
Credit Balances	Debit Balances
-2%	+3%

If the interest rate in respect of credit balances is equal to or less than zero after deducting the Margin detailed above, no interest will be credited in relation to the credit balance in that currency.

### Non–Australian tax residents

Generally, no interest is paid on credit balances exceeding the Interest Qualification Level on Accounts held by non-Australian tax residents (that is, clients who are not residents of Australia for Australian taxation purposes). However, CMC Markets may decide at its absolute discretion to pay interest to clients who are non-Australian tax residents from time to time subject to any withholding taxes. Any interest paid to non-Australian tax residents

will be calculated in accordance with the method used for Australian tax residents, which is set out above in this section 6.8.

## 6.9 Client moneys

Any money that you deposit with CMC Markets will be segregated from CMC Markets' money and held in trust in your Account and invested in accordance with the Terms of Business. This money does not constitute a loan to CMC Markets.

However, we are entitled amongst other things to:

- withdraw, deduct or apply any amounts payable by you to CMC Markets and/or any associate of CMC Markets under the Terms of Business from your moneys held in any segregated trust account or invested by CMC Markets, including, without limitation making a payment for, or in connection with, the margining, adjusting or settling of dealings in CFDs entered into by you or the payment of Financing Charges, Commissions or interest to CMC Markets, with all such amounts belonging to CMC Markets under the Terms of Business; and/or
- pay, withdraw, deduct or apply any amounts from your moneys held in any segregated trust account or invested by CMC Markets as permitted by the Australian Client Money Rules.

Where any moneys have been withdrawn from a segregated trust account in accordance with the Terms of Business and as permitted by the Australian Client Money Rules, we are entitled to use such moneys in our business from time to time, including for the payment of amounts to our counterparties.

Your moneys may be co-mingled into one or more segregated trust accounts with other CMC Markets client moneys.

We are also obliged to pay any moneys due to you in relation to dealings in CFDs into a segregated trust account. Those obligations to you under the Terms of Business and the CFDs are unsecured obligations, meaning that you are an unsecured creditor of CMC Markets.

### Protections afforded by the Australian Client Money Rules

Under the Australian Client Money Rules, CMC Markets must hold your moneys on trust.

Furthermore, the Australian Client Money Rules provide that in the event that CMC Markets loses its Australian financial services licence, becomes insolvent, merges with another licensee or ceases to carry on some or all of the activities authorised by the licence, client money held by CMC Markets, and investment of client money, will be dealt with as follows:

- money in the segregated trust accounts is held in trust for the persons entitled to it, and is payable in the order set out below in the third bullet point;
- if money in the segregated trust accounts is invested, the investment is likewise held in trust for each person entitled to money in the Account; and
- money in the segregated trust accounts is to be paid in the following order:
  - money that has been paid into the accounts in error;
  - payment to each person who is entitled to be paid money from the accounts;
  - if the money in the accounts is not sufficient to be paid in accordance with the above paragraphs, the money in the accounts must be paid in proportion to the amount of each person's entitlement; and
  - if there is money remaining in the accounts after payments made in accordance with the above paragraphs, the remaining money is payable to CMC Markets.

These rules override anything to the contrary in the Australian Bankruptcy Act 1966, in company law or in the Terms of Business.

## 6.10 Withdrawal of moneys from your Account

You may withdraw moneys from your Account by sending to us a signed withdrawal request specifying your personal details, Account number, the amount you wish to withdraw and the method of payment. If you do not

wish to close your account, you will need to maintain the minimum Total Equity balance that CMC Markets requires you to hold in your Account. The minimum Total Equity balance is specified in section 6.3.

Further, CMC Markets may at its discretion withhold any payments if:

- open positions on your Account show notional losses;
- CMC Markets reasonably considers that funds may be required to meet any current or future Margin Requirement on open positions;
- you have any contingent liability to CMC Markets or to any of its associates in respect of any other Account you have opened with them;
- CMC Markets reasonably determines that there is an unresolved dispute between you and CMC Markets; and/or
- CMC Markets considers it necessary or desirable to enable CMC Markets to comply with regulatory/legal obligations.

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

## 7. Orders you can place with CMC Markets

### 7.1 Important notice about this section

When you request to place one of the types of orders described in this section, CMC Markets has an absolute discretion whether or not to accept and execute any such request. Refer to section 7.4 below on re-quotes and section 5.4 for an overview of CMC Markets' right to refuse orders and the associated risks.

CMC Markets' right to refuse your request to place an order to establish a new position are set out in full in clauses 5.2, 5.3 and 8 of the Terms of Business. You should refer to these paragraphs for the circumstances in which CMC Markets may exercise its discretion to accept your order.

CMC Markets at its absolute discretion will accept or reject placement of any orders, including but not limited to, Stop-loss orders, GSLOs, Market orders, Market Open orders, Stop-entry orders, One-Cancels-Other and If-Done orders.

The price at which CMC Markets accepts an order to deal will generally be on the basis of filling the full volume of the order in one transaction.

### 7.2 Market orders

A Market order may be used to enter into a position at the current CFD price at which CMC Markets is willing to deal. Refer to section 3.9 which explains how CMC Markets determines its prices for CFDs.

CMC Markets will endeavour to execute Market orders at the price displayed on the CMC Markets dealing platform at the time the order is transmitted from your CMC Markets software. Where your Market order cannot be executed at the price displayed on the CMC Markets dealing platform you may be offered another price at which CMC Markets is willing to deal, a "**re-quote**" (see section 7.4 below). It would be at your discretion as to whether you would like to accept or reject to deal with CMC Markets at the re-quoted price, although if you delay in accepting the re-quoted price you should appreciate that it may no longer be available.

### 7.3 Market Open orders

A Market Open order is an order placed with the aim of executing a trade at the opening price in the Underlying Market. Market Open orders are only available to you if you have been introduced to CMC Markets by certain institutional or wholesale introducers. Market Open orders are only accepted by CMC Markets over the telephone on Australian Share CFDs. Market Open orders are not available on any other CFDs.

#### Market Open (buy) orders

A Market Open buy order placed on Australian Share CFDs will be filled if the Underlying Reference Instrument opens and trades at a price equal to or inferior to the price at which you have placed your Market Open buy order, subject to there being sufficient liquidity in the Underlying Market (see section 5.4 for further details).

#### Market Open (sell) orders

A Market Open sell order placed on Australian Share CFDs will be filled if the Underlying Reference Instrument opens and trades at a price equal to or superior to the price at which you have placed your Market Open sell order, subject to there being sufficient liquidity in the Underlying Market (see section 5.4 for further details).

#### CMC Markets may improve your Market Open order

In some instances, CMC Markets (at its absolute its discretion) may improve the price at which a Market Open order is placed. This means that the Market Open order may be executed by CMC Markets at a level that is more favourable to you than the predetermined price which you selected when placing the Market Open order. For example, where the opening price of the Underlying Reference Instrument is more favourable to you than the upper or lower limit you have placed on the Market Open order, and there is sufficient liquidity in the Underlying Market for CMC Markets to replicate the trade, we may execute the Market Open order at the Underlying Reference Instrument's opening price for the day.

### Execution of Market Open orders

Market Open orders will be filled in a time priority basis in terms of when the orders have been received by CMC Markets.

Market Open orders will be accepted up until 9:50am, of the relevant trading day and will either be cancelled or executed after the relevant market open.

CMC Markets will not execute Market Open orders based on crossings or special trades that have gone through the Underlying Market and the acceptance of a Market Open order is at the absolute discretion of CMC Markets.

## 7.4 Re-quotes

Where the volume of CFDs you wish to deal in is not reflected in the Underlying Reference Instrument in the Underlying Market, CMC Markets may re-quote the price at which it offers the CFDs to you to reflect that lack of liquidity in the Underlying Reference Instrument. Liquidity refers to how many of the Underlying Reference Instruments are available to buy or sell at a given price.

CMC Markets may also re-quote the price at which it offers the CFDs to you when the aggregate of all requests for orders at a particular price or range of prices determined by CMC Markets exceeds that available in the Underlying Market to which your request to place an order relates. CMC Markets may also re-quote the price in other circumstances, including where there has been a change in the Underlying Market since the original quote.

Furthermore, there is no pre-determined percentage or amount by which the re-quoted price of a CFD can vary from the price of the CFD originally quoted to you.

CMC Markets in its absolute discretion may quote different prices to different clients. You will always have the option to either accept or reject the re-quote, although if you delay in accepting the re-quoted price you should appreciate that it may no longer be available.

CMC Markets also reserves the rights to reject offers from you to trade in CFDs.

## 7.5 Stop-loss orders

A Stop-loss order is an order placed with the aim of limiting the potential loss on an open position.

Stop-loss orders must be placed a minimum distance from CMC Markets' current CFD bid and offer prices. The minimum distance away for a Stop-loss order placement is specified in the CMC Markets Product Schedule and will be advised to you upon request.

Stop-loss orders placed on Share CFDs will be filled if the Underlying Reference Instrument trades at prices equal to or inferior to the price at which you have placed your Stop-loss order subject to there being sufficient liquidity in the Underlying Reference Instrument. Stop-loss orders are processed in price level and then time received order. If liquidity is insufficient at your price level your Stop-loss orders may be filled at prices inferior to those at which they were originally placed.

Stop-loss orders placed on all CFDs other than Share CFDs may be filled if the price quoted for the relevant CFD by CMC Markets is equal to or inferior to the price at which you have placed your Stop-loss order. Your Stop-loss orders on all CFDs other than Share CFDs may also be filled at prices inferior to those at which they were originally placed.

CMC Markets will execute a Stop-loss order on Share CFDs once the following conditions are met:

- CMC Markets' Offer price has reached the order price in the case of a buy order, or CMC Markets' Bid price has reached the order price in the case of a sell order; and
- the relevant Underlying Market has traded at or through the level at which the order is placed, in sufficient size that CMC Markets could have replicated the order.

CMC Markets will execute a Stop-loss order on all CFDs other than Share CFDs once the following condition is met:

- CMC Markets' Offer price has reached the order price in the case of a buy order, or CMC Markets' Bid price has reached the order price in the case of a sell order.

CMC Markets will not execute Stop-loss orders based on crossings or special trades that have gone through the Underlying Market.

If Gapping occurs in the relevant Underlying Market and therefore our CFD price gaps through the stop level, then the Stop-loss order will be executed at the next available price at which the Underlying Reference Instrument could have reasonably been executed in the Underlying Market (see section 5.4 for more details).

## 7.6 Stop-entry orders

A Stop-entry order is an order placed to open a new position or increase an existing position at a price which is inferior to the current market price. You may use this type of order when you expect that the price will move significantly in the future from its existing trading range.

Stop-entry orders can be placed to open new positions in all CFDs except Australian Share CFDs.

Also note that Stop-entry orders must be placed a minimum distance from the current CFD Bid and Offer prices, which distance is determined at CMC Markets' discretion. Refer to the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au) or contact CMC Markets' Dealing Desk on 1300 789 181 (only in Australia) or +61 [0] 2 8221 2160 for information about the levels at which you may place Stop-entry orders.

## 7.7 Market Trigger order

A Market Trigger order is an order placed to open a new position or increase an existing position at a price which is inferior to the current market price. Order placement only occurs when your pre-set trigger level or market condition is met.

Market Trigger orders can be placed to open new positions on Australian Share CFDs, but are only available to you if you have been introduced via specific institutional wholesale relationships with CMC Markets.

You must specify a trigger price for Market Trigger orders. Once this trigger price has traded in the relevant Underlying Market, the order will be placed with CMC Markets. A CMC Markets dealer will then check the amount of volume available on the Bid or Offer in the Underlying Reference Instrument and at what price. The dealer would then fill your Market Trigger order according to where CMC Markets would be filled if carrying out the trade in the relevant Underlying Market.

Market Trigger orders must be placed a minimum distance from the current CFD Bid and Offer prices, which is determined at CMC Markets' discretion. Contact CMC Markets Dealing Desk on 1300 789 181 (only in Australia) or +61 [0] 2 8221 2160 for information or refer to the CMC Markets Product Schedule located at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au) about the levels at which you may place Market Trigger orders.

## 7.8 Limit orders

A Limit order may be used by you to either open or close a position at a predetermined price that is more favourable to you than the current market price.

CMC Markets will execute your Limit order when one or more of the following conditions are met:

- The CMC Markets Offer price has reached the price of buy Limit order or the CMC Markets Bid price has reached the price of the sell Limit order; or
- The relevant Underlying Reference Instrument has been bid (for a sell limit) or offered (for a buy limit) at the Limit order price in sufficient volume for CMC Markets to be able to replicate your trade.

CMC Markets Limit orders may have their price improved and be executed at a level that is more favourable to you than the predetermined price you selected when placing the Limit order. This will usually happen at the Underlying Reference Instrument's opening price for the day, where the opening price is more favourable to you than the Limit order you have placed and there is sufficient liquidity in the Underlying Market for CMC Markets to replicate the trade. The price for a Limit order is unlikely to be improved during the course of a trading day.

An example of where a Limit order may not be improved on the opening price of the Underlying Reference Instrument includes, but is not limited to, a situation where your Limit order price is reached in the Underlying Reference Instrument but there is insufficient volume for CMC Markets to replicate the trade. Where your Limit order is not improved due to a lack of liquidity it would remain subject to the above conditions of execution with CMC Markets at the limit price set by you.

Any price improvement to Limit orders are at the absolute discretion of CMC Markets.

## 7.9 One Cancels the Other orders (OCO Orders)

This is the combination of both a Limit order and a Stop-loss order where the execution or cancellation of one order will automatically cancel the other order.

It is an order type that may be used to take a profit if the market moves favourably for an open position or to potentially limit the loss if the market moves against the open position. It may also be used to open a new position. This order type can be placed to open new positions in all CFDs except Australian Share CFDs.

This order is linked to If Done Orders which are described below. If you place both these orders on a CFD and the If Done Order is triggered then the OCO Order will be automatically cancelled.

## 7.10 If Done or Contingent orders (If Done Orders)

This is the combination of two orders, with the second of the two orders only becoming active should the first order be executed. For example, you may place a Limit order or a Stop-loss order contingent on another Limit order or a Stop-loss order being executed.

This order is linked to OCO Orders which are described above. If you place both these orders on a CFD and the OCO Order is triggered then the If Done Order will be automatically cancelled.

## 7.11 CMC Markets Order Durations

Conditional orders (that is, Limit orders / Stop-loss orders / OCOs) can be placed as Day orders or Good 'Til Cancelled (GTC) orders.

### Day orders

A Day order means that the order you place will remain active until being automatically cancelled by CMC Markets at the Settlement Time on the day of placement. Day orders would only be cancelled by CMC Markets if not executed or cancelled by you before Settlement Time. Should you wish to maintain that order in the market after the Settlement Time, you will have to resubmit that order.

A Day order and a day trade are not the same thing. A Day order is an order that is good for the day on which it is placed only, may not execute, and will be cancelled by CMC Markets if unexecuted at settlement time. A day trade is a set of trade executions that result in a CFD position being opened and closed on the same day.

### Good 'Til Cancelled orders (GTC Orders)

A GTC Order means that the order you place will remain in the CMC Markets system until it is either executed according to the terms of that GTC Order or cancelled by you. CMC Markets reserves the right to cancel a GTC Order due to, among other things, the delisting of an Underlying Reference Instrument or insufficient equity balance on the client Account. Please see Sections 3.14, 3.15, 3.16, 3.22, 5.2, 5.14 and 5.15 of this PDS for further information about circumstances in which CMC Markets' may exercise a discretion to close-out your position.

GTC orders placed on Treasury, Commodity, Index Future CFDs and Currency Future CFDs are automatically cancelled at the Settlement Time on the CMC Markets Expiry Date for the relevant CFD Contract. It is your responsibility to replace limits and stops in the new Contract month after the old orders are cancelled.

## 7.12 Guaranteed Stop-loss orders

A Guaranteed Stop-loss order (**GSLO**) can be used to close or reduce a position, with CMC Markets guaranteeing your stop out price. A GSLO can be placed on all Share, Index and Sector CFDs. They cannot be placed on Forex CFDs, Bullion CFDs, Commodity CFDs, Treasury CFDs, Index Future CFDs, Currency Future CFDs or Currency Index CFDs.

With a GSLO, you know the price at which you are prepared to be closed out, and are not exposed to Gapping in CMC Markets' prices or illiquidity in the market which may lead to your position not being closed out or being closed out at a price worse than that specified by you when you placed the Stop-loss order.

Accordingly, a GSLO enables you to have a known "worst case scenario" should the market move against you.

However, you should note that a GSLO is subject to the following additional conditions:

- can only be placed by telephone;
- cannot be used to open a new position or reverse a position. Therefore you cannot place, nor will CMC execute, a GSLO in relation to a CFD position that is greater than the CFD position you have open in relation to that CFD. Reversing a position occurs in circumstances where a long position is converted to a short position or vice versa in one transaction. For example, if you have a long position in 40,000 Share CFDs, a GSLO to sell 48,000 Share CFDs could not be used to reverse the position because it would create a short position of 8,000 Share CFDs);
- can only be placed once the Underlying Reference Instrument on which the CFD is based is open and trading. That is, they cannot be placed outside the trading hours of the Underlying Reference Instrument;
- as CMC Markets guarantees your close out price, there is a premium charge when placing the GSLO;
- the GSLO must be placed a minimum distance away from the current CFD price being quoted by CMC Markets. The minimum distance is measured as a percentage movement from the current CFD price and is determined by CMC Markets. Refer to [section 4.6](#) of this PDS for details on minimum percentages applicable to the relevant CFDs;
- cannot be placed in the last hour of trading for Share, Index and Sector CFDs, or as CMC Markets determines in its absolute discretion; and
- CMC Markets may at its sole discretion vary the terms of a GSLO to take into account a fundamental change in the price of a CFD such as the payment of dividends or the facilitation of corporate actions (including, but not limited to, rights issues, stock splits, bonus issues and special dividends).

The premium charged and the minimum amount of points or percentage away from the current Share, Index or Sector CFD price at which the GSLO may be placed are specified in section 4.6 of this PDS.

A debit charge will be applied to your Account to charge you the premium for a GSLO.

***Please note that should you wish to amend a GSLO, by changing the stop loss price, you will have to cancel the existing GSLO and place a new GSLO. This will result in you paying an additional premium for the new GSLO and will be subject to CMC Markets accepting the new GSLO.***

***It is important to note that the acceptance, amendment or cancellation of a GSLO is at the sole discretion of CMC Markets.***

For an example of a GSLO please see Example 23 in the Annexure.

### 7.13 Cancelling orders

***If you close a position, you must cancel any related orders you have placed against that position. Failure to do so will mean that the order remains at risk of execution.***

If you wish to cancel any orders, they may be cancelled using the Marketmaker® trading platform at a time when CMC Markets' Dealing Desk is available to process the cancellation.

Our Dealing Desk hours are 6am Monday to 6am Saturday AEST (subject to public holidays). See clause 4 of our Terms of Business for further information. To obtain information concerning CMC Markets' current Dealing Desk hours, please our website at [www.cmcmarkets.com.au](http://www.cmcmarkets.com.au) or call Client Services (see section 1.1 of this PDS).

Requests for cancellation made outside our Dealing Desk hours expire or time out and will not be honoured.

## 8. Dispute resolution

### 8.1 Internal complaints handling system

Upon receipt of a complaint, the CMC Markets employee that receives the complaint will make every effort to resolve the issue. If the complaint cannot be resolved at the first point of contact or after reasonable investigation and discussion with you, the matter will be referred to a senior member of the relevant CMC Markets division.

If you are dissatisfied with the outcome, you will be requested to provide:

- written notice specifying the nature of the complaint, the desired outcome and what action you think will settle the complaint; and
- all relevant material to support the complaint.

***Complaints should be addressed to the Complaints Officer and sent to CMC Markets using the contact details in section 1.1.***

Upon receipt of written notice (***Lodgement Date***), CMC Markets' Complaints Officer will:

- within 5 days of the Lodgement Date, provide a written acknowledgment of receipt and an indication of the time-frame in which CMC Markets will respond to your complaint;
- consider and investigate the circumstances surrounding your complaint;
- advise you of the criteria and processes applied by CMC Markets in dealing with complaints;
- upon request, provide you with any relevant, non-confidential, material relating to the complaint; and
- communicate directly with you, with a view to resolving the complaint in a fair and timely manner.

No later than 45 days following the Lodgement Date, the Complaints Officer must:

- notify you in writing of the decision in relation to your complaint;
- provide you with written reasons for the decision;
- outline to you the remedies, if any, available to you; and
- advise you of any further avenues for complaint and the time frames involved in those avenues.

Where you have any redress (financial or otherwise), CMC Markets will provide that redress promptly.

If the complaint is not resolved within 45 days following the Lodgement Date, the Complaints Officer will inform you of the reasons for the delay.

Please contact the Client Services Department on 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100 should you require further information on how complaints are handled by CMC Markets internally.

### 8.2 External dispute resolution process

#### Contacting FOS

In the event that the dispute or difference is unable to be resolved by CMC Markets in accordance with its internal complaints handling system (see section 8.1), you may refer the dispute or difference to FOS for determination in accordance with its rules provided that the dispute or difference falls within the rules of FOS.

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

***Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001***

Before FOS will deal with your complaint you must have first lodged a formal complaint with us and given us time to resolve the complaint.

## Arbitration

If the dispute or difference does not fall within the rules of FOS, the dispute or difference may be submitted by CMC Markets to arbitration in accordance with and subject to the Institute of Arbitrators and Mediators of Australia Expedited Commercial Arbitration Rules. To the extent permitted under those rules, the Arbitrator will be a person recommended by the New South Wales Chapter of the Institute of Arbitrators and Mediators of Australia.

You may request that CMC Markets agree to submit the dispute or difference to arbitration as outlined above, whether or not the dispute or difference falls within the rules of FOS. CMC Markets may decide in its absolute discretion whether to agree to any such request. If CMC Markets does not agree, you will not be able to refer the dispute or difference or dispute to arbitration, but you may choose to commence legal proceedings, or where the FOS rules permit lodge a complaint with FOS in accordance with the process described in this section 8.2.

CMC Markets and you both agree under clauses 36 and 43 of the Terms of Business to accept any determination of the arbitrator as final and binding, and submit to the non-exclusive jurisdiction of the Courts in New South Wales for the enforcement of any such determination.

### 8.3 CMC Markets' rights

The above procedure does not prevent CMC Markets from commencing proceedings against you in any relevant jurisdiction. CMC Markets also has the right to submit any dispute or difference whatsoever in connection with the Terms of Business to arbitration, as described above in section 8.2.

### 8.4 Further information

You should refer to clauses 36 and 43 of the Terms of Business for further information about resolving any complaint or dispute with CMC Markets.

## 9. Taxation considerations

### 9.1 Introduction

The following is a summary of the Australian taxation implications of becoming involved in dealing in CFDs, and is based on the taxation laws as at the date of this PDS. It is important to note that the tax position will depend on the circumstances of each taxpayer and you should consult your own taxation advisor before dealing in CFDs.

### 9.2 Taxation ruling

The Australian Taxation Office (**ATO**) has released Taxation Ruling 2005/15 which describes the income tax and capital gains tax consequences of dealing in financial contracts for difference, such as CFDs. A summary of Taxation Ruling 2005/15 is set out below.

A copy of Taxation Ruling 2005/15 is available at [www.ato.gov.au](http://www.ato.gov.au).

#### Gains and losses from dealing in CFDs

Any gain you make from dealing in a CFD will be assessable income under section 6-5 of the Income Tax Assessment Act 1997 (**ITAA 1997**), whilst any loss you make from dealing in a CFD will be an allowable deduction under section 8-1 of the ITAA 1997, provided that:

- the CFD transaction is entered into as an ordinary part of carrying on a business; or
- the profit is obtained, or the loss is incurred, as a consequence of a business operation or commercial transaction for the purpose of profit making.

A gain from dealing in a CFD will also be assessable income under section 15-15 of the ITAA 1997 where you deal in CFD in carrying on, or carrying out, a profit-making undertaking or scheme, and the gain from it is not assessable under section 6-5 of the ITAA 1997. A loss from dealing in a CFD, where the gain would have been assessable under section 15-15 of the ITAA 1997, is an allowable deduction pursuant to section 25-40 of the ITAA 1997.

#### Capital gains tax (CGT)

A CFD is a CGT asset under section 108-5 of the ITAA 1997. On the maturity or closing out of a CFD, CGT event C2 happens (section 104-25 of the ITAA 1997).

A gain or loss from a financial contract for differences entered into for the purpose of recreation by gambling will not be assessable income under section 6-5 or section 15-15 of the ITAA 1997 or deductible under section 8-1 or section 25-40 of the ITAA 1997. A capital gain or capital loss from a financial contract for differences entered into for the purpose of recreation by gambling will be disregarded under paragraph 118-37(1)(c) of the ITAA 1997.

However, to the extent that a gain from dealing in a CFD as a result of a CGT event is assessable under section 6-5 or section 15-15 of the ITAA 1997, a capital gain arising from the event is reduced (section 118-20 of the ITAA). To the extent that a loss made from dealing in a CFD is deductible under section 8-1 or section 25-40 of the ITAA 1997, the reduced cost base of the asset is reduced, thereby also reducing the amount of capital loss (subsection 110-55(4) of the ITAA 1997).

In calculating any capital gain or loss, you will be entitled to take into account the costs of acquiring, holding and disposing the CFD.

### 9.3 Interest, adjustments for dividends and Commissions

#### Interest you receive on your Account

Interest paid to you by CMC Markets on your Account will be assessable income.

#### Interests on debit balances and Commissions

Any interest on debit balances on your Account and Commissions you pay to CMC Markets will be deductible.

## **Financing and Rollover Charges and Benefits you pay or receive due to holding a CFD**

Financing and Rollover Charges and Benefits you may pay or receive due to holding a CFD will form part of the net gain or loss you make when dealing in the CFD.

## **Adjustments for distributions**

Any adjustments made to your Account due to a distribution being paid on an Underlying Reference Instrument on which a CFD you hold is based, as described in section 3.5, will form part of the net gain or loss you make when dealing in the CFD.

## **9.4 Non-Australian tax residents**

You should also note that the above comments apply to residents of Australia for taxation law purposes. If you are a non-resident of Australia for taxation purposes (i.e. non-Australian tax resident), or unsure of your residency status for taxation purposes, you should also consult your own professional tax advisor.

## **9.5 Interest and non-Australian tax residents**

Generally, no interest is paid on credit balances exceeding the Interest Qualification Level on Accounts held by non-Australian tax residents. Please note that CMC Markets may decide at its absolute discretion from time to time whether to pay interest to non-Australian tax residents in which case it will be subject to withholding taxes (see section 6.8).

## 10. Other considerations

### 10.1 Superannuation funds and CFDs

Complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities. These guidelines and restrictions are contained in the Superannuation Industry (Supervision) Act 1993, the regulations made under the Superannuation Industry (Supervision) Act 1993, known as the Superannuation Industry (Supervision) Regulations 1994 and circulars issued by past and present regulators of superannuation funds, including the Insurance and Superannuation Commission, the Australian Prudential Supervisory Authority and the Australian Taxation Office (SIS Law).

#### Seek Advice

Below we canvass some of the relevant issues that trustees of complying funds should consider. However, this list is non-exhaustive.

Furthermore, CMC Markets does not give any personal financial product advice in relation to your dealings in CFDs. In giving general advice, CMC Markets has not taken into account your objectives, financial situation or needs. Accordingly, before applying to deal in CFDs, you must in conjunction with your adviser(s), give consideration to your objectives, financial situation and needs.

You must seek advice from your financial or legal adviser as to the issues that we raise below, as under the Terms of Business you represent and warrant that you have obtained such advice in relation to each of these issues. Refer to clause 31.3 of the Terms of Business.

#### Issues that should be considered by trustees of complying superannuation funds

##### ***Prohibitions on Borrowing and Charging Assets***

Complying superannuation funds are generally prohibited from borrowing money except under certain circumstances. In addition, complying superannuation funds are prohibited from giving a charge over an asset of the fund except in certain circumstances.

Accordingly, trustees of complying superannuation funds should obtain advice as to whether dealing in CFDs would breach the borrowing and charging prohibitions.

##### ***Investment Strategy***

Trustees of complying superannuation funds are required by SIS Law to consider the appropriateness of dealing in CFDs in the context of the fund's whole investment strategy and their fiduciary duties and obligations under the SIS Law and the fund's trust deed.

##### ***Risk Management***

Trustees of complying superannuation funds are required by SIS Law to be familiar with the risks involved in dealing in CFDs, and if they decide to deal in CFDs, must have in place adequate risk management procedures to manage the risks associated with dealing in CFDs before doing so.

##### ***Complying Status***

Trustees of complying superannuation funds should also be aware that where a trustee contravenes any of the requirements of the SIS Law, the superannuation fund may be refused complying status which may give rise to adverse taxation consequences.

### 10.2 Disclaimers

Under clause 48 of the Terms of Business:

- CMC Markets does not accept or bear any liability whatsoever in respect of the operation of its dealing platform, except to the extent that it is caused by the fraud or dishonesty on the part of CMC Markets or its employees, agents or representatives; and
- all warranties, express and implied, as to the description, quality, performance or fitness for purpose of the dealing platform, or any component of any such dealing platform, are disclaimed and excluded.

The disclaimers and limitation of liability are subject to any legislation which implies into the Terms of Business any term, condition or warranty, and makes void or prohibits excluding or modifying the application of or exercise of, or liability under such term, condition or warranty. Refer to clause 48 of the Terms of Business for full details.

## 11. Privacy statement

CMC Markets is part of the CMC Markets Group. This Privacy Statement explains how the CMC Markets Group collects personal information and then maintains, uses and discloses that information. It also provides some detail about your rights.

### 11.1 Personal information

When submitting your Application Form to open an Account with CMC Markets, you will be providing entities within the CMC Markets Group with your personal information. The CMC Markets Group will also maintain records of all transactions and activities on your Account, including details of your dealings in CFDs and Margin Calls made.

CMC Markets Group may also collect information about you from publicly available sources such as company registers.

Your personal information will be held by CMC Markets strictly in accordance with National Privacy Principles in the Privacy Act 1988. At any time, upon request, you may gain access to the information the CMC Markets Group holds about you (see section 11.6 below).

### 11.2 Telephone conversations

The CMC Markets Group may also record telephone conversations between you and persons working for the CMC Markets Group. Such recordings, or transcripts from such recordings, may be used to resolve any dispute between you and CMC Markets Group and with a view to satisfying CMC Markets' statutory obligations including requests from regulators and other government bodies.

Recordings or transcripts made by the CMC Markets Group of your telephone conversations may be destroyed under CMC Markets Group's normal practice, which is to destroy them usually, but not necessarily, two calendar months after the date of the conversation.

### 11.3 CMC Markets Group's websites

The CMC Markets Group will also collect and hold information about you when you complete an online application or other type of form or operate and deal on your Account through our websites.

### 11.4 Use by CMC Markets of the information

We have requested the information required in the Application Form to enable us to determine whether we will deal in CFDs with you using CMC Markets Group's internet dealing platform. That information, together with the information collected and maintained by the CMC Markets Group during the course of our relationship with you, is required to keep you updated whilst you are a client in relation to matters such as your dealings in CFDs, your Margin obligations and the funds in your Account and possibly other activities of the CMC Markets Group. CMC Markets Group also requires the information to manage and administer the products and services provided to you.

We may also be required to provide your personal information to ASIC and other regulatory and government bodies from time to time in Australia and overseas.

The CMC Markets Group may also disclose your personal information to:

- financial institutions and other similar organisations in connection with its corporate activities or that are nominated by you;
- FOS, courts, arbitrators and other dispute resolution bodies;
- external service providers and professional advisers (which may be located overseas) that provide services to us;
- any actual or potential delegate or assignee as referred to in the Terms of Business;
- any other person or entity if required by law; and

- any organisation which you request us to or any persons acting on your behalf, including your financial adviser, broker, solicitor or accountant.

The CMC Markets Group may use your personal information for:

- marketing CMC Markets Group products and services to you; and
- developing an understanding of the products and services you may be interested in obtaining from the CMC Markets Group.

CMC Markets Group takes all reasonable steps to protect your personal information from misuse, loss, unauthorised access, modification or disclosure.

## 11.5 What are your rights?

You need not give us any of the personal information about you requested in the Application Form. However, without that information CMC Markets Group may not be able to open an Account for you.

Should you have any questions or complaints about your privacy please contact us. If a complaint is not resolved by CMC Markets Group to your satisfaction, you may complain to the Privacy Commissioner.

## 11.6 Access to information

You can gain access to any information the CMC Markets Group holds about you by calling 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100, or emailing [info@cmcmarkets.com.au](mailto:info@cmcmarkets.com.au). We will process your request usually within 14 days. If your request is complex, more time may be needed in which case we will advise you of the extra time required.

There is no fee for requesting access to your information, although CMC Markets Group may charge you the reasonable cost of processing your request.

In some circumstances the law may allow CMC Markets Group to deny you access. In such a case we will explain to you the reason for refusing access.

## 11.7 Correction of information

We ask that you promptly notify us of any changes to the personal information that CMC Markets Group holds about you. This will ensure that your personal information held by CMC Markets Group is up to date and enable us to keep you informed of the continuing circumstances of your Account, your Margin obligations and your trading activities.

You may ask us at any time to correct personal information held by CMC Markets Group about you which you believe is inaccurate. Should we disagree with you as to the accuracy of the information, you may request that we attach a statement to that information noting that you consider it inaccurate or incomplete.

## 12. Glossary

This Glossary is to be read in conjunction with this PDS. Schedule 1 (Definition Schedule) of the Terms of Business should also be referred to where there is doubt as to the meaning of a term or expression. Finally, CMC Markets' websites also have a number of lists of market terminology which you should consult in the event that you do not understand any term when dealing with CMC Markets.

<b>Account</b>	An account of the client to deal in CFDs with CMC Markets.
<b>AEST</b>	Means the time in Sydney, New South Wales, Australia.
<b>Annexure</b>	The annexure to the PDS entitled "Trading Examples".
<b>Application Form</b>	The application form and account opening documentation completed by you and submitted to CMC Markets or CMC Markets Group whether electronically or in hard copy.
<b>ASIC</b>	Australian Securities & Investments Commission or any regulatory body which replaces it or performs its functions.
<b>AUD\$ and \$</b>	Australian dollars, unless specified otherwise in this PDS.
<b>Australian Client Money Rules</b>	The provisions in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with client moneys and property as modified by ASIC for CMC Markets.
<b>Australian Client</b>	A Client who is a resident within Australia (based on the address in their Application Form or as notified by the Client to CMC Markets from time to time).
<b>ASX</b>	ASX Limited operating as Australian Securities Exchange.
<b>Base Currency</b>	The currency you have selected under clause 11.3 of the Terms of Business as being the denomination for your Account, and which in the absence of a selection will be in Australian Dollars.
<b>Bid</b>	The price at which CMC Markets offers to buy a CFD.
<b>Bullion</b>	Gold and silver.
<b>Bullion CFDs</b>	A CFD whose value fluctuates by reference to the fluctuations in the Underlying Reference Instrument which relate to gold or silver.
<b>Business Day</b>	Business Day means: (a) in relation to Services other than Spots on a Security, Basket or Index, any day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Sydney, New South Wales, Australia; and (b) in the case of Services relating to Spots on a Security, Basket or Index to which Limited Hours Trading applies, any day on which the exchange on which the relevant Security or each constituent Security has its primary listing, or the exchange on which the Index operates, whichever is applicable, is open for trading, and will exclude any day on which all trading on the relevant exchange is closed or suspended; (c) in the case of Services relating to Spots on a Security, Basket or Index to which Limited Hours Trading does not apply, any day on which any relevant exchange is open for trading.
<b>Cash Dividend</b>	The cash dividend or distribution declared only and does not include any Franking Credits attached to a dividend or distribution.

<b>CFDs</b>	The contracts for difference that CMC Markets offers to its clients from time to time under this PDS and the terms and conditions of the Terms of Business.
<b>CFD Contract</b>	Any contract entered into by you and CMC Markets in respect of a CFD.
<b>Cleared Funds</b>	Funds that have been deposited with CMC Markets and are immediately available to CMC Markets.
<b>CMC Markets</b>	CMC Markets Asia Pacific Pty Ltd ABN 11 100 058 213
<b>CMC Markets Exchange Rate</b>	The foreign exchange rate as CMC Markets may reasonably determine from time to time having regard to current market rates and which is available to the client from CMC Markets on request. This rate may be different to the price quoted by CMC Markets for a foreign exchange CFD.
<b>CMC Markets Group</b>	CMC Markets plc and its associates, including CMC Markets Asia Pacific Pty Limited.
<b>CMC Markets Product Schedule</b>	The list of CFDs which CMC Markets holds itself out from time to time as willing to quote a price, as amended by CMC Markets from time to time. The Product Schedule is available at <a href="http://www.cmcmarkets.com.au">www.cmcmarkets.com.au</a> .
<b>CMC Markets Rollover Rate</b>	The rate as CMC Markets may determine from time to time having regard to Interbank Rates for rollovers.
<b>CMC Markets Spread</b>	Means the difference between the bid and offer prices of a Contract quoted from time to time by CMC Markets and; where appropriate; expressed as a percentage of the relevant price.
<b>Commission</b>	A transaction fee charged by CMC Markets for execution services.
<b>Commodity CFDs</b>	A CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Reference Instrument relating to a commodity.
<b>Commodity Rollover Price</b>	Has the meaning given to that term in section 3.7.
<b>Contract</b>	Means any contract, whether oral or written, including any derivative, option, future, contract for difference or other transaction relating to such financial products entered into by CMC Markets with the Client or any back to back agreement which CMC Markets may enter into to enable it to enter into or fulfil its obligations under such contract.
<b>Corporate Action</b>	Includes, but is not limited to bonus issues, reconstructions, rights issues and stock splits in respect of an Underlying Reference Instrument.
<b>Currency Ledger Balance</b>	Upon realising your profit and loss for a CFD position denominated in a foreign currency you will hold a foreign currency balance in your Account that can be converted back to your Base Currency upon request (and which may be converted back to your Base Currency by CMC Markets in certain circumstances as described in section 5.5).
<b>Currency Future CFD</b>	A CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Reference Instrument, which is a Currency Futures Contract.
<b>Currency Futures Contract</b>	A futures contract over a currency or cross currency.

<b>Currency Index CFD</b>	A CFD whose value fluctuates by reference to the fluctuations in the value of a weighted basket of currencies. The basket of currencies is determined by CMC Markets. Please refer to paragraphs 3.4 and 3.9 for further details.
<b>Equity Index Futures Contract</b>	A futures contract over an equity index.
<b>Exceptional Market Conditions</b>	An exceptional market condition as CMC Markets may in its reasonable opinion determine exists, including but not limited to, the events specified in clause 38 of the Terms of Business.
<b>Expiry Day</b>	The day on which the relevant CFD expires.
<b>FOS</b>	The Financial Ombudsman Service.
<b>Financing Charge</b>	The amount that you pay on Share, Index and Sector CFD positions that remain open overnight, calculated using the Financing Rate.
<b>Financing Benefit</b>	The amount that you receive on Share, Index and Sector CFD positions that remain open overnight, calculated using the Financing Rate.
<b>Financing Rate</b>	The CMC Markets rate at which you pay or receive interest on Share, Index and Sector CFD positions that remain open overnight, based on the Relevant Interest Rate plus or minus the interest percentages outlined in the table in section 4.2 of this PDS.
<b>Force Majeure Event</b>	Has the meaning given to that term in clause 38.1 of the Terms of Business.
<b>Foreign Client</b>	A Client who is a resident outside Australia (based on the address in their Application Form or as notified by the Client to CMC Markets from time to time).
<b>Forex</b>	A currency or cross currency.
<b>Forex CFD</b>	A Forex Spot or Forex Forward CFD.
<b>Forex Forward CFD</b>	A Future CFD with respect to a currency or cross currency.
<b>Forex Spot CFD</b>	A Spot CFD with respect to a currency or cross currency.
<b>Forward CFD</b>	A Future CFD in respect of Forex.
<b>Franking Credit</b>	Means any tax, franking or imputation credit which is attached to a dividend or distribution paid to a person. Franking credits represent the person's allocation of tax paid that has been paid by the entity that is paying the dividend or distribution to the person. They are also known as imputation credits.
<b>Free Equity</b>	Total Equity less Total Margin Requirements. This is the amount you have available to withdraw or to cover additional Margin Requirements.
<b>FSG</b>	CMC Markets' financial services guide for CFDs issued under this PDS, including a supplementary or replacement financial services guide.
<b>Future CFD</b>	Any CFD entered into between CMC Markets and a client with the purpose of securing a profit or avoiding a loss by reference to fluctuations in the price of the Underlying Reference

	Instrument for delivery at a specified date in the future.
<b>Gapping</b>	Gapping is the exposure to loss from failure of market prices or rates to follow a "smooth" or continuous path due to external factors such as world, political, economic and specific corporate events.
<b>Good 'til Cancelled (GTC) Order</b>	An instruction that the order does not expire at the end of the trading day.
<b>Grossed-up Dividend</b>	The grossed-up amount of the dividend is the sum of the Cash Dividend plus any Franking Credit attached to the Cash Dividend that a person who owns the Underlying Reference Instrument is entitled to.
<b>Guaranteed Stop-loss order (GSLO)</b>	A GSLO is similar to a normal Stop-loss order in that it can be used to close or reduce a position, but with the added benefit of CMC Markets guaranteeing your stop out price.
<b>Index CFDs</b>	A CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Reference Instrument, which will relate to a share index.
<b>Index Future CFDs</b>	A CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Reference Instrument, which is an Equity Index Futures Contract.
<b>Interbank Rate</b>	<p>The mid interbank rate calculated by CMC Markets with reference to the bid and offer prices for the Underlying most recently quoted by any one or more third party banks.</p> <p>Refer section 3.17 of this PDS which describes the use of Interbank Rates.</p>
<b>Interest Qualification Level</b>	The amount which the credit amount in your Account, after all your Margin obligations have been deducted, must exceed before interest may be paid by CMC Markets on your Account as set out in section 6.8.
<b>LFX Disclosure Document</b>	Leveraged Foreign Exchange Disclosure Document (issued to residents of Hong Kong only).
<b>Limit order</b>	An order to buy or sell a specified amount of a security at a specified price or better.
<b>Liquidation Level</b>	The minimum Total Equity balance specified at section 6.3 of this PDS.
<b>Long Party</b>	In relation to a CFD, the party that has bought the CFD in opening a CFD position.
<b>Margin</b>	Margin is the amount that you must have in your Account to enter into CFD positions with CMC Markets.
<b>Margin Call</b>	A demand for additional funds to be deposited in your Account to meet your total Margin Requirement on your open CFD positions because of adverse price movements.
<b>Margin Percentage</b>	Such percentage of the CFD position value as specified by CMC Markets in the CMC Markets Product Schedule and as amended by CMC Markets from time to time. Margin Percentage is used to calculate your Margin Requirement.
<b>Margin Requirement</b>	The level of Margin required to open and maintain a CFD position, calculated by reference to the Margin Percentage. Please see section 4.2 for more information.
<b>MarketMaker</b>	CMC Markets' proprietary trading platform.

<b>Market order</b>	An order placed to buy or sell a CFD at CMC Markets' current price.
<b>Market Open Order</b>	A Market Open order is an order placed with the aim of executing a trade at the opening price in the relevant Underlying Market. This order only be placed on Australian Share CFDs and is only available to clients who have been introduced to CMC Markets by certain institutional or wholesale introducers.
<b>Market Trigger Order</b>	An order that is only placed to open a new position or increase an existing position when a client's pre-set trigger or market condition is met. Can only be placed on Australian Share CFDs and is only available to clients introduced via specific institutional wholesale relationships.
<b>Mid Price</b>	The price at the mid point between CMC Markets' bid and offer price.
<b>Minimum Point Increment</b>	Represents the minimum possible price change between two successive transaction prices permitted by CMC Markets. The Minimum Point Increment can represent either an upward or downward movement in price. Please see section 3.23 for more information.
<b>National Guarantee Fund</b>	The National Guarantee Fund administered by the ASX.
<b>Next Serial CFD Contract</b>	A CFD contract of the same type as the relevant CFD contract, but with the expiry date being the next occurring expiry date.
<b>Offer</b>	The price at which CMC Markets offers to sell a CFD.
<b>PDS</b>	Product disclosure statement.
<b>Relevant Interest Rate</b>	Means such applicable interest rate as CMC Markets may reasonably select from time to time which is appropriate to the currency of the outstanding amount or the Underlying Reference Instruments (as applicable) as detailed on the daily statement, and are also available from CMC Markets upon request, as set out in section 4.2.
<b>Rollover Benefit</b>	An amount you may pay or receive for holding a Forex or Bullion CFD overnight based upon the Rollover Rate multiplied by the notional value of the relevant position.
<b>Rollover Charge</b>	An amount you may pay or receive for holding a Forex or Bullion CFD overnight based upon the Rollover Rate multiplied by the notional value of the relevant position.
<b>Rollover Rate</b>	The CMC Markets rate at which you pay or receive interest on Forex and Bullion CFDs positions that remain open overnight. This is a varying rate dependent upon the applicable rate in the interbank markets (for the currencies or Bullion involved, as the case may require, see Section 3.7), the duration of the rollover period, the size of the position and the CMC Markets' Spread that is applied at CMC' Markets' discretion.
<b>Sector CFDs</b>	A CFD whose value fluctuates by reference to the fluctuations in the value of a basket of securities of Underlying Entities, all of which are operating in the same industry, such as finance, energy or telecommunications. Sector CFDs. The basket of securities is determined by CMC Markets.
<b>Settlement Time</b>	22.00 London, England Time. London time is displayed as "Server System Time" on Marketmaker® software.
<b>Share CFDs</b>	A CFD whose value fluctuates by reference to the fluctuations in the value of a security of a company that issues the share.

<b><i>Short Party</i></b>	In relation to a CFD, the party that has sold a CFD in opening a CFD position.
<b><i>Spot CFD</i></b>	Any CFD, other than a Future CFD, entered into between CMC Markets and a client.
<b><i>Stop-entry order</i></b>	An order placed to open a new position or increase an existing position at a price which is inferior to the current market price.
<b><i>Stop-loss order</i></b>	An order that allows you to control any potential losses on a position should the market move against you.
<b><i>Terms of Business</i></b>	CMC Markets' terms of business attached to this PDS, including its 8 Schedules, as updated from time to time.
<b><i>Total Equity</i></b>	Aggregate of the current cash balance in your Account and your current unrealised profit and losses.
<b><i>Total Margin Requirement</i></b>	Sum of your Margin Requirements for all of your current open CFD positions.
<b><i>Treasury CFDs</i></b>	A CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Reference Instrument, which relates to a traded government debt instrument.
<b><i>Underlying Entity</i></b>	An entity that is the issuer of an Underlying Reference Instrument.
<b><i>Underlying Reference Instrument</i></b>	The underlying asset, security, commodity, futures contract, index or sector, with reference to which the value of a CFD is determined.
<b><i>Underlying Market</i></b>	The underlying market in which the Underlying Reference Instrument is traded.
<b><i>We, us or our</i></b>	References to "we", "us" or "our" should be treated as references to CMC Markets Asia Pacific Pty Limited.

## 13. Terms of Business

### Introduction

CMC Markets Asia Pacific Pty Limited (ABN 11 100 058 213) ("**CMC Markets**"), which holds Australian Financial Services Licence No. 238054, will provide Services to you as the "**Client**" on the terms of:

- A. these Terms of Business (including the attached 9 Schedules) ("**Agreement**");
- B. the current PDS;
- C. the current FSG; and
- D. any additional terms and conditions issued by CMC Markets in connection with the Services.

### Operative provisions

#### 1. Interpretation

- 1.1 The defined terms used in this Agreement are capitalised and set out in the Definitions Schedule (Schedule 1) of this Agreement.
- 1.2 If there is any conflict between the terms of this Agreement and any Applicable Law, the Applicable Law will prevail provided that any Applicable Law relating to the provision of margin demands will not apply.
- 1.3 In this Agreement any reference to a person includes bodies corporate, unincorporated associations, partnerships and individuals.
- 1.4 In this Agreement, all references to times of the day are to the time in Sydney, New South Wales, Australia, unless otherwise specified.
- 1.5 Headings, notes and examples in this Agreement are for reference only and do not affect the construction of the Agreement.
- 1.6 In this Agreement any reference to any enactment includes references to any statutory modification or re-enactment of such enactment or to any regulation or order made under such enactment (or under such a modification or re-enactment).

#### 2. CMC Markets

CMC Markets is regulated by the Australian Securities and Investments Commission ("**ASIC**") and holds Australian Financial Services Licence No. 238054.

## PART I – GENERAL

Note: This section sets out the Services that will be provided by CMC Markets under this Agreement and the general provisions governing all transactions.

### 3. Services

- 3.1 **Dealing Services:** Subject to the Client fulfilling their obligations under this Agreement, CMC Markets may enter into transactions with the Client in the following investments and instruments:
- (a) spot contracts for difference on single securities, baskets of securities, stock or other indices, currencies, Treasury Products, base and precious metals and commodities;
  - (b) future contracts for difference on single securities, baskets of securities, stock or other indices, currencies, Treasury Products, base and precious metals and commodities; and
  - (c) such other Derivatives as CMC Markets may from time to time offer to the Client in writing.
- 3.2 **Dealing as principal:** In relation to any Contract, CMC Markets will enter into such Contract as principal.
- 3.3 The Client will, unless otherwise agreed in writing, enter into Contracts as principal. If the Client acts on behalf of a principal, whether or not the Client identifies that principal to CMC Markets, CMC Markets will not accept that principal as a "client" (as defined in the Corporations Act), unless otherwise agreed in writing.
- 3.4 **Advice:** CMC Markets will not provide any Personal Financial Product Advice to the Client. If CMC Markets enters into a Contract with the Client this should not be taken by the Client to mean that CMC Markets recommends, or concurs with the merits of, the Contract or that the Contract is suitable for the Client.
- 3.5 CMC Markets may provide information or General Financial Product Advice to the Client. Any information or General Financial Product Advice that CMC Markets gives the Client will not take into account the Client's particular needs, objectives and financial circumstances. In particular, CMC Markets will not give the Client advice about whether the Client should open, hold or close a Contract.
- 3.6 Before a Client makes a decision, CMC Markets recommends the Client take into consideration whether any information or General Financial Product Advice given by CMC Markets is appropriate to the Client's particular needs, objectives and financial circumstances, and if not, they should ask their financial adviser for Personal Financial Product Advice.
- 3.7 To the maximum extent permitted by law, CMC Markets will not in any way be liable for any damages, loss or injury suffered or incurred by the Client as a result of or arising out of, or in connection with:
- (a) any misinterpretation of any information or General Financial Product Advice provided by, or on behalf of, CMC Markets relating to a transaction entered into or proposed to be entered into by a Client pursuant to this Agreement;
  - (b) any information or General Financial Product Advice provided by, or on behalf of, CMC Markets in relation to any investments and instruments which the Client may deal in under this Agreement,
- but this clause 3.7 will have no operation with respect to any fraud or dishonesty of CMC Markets.
- 3.8 **Clients may be treated differently:** CMC Markets in its absolute discretion may quote different prices and charge commission, financing charges and other charges at different rates to different Clients.
- 3.9 **Results and risks of dealing:** The Client acknowledges to CMC Markets that:
- (a) CMC Markets has made no representation or warranty as to the results of dealing in Contracts; and
  - (b) the Client understands the risks involved in dealing in Contracts as set out in the PDS and accepts that those risks are for the account of the Client.

#### 4. CMC Markets' Office and Trading hours

- 4.1 **Normal office hours:** CMC Markets' office hours are Monday to Friday, 9am to 5:30pm. However, the Client Services Department and the Dealing Desk are available from 6am Monday to 6am Saturday inclusive to service your account. CMC Markets may amend the normal office hours by publishing notices on its website. These office and service hours are subject to clause 4.3 of this Agreement.
- 4.2 **Normal trading hours:** CMC Markets' trading hours are normally those set out in the CMC Markets Product Schedule or on CMC Markets' website, subject to clauses 4.3 and 4.5 of this Agreement and to the terms of this Agreement generally, CMC Markets will quote prices and accept orders or instructions in respect of any Contract during those hours.
- 4.3 **Public holidays:** CMC Markets is under no obligation to quote prices or accept orders or instructions in respect of any Contract on a public holiday in any jurisdiction which, in CMC Markets' reasonable opinion, affects the relevant underlying markets. The hours that the Client Services Department and Dealing Desk are available to service account and clients may also be affected on these dates.
- 4.4 CMC Markets will from time to time give notice of such public holidays and the products and services affected electronically by email or on CMC Markets' website.
- 4.5 **Limited Hours Trading:** CMC Markets is under no obligation to quote prices or accept orders or instructions in respect of any Contract to which Limited Hours Trading applies during any time when the relevant underlying exchange is closed for business.
- 4.6 CMC Markets will designate from time to time those Contracts to which Limited Hours Trading applies on its website. CMC Markets may amend the list of such Contracts at any time, with such amendment to take effect not less than 7 days after such amendment being made.

#### 5. Pricing

- 5.1 CMC Markets will quote prices which provide an indication of the prices at which it is prepared to deal with a Client. Clients should note that:
- CMC Markets acts under this Agreement as a market maker, and accordingly, sets the applicable price at which it is prepared to deal with a Client;
  - prices that may be quoted and/or traded upon from time to time by other market makers or third parties do not apply to trades and dealings between CMC Markets and the Client; and
  - CMC Markets in its absolute discretion may quote different prices to different Clients and trade at different prices with different Clients.
- 5.2 Except where:
- CMC Markets exercises any of its rights to close out a Contract; or
  - a Contract closes automatically;
- it is the Client's responsibility to decide whether or not they wish to deal at those prices. If the Client decides to deal at the prices indicated by CMC Markets, it may make an offer to CMC Markets to deal at that price. CMC Markets may choose, in its absolute discretion, whether to accept or reject any offer to deal made by any Client.
- 5.3 If the Client places an order for a Contract outside the Normal Trading Size, or aggregate of the Client's order and all other orders for a Contract is outside the Normal Trading Size, the Client's order may be subject to special conditions and requirements as notified to the Client by CMC Markets at the time of the order being considered by CMC Markets. The Client will not be obliged to proceed with any order for which special conditions and requirements are notified to them by CMC Markets. For example, CMC Markets may quote a revised price applicable to the proposed Contract which the Client may, at their absolute discretion, accept or reject.
- 5.4 It is possible that errors may occur in the prices of Contracts quoted by CMC Markets. In such circumstances, without prejudice to any rights CMC Markets or the Client may have under statute or common law, neither party will be bound by any Contract which purports to have been made (whether or not confirmed by CMC Markets) at a price which was, or ought reasonably to have been, known to either party to be materially incorrect at the time of the Contract. The party

asserting that the Contract is avoided under this clause 5.4 must give notice to the other within 3 Business Days of the relevant Contract being entered into. If the Client gives notice to CMC Markets under this clause, CMC Markets will determine in its sole discretion, acting reasonably, whether the price quoted was materially incorrect.

- 5.5 Except in the case of fraud, CMC Markets does not accept any liability for any loss or damage suffered by the Client as a result of the Client's reliance on a price which the Client knew, or ought reasonably to have known, to be materially incorrect.
- 5.6 CMC Markets will not be bound by any Contract which is executed at a price which varies from the CMC Markets Spread at the time of execution as a result of the Client affecting, modifying or using the CMC Markets Trading Software in such a way that it fails to show changes in the CMC Markets Spread that have occurred since the Client first placed the order or in any other way that results in the transaction being based on an abnormal price in relation to market or trading conditions. CMC Markets will give the Client notice within a reasonable period not exceeding 10 Business Days after the order has been placed if the Contract is avoided by CMC Markets under this clause 5.6.

## 6. Legal and regulatory requirements

- 6.1 Notwithstanding any other provision of this Agreement, in providing the Services, CMC Markets will be entitled to take any action as it considers necessary in its absolute discretion to ensure compliance with all Applicable Laws.
- 6.2 The Client agrees strictly to comply with all Applicable Laws. If CMC Markets reasonably considers the Client has not so complied, it may terminate this Agreement immediately without notice.

## 7. Client's obligation to monitor and pay margin

- 7.1 **Client's obligation to pay:** The Client must pay to CMC Markets:
- (a) such sums of money by way of deposits or margin as CMC Markets may require under this Agreement, including but not limited to such margin calculated by reference to this Agreement, the PDS and the CMC Markets Product Schedule and in order to always maintain the Minimum Equity Balance;
  - (b) such sums of money as may from time to time be due to CMC Markets under a Contract (including, without limitation, charges specified in the CMC Markets Product Schedule and section 4 of the PDS from time to time) and such sums as may be required in or towards clearance of any debit balance on any Account; and
  - (c) such sums of money as CMC Markets may from time to time require as security for the Client's obligations to CMC Markets.
- 7.2 The Client undertakes to provide to CMC Markets and to maintain on their Account at all times such margin as is required under clauses 7.1, 16 and 22 of this Agreement, and such undertaking is deemed to be repeated at the time of every transaction effected by the Client with CMC Markets. If the Client has more than one Account, this undertaking relates to each Account separately, unless the Client has otherwise agreed with CMC Markets under clause 11.2 of this Agreement.
- 7.3 For the avoidance of doubt, the margin calculation provisions in this Agreement in respect of Contracts are cumulative. The Client's margin requirement is the total of all such calculations.
- 7.4 It is the responsibility of the Client to ensure that moneys sent to CMC Markets are correctly designated in all respects, including, where applicable, that the moneys are by way of margin and to which Account of the Client they should be applied. CMC Markets will provide to the Client from time to time details of such practical arrangements as may apply to making payments to CMC Markets, which may include permitting payments in different currencies as notified by CMC Markets to the Client.
- 7.5 With the prior written agreement of CMC Markets on each occasion, the Client may deposit securities or other assets with CMC Markets, or provide CMC Markets with a guarantee or indemnity from a person in a form acceptable to CMC Markets, instead of cash for the purpose of complying with their obligations under clause 7.1 of this Agreement ("Collateral"). In such case, CMC Markets will notify the Client of such additional terms and conditions as may apply.
- 7.6 **Client to monitor margin:** CMC Markets will provide to the Client through the Electronic Facility access to their Account and sufficient information to enable the Client to calculate the amount of

any margin required by CMC Markets under this Agreement. CMC Markets will report the total amount of margin due from the Client in the Base Currency using the CMC Markets Exchange Rate. It is the responsibility of the Client placing any orders over the telephone to ensure that they request all relevant information in respect of their Account before placing any orders to open or close a position, including all information in respect of their current open positions. CMC Markets will not be responsible for any losses the Client may suffer or incur as a result of not requesting any such relevant information.

- 7.7 It is the responsibility of the Client to monitor at all times the amount of margin deposited with CMC Markets from time to time against the amount of any margin currently required under clause 7.1, 16 and 22 of this Agreement and any additional margin that may be necessary or desirable, having regard to:
- (a) the Client's open positions;
  - (b) the volatility of any relevant Underlying Reference Instrument;
  - (c) the volatility of the relevant market;
  - (d) the volatility of the markets generally;
  - (e) any applicable exchange rate risk;
  - (f) the time it will take for the Client to remit sufficient cleared funds to CMC Markets; and
  - (g) such other matters as the Client, in their absolute discretion, considers appropriate and, in the light of the information provided by CMC Markets under clause 7.6 of this Agreement.
- 7.8 The Client agrees and acknowledges that CMC Markets may in its absolute discretion vary the Margin Percentage. The Margin Percentage, as varied, may apply to existing open positions as well as new open positions, at CMC's Markets absolute discretion.
- 7.9 The Client agrees and acknowledges that any variation of the Margin Percentage under clause 7.9 of this Agreement may take immediate effect on and from the Client being given oral or written notice of the variation in accordance with this Agreement.
- 7.10 Subject to clause 7.11 of this Agreement, the Client waives any right they may have to receive a margin demand, call or notice from CMC Markets in any circumstances. However, CMC Markets may (but is not required to) make a margin demand, call or notice. The waiver given by the Client under this clause 7.10 will not be invalidated should a demand, call or notice be made or given by CMC Markets to the Client in any one or more instances.
- 7.11 Where CMC Markets is not able to provide the Client on-line access through the Electronic Facility to information on the Account due to circumstances within CMC Markets' control, CMC Markets will use reasonable endeavours to make a margin demand. The Client accepts that in extreme circumstances where the Client's open positions are moving or have moved particularly quickly against the Client, CMC Markets may not provide such margin demand before exercising its rights to close out the Client's positions under this Agreement.
- 7.12 For the avoidance of doubt, the Client's responsibilities under this Agreement, including, but not limited to, monitoring their positions and maintaining the required margin at all times under clauses 7.2 and 7.7 of this Agreement, apply 24 hours a day. For example, except in the case of Contracts to which Limited Hours Trading applies, price movements may increase the Client's margin requirement at all times notwithstanding that, in the case of a Spot on a Security, Basket or Index, the relevant primary exchange may be closed.
- 7.13 The Client should be aware that any reduction in the application of Limited Hours Trading under clause 4.5 of this Agreement means that open positions will be marked to market after close of trading on the primary exchange and the Client's margin requirement will vary accordingly. If the Client does not wish to accept this additional risk, the Client may close out any affected Contract at any time after notice has been given under clause 4.5 of this Agreement.
- 7.14 Without limiting the generality of clauses 7.1 to 7.13, the Client agrees and acknowledges that:
- (a) the Client's liability to pay margin in relation to a Contract accrues at the time the transaction takes place and continues to accrue throughout the term of the Contract in respect of margin that the Client must maintain from time to time in respect of the Contract; and

- (b) such liability accrues whether or not a margin demand, call or notice is received from CMC Markets, and if a margin demand, call or notice is received, irrespective of the time the margin demand, call or notice is received.
- 7.15 The Client agrees and acknowledges that the Client's liability in respect of margin demands, calls and notices and any other amounts due and owing under this Agreement is not limited to the amount, if any, deposited with CMC Markets.
- 7.16 **Incorrect crediting of Account:** Except in the case of fraud, CMC Markets does not accept responsibility for any loss or damage suffered by the Client as a result of the Client trading on moneys deposited in or credited to the Client's Account in error by, or upon behalf of, CMC Markets.
- 7.17 For the avoidance of doubt, CMC Markets will be entitled at any time to deduct, without notice or recourse to the Client, any moneys deposited in, or credited to, the Client's Account in error by, or upon behalf of, CMC Markets.
- 7.18 **Time for forwarding moneys:** For the avoidance of doubt, CMC Markets is not obliged to allow the Client time to forward further funds to meet such margin as is required under this clause 7 before exercising its right to close out the Client's positions under this Agreement. However, CMC Markets may in its absolute discretion allow the Client time to forward funds so as to meet their margin requirements, in which event that permission is only effective once it is confirmed in writing by CMC Markets, and only to the extent specified in the written notice given by CMC Markets.

## 8. CMC Markets rights to limit or close the Client's positions

- 8.1 CMC Markets has the right, whether with or without prior demand, call or notice, and in addition to any other rights it may have under this Agreement:
  - (a) to close out all or part, as CMC Markets reasonably considers appropriate, of the Client's open positions; or
  - (b) to limit the size of the Client's open positions either in monetary terms or in number of Contracts (net or gross); or
  - (c) to refuse orders to establish new positions,
 if:
  - (d) CMC Markets reasonably considers that there are abnormal trading conditions; or
  - (e) CMC Markets, in its reasonable opinion, considers it necessary for the protection of its rights under this Agreement; or
  - (f) CMC Markets is unable to make prices in the relevant Contract due to the unavailability of the relevant market information for reasons beyond CMC Markets' control; or
  - (g) CMC Markets so decides in its absolute discretion and, in this case only, gives written notice of such decision to the Client; or
  - (h) CMC Markets considers that the Client may be in possession of "inside information" within the meaning of section 1042A of the Corporations Act; or
  - (i) CMC Markets considers that the Client may be in breach of any Applicable Law; or
  - (j) CMC Markets or the Client is so requested by ASIC or any other regulatory agency or authority; or
  - (k) any of the circumstances set out in paragraphs (c) to (g) of the definition of Specified Event apply to the Client; or
  - (l) the Client fails to provide any margin, deposit or other sum due under this Agreement in respect of any Contract; or
  - (m) margin moneys or Collateral held by CMC Markets in respect of any open Contract which has been purchased on margin fall below CMC Markets' margin requirements; or
  - (n) CMC Markets exercises its right to vary this Agreement in accordance with clause 28.2 of this Agreement; or

- (o) the aggregate of the Client's order and all other orders for a Contract is outside the Normal Trading Size; or
  - (p) a Position Limit is or likely to be exceeded.
- 8.2 Clause 8.1 does not create any obligation for CMC Markets to exercise its rights under clause 8.1.
- 8.3 In addition to its rights under clause 8.1(a), CMC Markets, may in its absolute discretion, give notice orally or in writing, that the size of the Client's open positions are to be limited, either in monetary terms or in number of Contracts (net or gross).
- 8.4 CMC Markets' rights under clause 8.1(a) of this Agreement will not be affected or restricted because CMC Markets has accepted an order or orders of the Client which result in the Client exceeding a Position Limit.
- 8.5 If CMC Markets exercises its right to close out all or part of any open Contract, CMC Markets may apply any proceeds to payment of any amounts due to CMC Markets by the Client.
- 8.6 In relation to CMC Markets' right to close out all or part of any open Contract in the circumstances specified in clause 8.1(a) of this Agreement, the Client accepts that CMC Markets may close out which of the Client's positions and in what proportion that it decides in its absolute discretion.
- 8.7 CMC Markets may close out all or part of the Client's position in accordance with CMC Markets' rights under this Agreement including where the Account is in deficit. However, that does not affect, or detract from, the Client's obligations to maintain the necessary margin requirements under this Agreement. In the event that the Client continues to trade outside the necessary margin requirements under this Agreement, the Client remains liable for the full debit balance on the Account arising from their trading.
- 8.8 The size of the Client's CFD position must exceed the Minimum Trading Size.

## 9. The Client's money

- 9.1 **Australian Client Money Rules and Authorisations:** All money paid to CMC Markets by the Client or a person acting on behalf of the Client, or which is received by CMC Markets on behalf of the Client, will be held by CMC Markets in one or more segregated trust accounts. These moneys do not constitute a loan to CMC Markets. The Client agrees and acknowledges that individual Client accounts are not separated from each other within the segregated trust accounts operated by CMC Markets and that the Client understands the possible risks of this as explained in the PDS it has received or downloaded.
- 9.2 CMC Markets may invest any of the Client's money held in any segregated trust account as permitted by the Australian Client Money Rules and the Client irrevocably and unconditionally authorises CMC Markets to undertake any such investment.
- 9.3 Unless otherwise agreed in writing with the Client:
- (a) CMC Markets will be solely entitled to any interest or earnings derived from the Client's moneys being deposited in a segregated trust account or invested by CMC Markets in accordance with the Australian Client Money Rules with such interest or earnings being payable to CMC Markets from the relevant segregated trust account or investment account, as the case requires as and when CMC Markets determines;
  - (b) upon realisation of an investment of the Client's moneys, the initial capital invested must either be invested in another investment permitted by the Australian Client Money Rules or deposited by CMC Markets into a segregated trust account operated in accordance with the Australian Client Money Rules;
  - (c) in the event that the amount received upon realisation of an investment of the Client's moneys is less than the initial capital invested, CMC Markets must pay an amount equal to the difference into a segregated trust account for the benefit of the Client, except where any such difference is the result of amounts paid out of the investment to CMC Markets and/or any Associate of CMC Markets in accordance with the terms and conditions of this Agreement;
  - (d) CMC Markets will not charge a fee for investing the Client's moneys in accordance with the Australian Client Money Rules.

- 9.4 If property, other than money, is given to CMC Markets by the Client or a person acting on behalf of the Client or for the benefit of the Client, it must be held by CMC Markets on trust in accordance with the Australian Client Money Rules.
- 9.5 The Client irrevocably and unconditionally authorises CMC Markets and/or any Associate of CMC Markets to:
- (a) withdraw, deduct or apply any amounts payable by the Client to CMC Markets and/or any Associate of CMC Markets under this Agreement from the Client's moneys held in any segregated trust account or invested by CMC Markets, including, without limitation making a payment for, or in connection with, the margining, adjusting or settling of dealings in Contracts entered into by the Client or the payment of interest or finance charges to CMC Markets, it being acknowledged and agreed by the Client that such amounts belong to CMC Markets under this Agreement and may be used by CMC Markets in its business from time to time, including for the payment of amounts to CMC Markets' counterparties;
  - (b) pay, withdraw, deduct or apply any amounts from the Client's moneys held in any segregated trust account or invested by CMC Markets as permitted by the Australian Client Money Rules, it being acknowledged and agreed by the Client that any such amounts that belong to CMC Markets may be used by CMC Markets in its business from time to time, including for the payment of amounts to CMC Markets' counterparties;
  - (c) deal with any property, other than money, given to CMC Markets in accordance with the terms and conditions of this Agreement, including, without limitation:
    - (i) dealing with such property in connection with the margining, adjusting or settling of dealings in Contracts entered into by the Client; or
    - (ii) selling or charging in any way any or all of the Client's property which may from time to time be in the possession or control of CMC Markets or any of CMC Markets' Associates following the happening of a Specified Event;
  - (d) deal with any property, other than money, given to CMC Markets as permitted by the Australian Client Money Rules.
- 9.6 If the balance of an Account held by an Australian resident for tax purposes exceeds the Interest Qualification Level (as detailed in section 6.8 of the PDS) then CMC Markets will pay interest on such balance, after all respective margins have been deducted, at such rate as CMC Markets may determine from time to time. The rate of interest is available from CMC Markets on request.
- 9.7 If there is a debit balance on an Account, notwithstanding any Collateral as may have been provided to CMC Markets, then the Client will pay interest to CMC Markets on the full amount of that balance at such rate as CMC Markets may determine from time to time. The rate of interest is available from CMC Markets on request.
- 9.8 **Third Party Accounts:** The Client must ensure that any cheque drawn by it, or transfer of moneys, is from an account in its name and not from that of another party, unless CMC Markets has previously agreed in writing to accept such cheque or transfer.
- 9.9 It is agreed and acknowledged by the Client that:
- (a) CMC Markets may in its absolute discretion, without creating an obligation to do so, return any cheque drawn on, or transfer of moneys from, a third party account, unless CMC Markets has previously agreed in writing to accept such cheque or transfer;
  - (b) CMC Markets will not accept or bear any liability or responsibility whatsoever for any loss incurred by the Client as a result of, or arising out of, or in connection with, CMC Markets returning any cheque drawn on, or transfer of moneys from, a third party account, including any loss incurred by the Client because it is subsequently in default of its obligations under the Terms of Business.

## 10. Commission and taxation

- 10.1 If express reference is made in the CMC Markets Product Schedule to a commission fee payable in respect of any Contract, on the first Business Day after the parties have entered into a Contract, the Client must pay to CMC Markets the commission fee as set out in the CMC Markets Product Schedule in respect of such Contract.

- 10.2 The Client will pay all applicable Goods and Services Tax and other taxes and all other fees reasonably incurred by CMC Markets in connection with any Contract. Any future imposition of stamp duty or other tax, which may from time to time be levied in respect of contracts for difference, will be for the account of, and payable by, the Client.
- 10.3 CMC Markets is entitled to deduct or withhold from any payment made under this Agreement or credited to any Account of the Client any tax required by law to be deducted or withheld from any such payment or credit.

## 11. The Client's Account

- 11.1 Except as otherwise expressly provided in this Agreement, where the Client has opened more than one Account with CMC Markets, CMC Markets will treat such Accounts as entirely separate. Therefore, any credit, including moneys deposited as margin, on one Account will not, except where CMC Markets exercises its rights under clause 26 of this Agreement, discharge any liabilities of the Client in respect of another Account.
- 11.2 Where the Client so requests in writing, CMC Markets may, in its absolute discretion, agree to treat the Client's Accounts as one Account. In this case, all references to the Account in this Agreement will be to the Client's Accounts as so aggregated. Such request will, if agreed by CMC Markets, take effect on the date notified to the Client by CMC Markets, which will be no later than 7 days from the date of actual receipt of the request by CMC Markets.
- 11.3 The Client's Account may comprise a number of currency ledgers, which will operate as follows:
- (a) CMC Markets may accept payments into the Account in different currencies in accordance with clause 7.4 of this Agreement and any payments due to or from CMC Markets and any net balances on the Account will be reported by CMC Markets in the respective currency ledger;
  - (b) the Client may select from time to time by giving CMC Markets 7 Business Days' notice in writing one currency to be the Base Currency applicable to the Account;
  - (c) the Client accepts that where they enter into one or more Contracts denominated in a currency other than the Base Currency, a currency ledger will be created on the Account and will remain until all Contracts in such currency are closed provided that the Client may from time to time request CMC Markets to convert any relevant currency balances to the Base Currency, in which case the CMC Markets Exchange Rate will apply;
  - (d) CMC Markets will additionally report all sums due to or from CMC Markets, whether by way of margin or otherwise, and the net balance on the Account in the Base Currency using the CMC Markets Exchange Rate;
  - (e) CMC Markets will generally settle trades in the relevant currency where the Account comprises such currency ledger, except that where such currency balance is insufficient, CMC Markets may settle trades in any currency for which there is a currency ledger in the Account using the CMC Markets Exchange Rate;
  - (f) the Client may direct CMC Markets to convert any currency balance to the Base Currency at any time using the CMC Markets Exchange Rate; and
  - (g) CMC Markets may convert any currency balances to the Base Currency if the Account's Total Equity falls below US\$200 or currency equivalent.

## 12. Payments

- 12.1 If the Client makes any payment under this Agreement which is subject to any withholding or deduction pursuant to clause 10.3 of this Agreement, the Client must pay to CMC Markets such additional amount to ensure that the amount actually received by CMC Markets will equal the full amount CMC Markets would have received had no withholding or deduction been made.
- 12.2 If on any date the same amounts are payable under this Agreement in respect of the same Account by each party to the other in the same currency, then, on such date, each party's obligations to make payment of any such amount will be automatically satisfied and discharged.
- 12.3 If the aggregate amount that is payable by one party exceeds the aggregate amount that is payable by the other party in the same currency, then the party by whom the larger aggregate

amount is payable must pay the excess to the other party and the obligations to make payment of each party will be satisfied and discharged.

- 12.4 Unless specified otherwise in this Agreement, all amounts due to CMC Markets (or agents used by CMC Markets) under this Agreement will, at CMC Markets' option:
- (a) be deducted from any funds held by CMC Markets for the Client; or
  - (b) be paid by the Client in accordance with the provisions of the relevant difference account, Contract Note or other advice, such as the daily or monthly statement.
- 12.5 If the Account shows a credit balance, the Client may request CMC Markets to send to the Client a cheque or effect payment by alternative means in respect of such amount as the Client may specify. However, CMC Markets may at its discretion elect to withhold any payment requested (in whole or in part) due to the Client if:
- (a) open positions on the Account show notional losses; and/or
  - (b) CMC Markets reasonably considers that funds may be required to meet any current or future margin requirement on open positions due to underlying market conditions; and/or
  - (c) in accordance with clause 26.3 of this Agreement, the Client has any contingent liability to CMC Markets or to any of its Associates in respect of any other account of the Client opened with them; and/or
  - (d) CMC Markets reasonably determines that there is an unresolved dispute between CMC Markets and the Client in connection with this Agreement or any related Contract; and/or
  - (e) CMC Markets considers it necessary or desirable to enable CMC Markets to comply with its regulatory or legal obligations,
- and CMC Markets will, except where clause 12.5(e) of this Agreement applies, notify the Client as soon as reasonably practicable if it decides to take such action.
- 12.6 **Title and interest:** Each party agrees that all rights, title and interest to and in any payment which it transfers to the other party in respect of a Contract under this Agreement vests in the recipient clear of any liens, charges, encumbrances or any other interest of the transferor or any third party.
- 12.7 Nothing in this Agreement is intended to create or does create in favour of either party any mortgage, charge, lien, pledge or other security interest in any cash or other property transferred by one party to the other party under any Contract.

## PART II – SPOT CONTRACTS FOR DIFFERENCE

Note: This section sets out additional provisions which apply to all Contracts which are spot contracts for difference.

### 13. Interpretation

"Spot" means any Contract, other than a Future, which is a contract for difference entered into between CMC Markets and the Client with the purpose of securing a profit or avoiding a loss by reference to fluctuations in the price of the Underlying Reference Instrument.

### 14. The purpose of a Spot

14.1 The purpose of a Spot is to secure a profit or avoid a loss by reference to fluctuations in the price of the Underlying Reference Instrument. In the context of the Services, the Underlying Reference Instrument may be:

- (a) a single Security or Grey Market Security;
- (b) a basket of Securities;
- (c) an Index;
- (d) an exchange rate between two currencies;
- (e) a Treasury Product;
- (f) a base or precious metal;
- (g) a commodity;
- (h) an index futures contract;
- (i) a currency futures contract; or
- (j) such other property, index or contract as CMC Markets may from time to time agree in writing.

14.2 CMC Markets and the Client agree that it is an express term of each Spot that:

- (a) neither party:
  - (i) acquires any interest in or right to acquire; and
  - (ii) is obliged to sell, purchase, hold or deliver or receive:

Securities, Related Securities, Grey Market Securities, Related Index Futures Contracts, Related Currency Futures Contracts, currencies, Treasury Products, base or precious metals or commodities or any other Underlying Reference Instrument by virtue of any Spot; and

- (b) the rights and obligations of each party under the Spot are principally to make and receive such payments as are provided for in this Part II of this Agreement and on any Contract Note.

### 15. CMC Markets' pricing

15.1 CMC Markets will quote the indicative Contract Price on which the Client may accept to trade, as set out in clause 3 of this Agreement. These indicative Contract Prices are calculated according to the method specified in paragraph 2 of the relevant Schedule, unless an amended quote is provided to the Client pursuant to section 15.2 of this Agreement.

15.2 When the Client requests to place an order, CMC Markets may provide an amended quote of the Contract Price to that originally quoted by CMC Markets' software. This may occur, for example, when the Client places an order outside the Normal Trading Size, or the aggregate of the Client's order and all other orders for a Contract is outside the Normal Trading Size, or to take account of any change in market conditions since the original quote. Such amended Contract Price will be determined by CMC Markets as it considers representative, fair and reasonable, having regard to the applicable prices and costs of entering into a transaction of that size on the relevant market. The Client is free, in its absolute discretion, to accept or reject the amended quote while it is available. The amended quote may no longer be available if there is any delay in acceptance.

## 16. Margin calculations

16.1 At the time of each transaction, the Client will have margin on the Account at least equivalent to:

**Margin Percentage x current Contract Price x Contract Quantity**

16.2 Commencing from the time of the transaction and throughout the term of the Spot, the Client must have and maintain margin on the Account at least equivalent to the total of:

**Margin Percentage x current Contract Price x Contract Quantity**

in respect of all open Spot positions on the Account where the current Contract Price will equal the mid price between the bid and offer Contract Price then being quoted by CMC Markets and calculated under clause 15 of this Agreement. The amount of margin on the Account at any time will be determined as if such payments as are due under clause 17.4 of this Agreement were calculated and deducted from the Account on an ongoing basis during the day based upon the current bid or offer Contract Price (as applicable) from time to time.

## 17. Close of business accounting

17.1 Commencing at Close of Business on the date of the transaction and at Close of Business on each subsequent Business Day during the term of the Spot (including the Closing Date), CMC Markets will perform the obligations set out in this clause 17 of this Agreement.

17.2 CMC Markets will determine the Contract Price in accordance with paragraph 3 of the relevant Schedule.

17.3 CMC Markets will calculate the Contract Value, which will equal:

**Contract Price x Contract Quantity**

17.4 If on the date of the transaction:

- (a) the current Contract Value exceeds the Opening Value, the Short Party will pay to the Long Party such excess;
- (b) the Opening Value exceeds the current Contract Value, the Long Party will pay to the Short Party such excess.

If, on any Business Day during the term of the Spot (including the Closing Date):

- (c) the current Contract Value exceeds the Contract Value on the preceding Business Day, the Short Party will pay to the Long Party such excess;
- (d) the Contract Value on the preceding Business Day, exceeds the current Contract Value, the Long Party will pay to the Short Party such excess.

17.5 Where the Client is the Long Party and express reference is made in the Schedule to interest payable by the Client, CMC Markets will debit from the Account an amount equivalent to the overnight interest to the next Business Day equal to the Relevant Interest Rate plus the relevant Interest Percentage on the Contract Value. Such debit amount will accrue for each day or part day (taking the annual rate divided by 365 or 360 according to relevant market practice) up to and including the Settlement Date.

17.6 Where the Client is the Short Party and express reference is made in the Schedule to interest receivable by the Client, CMC Markets will credit to the Account an amount equivalent to overnight interest to the next Business Day equal to the Relevant Interest Rate minus the relevant Interest Percentage on the Contract Value. Such credit amount will accrue for each day or part day (taking the annual rate divided by 365 or 360 according to relevant market practice) up to and including the Settlement Date.

17.7 Any payments due under this clause 17 will, subject to clause 18.11 of this Agreement, be made by CMC Markets adjusting the Account with effect immediately after Close of Business on the relevant Business Day.

**18. Closing a Spot**

- 18.1 A Spot may be closed out if:
- (a) the Client gives instructions to close a Spot by entering into an equal and opposite Spot, irrespective of the date on which either Spot closes automatically under clause 18.3 of this Agreement; or
  - (b) CMC Markets exercises any of its rights under this Agreement to close a Spot at any time before the Spot closes automatically under clause 18.3 of this Agreement.
- 18.2 Details of the last day and time for closing out a Spot are available on request. It is the responsibility of the Client to be aware of the last day and time for closing out a particular Spot.
- 18.3 A Spot will close automatically in the circumstances set out in paragraph 4 of the relevant Schedule.
- 18.4 Where CMC Markets exercises any of its rights under this Agreement to close a Spot, it will do so by entering into an equal and opposite Spot on the Account, irrespective of the date on which either Spot closes automatically under clause 18.3 of this Agreement.
- 18.5 Where:
- (a) CMC Markets exercises any of its rights under this Agreement to close a Spot; or
  - (b) a Spot closes automatically under clause 18.3 of this Agreement, CMC Markets will determine the Contract Price at the time of closing in accordance with the current prices then being quoted by CMC Markets, provided that, save where the Spot to be closed is outside the Normal Trading Size, the CMC Markets Spread used in calculating the Contract Price will not exceed 20% or one pence (or equivalent currency unit), whichever is the greater.
- 18.6 A Spot will close at the Contract Value at the time of closing as calculated by CMC Markets, which will equal:

**Contract Price x Contract Quantity,**

and as notified to the Client on the relevant Contract Note.

- 18.7 Subject to clauses 18.8 and 18.9 of this Agreement, a Spot will close automatically at Close of Business on each Business Day and be replaced by an equivalent Spot with effect immediately after Close of Business on such Business Day provided that this will not affect the automatic closing of a Spot under clause 18.3 of this Agreement, such that the 5 year period will run from the date on which the Spot was first entered into, and provided further that when such Spot closes automatically under clause 18.3 of this Agreement, it will not be reopened in accordance with this clause 18.7 of this Agreement.
- 18.8 If the Client is long and short a Spot, CMC Markets will, with effect immediately after Close of Business on the Closing Date, close the relevant long and short Spots and record in the Account the balance (if any) of the Client's then outstanding long or short position in the Spot, as appropriate. If there is more than one Spot in relation to the particular Underlying Reference Instrument, CMC Markets may close out whichever Spot it considers appropriate.
- 18.9 Where the Client has two or more Spots:
- (a) which are in respect of the same Underlying Reference Instrument; and
  - (b) where the Client is in all such Spots either the Long Party or the Short Party; CMC Markets will, with effect immediately after Close of Business on each Business Day replace such Spots with a single aggregated Spot equivalent to the total of the Contract Quantities of each such Spot. The date on which such replacement Spot will expire automatically under clause 18.3 of this Agreement will be the latest of the expiry dates of each of the original Spots.
- 18.10 Where a Spot has been closed out during a Business Day, clauses 15 to 17 of this Agreement will continue to apply to the Client's long and short positions in the particular Underlying Reference Instrument until Close of Business on such Business Day and will apply to the balance of the

Client's outstanding long or short position (if any) in the relevant Underlying Reference Instrument with effect immediately after Close of Business on such Business Day.

- 18.11 Any payment due by either CMC Markets or the Client under clause 17 of this Agreement or this clause 18 in respect of dates on or after the Closing Date will be made by CMC Markets adjusting the Account at Close of Business on the Settlement Date.
- 18.12 Except as otherwise expressly provided, this clause 18 will apply without prejudice to paragraph 5.16 of Schedule 2.

## **19. Additional provisions**

The additional provisions set out in paragraph 5 of the relevant Schedule will apply.

## PART III – FUTURE CONTRACTS

Note: This section sets out additional provisions which apply to all Contracts which are future contracts.

### 20. Interpretation

- 20.1 **"Future"** means any Contract which is a contract for difference entered into between CMC Markets and the Client with the purpose of securing a profit or avoiding a loss by reference to fluctuations in the price of the Underlying Reference Instrument which provides for delivery at a future date (the **"Specified Date"**);
- 20.2 **"Forward"** means any Future in relation to a currency or cross currency.

### 21. Future offered by CMC Markets

- 21.1 In the context of the Services, the Underlying Reference Instrument of a Future may be:
- (a) a single Security or Grey Market Security;
  - (b) a basket of Securities;
  - (c) an Index;
  - (d) an exchange rate between two currencies;
  - (e) a Treasury Product;
  - (f) a base or precious metal;
  - (g) a commodity;
  - (h) an index futures contract;
  - (i) a currency futures contract; or
  - (j) such other property, or index or contract as CMC Markets may from time to time specify in writing.
- 21.2 CMC Markets and the Client agree that it is an express term of each Future that:
- (a) neither party:
    - (i) acquires any interest in or right to acquire; and
    - (ii) is obliged to sell, purchase, hold or deliver or receive:  
Securities, Related Securities, Grey Market Securities, Related Index Futures Contracts, Related Currency Futures Contracts, currencies, Treasury Products, base or precious metals or commodities or any other Underlying Reference Instrument by virtue of any Future; and
  - (b) the rights and obligations of each party under the Future are principally to make and receive such payments as are provided for in this Part III of this Agreement and on any Contract Note.

### 22. Application of Spot provisions

- 22.1 CMC Markets will, subject to the provisions of the relevant parts of the Schedules, treat Futures in the same manner as Spots as regards:
- (a) CMC Markets' pricing;
  - (b) margin requirements; and
  - (c) close of business accounting,

and clauses 15 to 17 of this Agreement will apply as if each reference to a Spot was to a Future provided that no interest will be payable by either CMC Markets or the Client under clause 17.5 or 17.6 of this Agreement in respect of a Future.

## 23. Swaps

- 23.1 At any time before Close of Business on the Specified Date of a Future, the Client may request a quote from CMC Markets to amend the Specified Date. The acceptance of which will be at the absolute discretion of CMC Markets and effected as follows:
- (a) the Client enters into a swap contract with CMC Markets at such Contract Value as agreed between CMC Markets and the Client;
  - (b) the Client's Account will be debited or credited (as applicable) with the Contract Value of the swap contract;
  - (c) the relevant Future is closed in accordance with clause 24 of this Agreement; and
  - (d) the Client enters into a replacement Future with CMC Markets at the Contract Price then generally being quoted by CMC Markets for such Future.

## 24. Closing a Future

- 24.1 CMC Markets will, subject to clause 24.2 of this Agreement and the provisions of the relevant parts of the Schedules, treat Futures in the same manner as Spots as regards closing and clause 18 of this Agreement will apply as if each reference to a Spot was to a Future.
- 24.2 The specific changes to clause 18 of this Agreement as it applies to closing a Future are as follows:
- (a) the phrase "**irrespective of the date on which either Spot closes automatically under clause 18.3**" in clause 18.1(a) will be replaced in all cases by "**with the same Specified Date**";
  - (b) clause 18.7 of this Agreement will not apply to Futures and will be replaced by clause 24.3 below; and
  - (c) in clauses 18.8 and 18.9 of this Agreement, reference to the "**Underlying Reference Instrument**" will be to the "**Underlying Reference Instrument with the same Specified Date**".
- 24.3 Subject to clauses 18.8 and 18.9 of this Agreement as amended by clause 24.2 of this Agreement, a Future will close automatically at Close of Business on the Specified Date and:
- (a) if the period from the date of the transaction to the Specified Date of the Future is, or is part of, a market standard period for which equivalent contracts are traded on the relevant exchange as reasonably determined by CMC Markets, such Future will be replaced with effect immediately after Close of Business on the Specified Date by an equivalent Future on the same Underlying Reference Instrument for the same market standard period to the replacement Specified Date. The Opening Value of such replacement Future will equal the current Contract Price of the replacement Future multiplied by the applicable Contract Quantity. The provisions of Part III of this Agreement and the relevant part of the Schedules will then apply to such Future;
  - (b) if the period from the date of the transaction to the Specified Date of the Future is not a standard period within clause 24.3(a) of this Agreement, such Future will be replaced with effect immediately after Close of Business on the Specified Date by a Spot on the same Underlying Reference Instrument. The Opening Value of such Spot will equal the closing Contract Value of the Future as determined by CMC Markets under this clause 24 and the provisions of Part II of this Agreement and the relevant part of the Schedules will then apply to such Spot; and in either case provided that:
    - (i) this will not affect the automatic closing of a Future under clause 18.3 of this Agreement, such that the 5 year period will run from the date on which the original Future was first entered into; and
    - (ii) when such Future closes automatically under clause 18.3 of this Agreement, it will not be reopened in accordance with this clause 24.3.
- 24.4 If a Future is replaced by a Future under clause 24.3 of this Agreement, at Close of Business on the Specified Date of the original Future, CMC Markets will calculate the difference between:

- (a) the closing Contract Value of the original Future as determined by CMC Markets under clause 24 of this Agreement; and
- (b) the Opening Value of the replacement Future,  
and CMC Markets will:
- (c) if the amount calculated under clause 24.4(a) is greater than the amount calculated under clause 24.4(b) credit the difference to the Account; and
- (d) if the amount calculated under clause 24.4(b) is greater than the amount calculated under clause 24.4(a) debit the difference from the Account.

## **25. Additional provisions**

The additional provisions set out in the relevant part of the Schedules to these Terms of Business will apply.

## PART IV – MISCELLANEOUS

Note: This section sets out additional provisions which govern the general operation of this Agreement.

### 26. Default

- 26.1 Following the happening of a Specified Event, CMC Markets will have the right:
- (a) to sell or charge in any way any or all of the Client's assets and property which may from time to time be in the possession or control of CMC Markets or any of CMC Markets' Associates or agents or call on any guarantee; and/or
  - (b) to call on any guarantee in respect of the Client's obligations; and/or
  - (c) to require the Client immediately to close out and settle a Contract in such manner as CMC Markets may in its absolute discretion request; and/or
  - (d) to enter into any transaction, at such rates and times as CMC Markets may determine, in order to meet obligations incurred under a Contract.
- 26.2 The Client authorises CMC Markets to take any or all of the steps described in this clause 26 without prior notice to the Client and acknowledges that CMC Markets will not be responsible for any consequences of it taking any such steps. The rights described in this clause 26 are in addition to any other rights which CMC Markets or any of its Associates may have against the Client. The Client will execute such documents and take such other action as CMC Markets may request in order to protect the rights of CMC Markets and its Associates under this Agreement or under any agreement the Client may have with any of them.
- 26.3 Upon the happening of a Specified Event and without prejudice to CMC Markets' other rights, CMC Markets may, at any time and without notice:
- (a) combine, close or consolidate all or any of the Accounts maintained by the Client with CMC Markets or any of its Associates and off-set any and all amounts owed to, or by, CMC Markets or any of its Associates in such manner as CMC Markets may in its absolute discretion determine; and
  - (b) retain any sum owed by CMC Markets or any of its Associates to the Client against any contingent liability of the Client to CMC Markets or any of its Associates for so long as the contingency subsists.

### 27. Conflicts of interest

- 27.1 CMC Markets, its Associates or other persons connected with CMC Markets may have an interest, relationship or arrangement that is material in relation to any Contract effected, or advice provided by CMC Markets, under this Agreement. By entering into this Agreement the Client agrees that CMC Markets may transact such business without prior reference to the Client.
- 27.2 In addition:
- (a) CMC Markets may provide advice and other services to third parties whose interests may be in conflict or competition with the Client's interests;
  - (b) CMC Markets, its Associates and the employees of any of them may, or may act on behalf of other customers who may take positions opposite to the Client or may be in competition with the Client to acquire the same or a similar position.
- 27.3 CMC Markets will not deliberately favour any person over the Client but will not be responsible for any loss which may result from such competition.
- 27.4 From time to time CMC Markets may effect transactions with or through its Associates in order to provide the Services.
- 27.5 CMC Markets may share commission and charges with its Associates or other third parties or receive remuneration from them in respect of Contracts entered into by CMC Markets with the Client. Details of any such remuneration or sharing arrangement will not be set out on the relevant Contract Note but will be disclosed in accordance with any requirements of any Applicable Law.

- 27.6 Neither party will directly or indirectly undertake any act or engage in any course of conduct which seeks to artificially alter or distort, or otherwise manipulate, the price or volume, or to give a false or misleading appearance of trading activity, in the relevant Underlying Reference Instrument market in relation to any transaction contemplated by this Agreement.

## 28. Amendments

- 28.1 This Agreement, together with the current PDS and the FSG and all Contract Notes and confirmations sent to the Client in respect of each transaction, will form the entire agreement between the parties governing the provision of the Services. This Agreement and the current PDS and FSG, supersede all previous oral or written representations, arrangements, understandings and/or agreements (including any previous PDS and previous FSGs) between the Client and CMC Markets which relate to the Services. Neither CMC Markets nor the Client has relied on any representation, arrangement, understanding or agreement not expressly referred to or set out in this Agreement and the current PDS and the FSG.
- 28.2 CMC Markets may vary, update or replace this Agreement and the current PDS and FSG at any time by:
- (a) written notice to the Client in accordance with clause 44 of this Agreement;
  - (b) posting the notice and/or supplementary or new PDS or FSG on its website;
  - (c) sending a written notice to the Client containing a link to the notice and/or supplementary or new PDS or FSG; and/or
  - (d) as otherwise permitted by Applicable Law.
- 28.3 The Client agrees that:
- (a) CMC Markets may make available to the Client any notice and/or supplementary or new PDS or FSG, by any one or more of the means specified in clause 28.2 of this Agreement; and
  - (b) if the notice and/or supplementary or new PDS or FSG is made available to the Client by more than one means, it is deemed to be made available to the Client at the earliest possible time.
- 28.4 Where the notice and/or supplementary or new PDS or FSG is posted on CMC Markets' website, it is deemed to have been made available to all Clients as at the time the relevant document was posted by CMC Markets on its website. The Client agrees that the version of this Agreement published on CMC Markets' website at the time of entering into a Contract governs that Contract.
- 28.5 Any changes to these Terms of Business will become effective on the date specified in the notice and/or supplementary or new PDS, which will be immediately after the notice and/or supplementary or new PDS is made available to the Client in accordance with clause 28.2 of this Agreement and such amendment will, where applicable, also amend the terms of any Contract that is open on the effective date. The Client has the right to close out their open positions and/or terminate this Agreement at any time in accordance with the terms of this Agreement. This clause 28.6 is subject to any Applicable Law.
- 28.6 CMC Markets may at any time by written notice to the Client cease to offer to trade in any Spot or Future. The notice will specify a date on which CMC Markets will cease to offer to trade in the Underlying Reference Instrument and such date will be at least 7 days after the notice is sent. The Client agrees to close out all open positions in relation to the Spot or Future before the date specified in the notice. CMC Markets will close out any remaining open positions held in the Spot or Future on the date specified in the notice with effect from close of trading on that day.
- 28.7 If CMC Markets exercises its right to close out the Client's remaining positions under clause 28.7 of this Agreement, CMC Markets will close out those open positions at the Closing Price for that Spot or Future except where the Client's open positions are outside the Normal Trading Size. In the event that the Client's open positions are outside the Normal Trading Size, CMC Markets will close those positions at a reasonable price to be determined by CMC Markets in accordance with market practice and in its absolute discretion.

## 29. Termination

- 29.1 The Client may terminate this Agreement immediately by giving written notice to CMC Markets.
- 29.2 Subject to clause 29.3 of this Agreement, CMC Markets may terminate this Agreement at any time on giving 7 days' notice to the Client.
- 29.3 CMC Markets may terminate this Agreement immediately by giving written notice to the Client if a Specified Event occurs.
- 29.4 No penalty will be payable by either party on termination of this Agreement. Termination will not affect any accrued rights. On termination by any party, CMC Markets may consolidate all Accounts held by the Client, and deduct all amounts due to it or to any of its Associates from any Account, before transferring any credit balances on any Account to the Client.
- 29.5 At any time after the termination of this Agreement, CMC Markets may, without notice, close out any Contract between CMC Markets and the Client.

## 30. Indemnity and limitation of liability

- 30.1 The Client will indemnify CMC Markets and keep CMC Markets indemnified against all losses, taxes, expenses, costs and liabilities whatsoever (present, future, contingent or otherwise and including reasonable legal fees) which may be suffered or incurred by CMC Markets as a result of or in connection with:
- (a) the Client's breach of this Agreement;
  - (b) CMC Markets entering into any Contract;
  - (c) CMC Markets taking any of the steps described in clause 26 of this Agreement; or
  - (d) any representation or warranty given by the Client being incorrect or untrue,
- unless and to the extent only that such losses, taxes, expenses, costs and liabilities are suffered or incurred as a result of CMC Markets' negligence or wilful default.
- 30.2 This indemnity will survive termination of this Agreement.
- 30.3 CMC Markets will not be liable:
- (a) for any loss, expense, cost or liability (together "Loss") suffered or incurred by the Client as a result of or in connection with the provision of the Services unless and to the extent that such Loss is suffered or incurred as a result of CMC Markets' gross negligence or wilful default; or
  - (b) for any consequential loss suffered or incurred by the Client whether arising from CMC Markets' negligence or otherwise; or
  - (c) any loss suffered or incurred by the Client as a result of any error in any order or instruction given by an Authorised Person or CMC Markets acting on any order or instruction which is, or appears to be, from an Authorised Person.

## 31. Client warranties and representations

- 31.1 **General:** The Client warrants and represents that:
- (a) they are not under any legal disability with respect to, and are not subject to any law or regulation which prevents their performance of, this Agreement or any Contract contemplated by this Agreement;
  - (b) they have obtained all necessary consents and have the authority to enter into this Agreement (and if the Client is a company, they are properly empowered and have obtained necessary corporate or other authority pursuant to their constitutional and organisational documents);
  - (c) investments or other property supplied by the Client for any purpose will, subject to this Agreement, at all times be free from any charge, lien, pledge or encumbrance and, unless the Client is a trustee, will be beneficially owned by the Client;

- (d) they are in compliance with all laws to which they are subject including, without limitation, all tax laws and regulations, exchange control requirements and registration requirements;
- (e) they have not stopped paying and are able to pay their debts as and when they fall due and are not otherwise insolvent or presumed to be insolvent under any law;
- (f) no liquidator, provisional liquidator, receiver, receiver and manager, trustee, controller, official manager, administrator or similar officer has been appointed in relation to them and no application has been made for the appointment of any of these persons; and (g) the information provided by the Client to CMC Markets is complete, accurate and not misleading in any material respect.

The above warranties and representations will be deemed to be repeated each time the Client provides instructions to CMC Markets.

### 31.2 Trustees:

- (a) This clause 31.2 will apply where the Client is a trustee of a trust or fund, including a superannuation fund.
- (b) In this clause 31.2:
  - (i) **"Trust"** means the trust or fund described in the Client's application form; and
  - (ii) **"Trust Deed"** means the trust deed described in the application (as varied, substituted, supplemented or resettled from time to time) that governs the Trust.
- (c) The Client agrees and acknowledges that it enters into this Agreement in its personal capacity and in its capacity as trustee of the Trust.
- (d) In addition to any other representations and warranties made by the Client, the Client further represents and warrants to CMC Markets that:
  - (i) the Trust was validly created, is in existence at the date of the Client's application and the Trust Deed has been duly stamped by the appropriate authorities;
  - (ii) the Client was validly appointed as trustee of the Trust and is presently the sole trustee;
  - (iii) the Trust is solely constituted by the Trust Deed;
  - (iv) the Client:
    - (A) has full, complete, valid and unfettered authority and power under the Trust Deed to enter into this Agreement and to carry on the transactions contemplated by this Agreement; and
    - (B) has the power to enter into and observe all the provisions in this Agreement;
  - (v) there is no current or pending or threatened action or proceeding affecting it or any of the Trust's assets before a court, tribunal, government agency, commission or arbitrator which draws or purports to draw into question or is likely to affect the legality, validity or enforceability of this Agreement or any Contract or the ability of the Client to observe its obligations under and in respect of this Agreement.
- (e) The Client undertakes that:
  - (i) it will notify CMC Markets immediately in writing if:
    - (A) the Client ceases for any reason or at any time to be the sole trustee of the Trust;
    - (B) the Trust is determined or for any other reason ceases to exist;
  - (ii) a distribution of any of the capital of the Trust will not be made which would result in there being insufficient assets of the Trust to meet the Client's liabilities under outstanding Contracts and this Agreement.
- (f) The above warranties and representations will be deemed to be repeated each time the Client provides instructions to CMC Markets.

**31.3 Superannuation funds:**

- (a) This clause 31.3 will apply where the Client is a trustee of a superannuation fund.
- (b) In this clause 31.3:
  - (i) "**SIS Act**" means the Superannuation Industry (Supervision) Act 1993; and
  - (ii) "**SIS Regulations**" means the regulations made under the SIS Act.
- (c) In addition to any other representations and warranties made by the Client, the Client further represents and warrants to CMC Markets that:
  - (i) they have sought advice from their adviser on dealing in the Contracts with CMC Markets and are satisfied that they are permitted to deal in the Contracts with CMC Markets as trustee of a superannuation fund regulated under the SIS Act;
  - (ii) they have received advice from their adviser that dealing in the Contracts with CMC Markets does not constitute a borrowing under section 67 of the SIS Act or involve the charging of an asset in breach of SIS Regulation 13.14;
  - (iii) they have considered the appropriateness of dealing in the Contracts with CMC Markets in the context of the fund's whole investment strategy and their obligations under section 52(2) of the SIS Act
  - (iv) they are satisfied that by dealing in the Contracts with CMC Markets they:
    - (A) comply with their fiduciary duties and obligations under the SIS Act and that they have given adequate consideration to Superannuation Circular No II.D.7 entitled "Derivatives" and the "Derivatives Addendum" to that Circular, issued by the Insurance and Superannuation Commission (as it was then known) and to Superannuation Circular No II.D.4 entitled "Borrowings by Superannuation Entities";
    - (B) are not in breach of any other requirements and guidelines in relation to investments made by regulated superannuation funds;
  - (v) their dealings in the Contracts with CMC Markets comply with all the requirements of the superannuation fund's trust deed and the rules of the superannuation fund;
  - (vi) they are familiar with the risks involved in dealing in the Contracts with CMC Markets and have in place adequate risk management procedures to manage the risks associated with dealing in the Contracts with CMC Markets before dealing in such Contracts with CMC Markets;
  - (vii) they are aware that where a trustee contravenes any of the requirements of the SIS Act, the superannuation fund may be refused complying status which may give rise to adverse taxation consequences.
- (d) The above warranties and representations will be deemed to be repeated each time the Client provides instructions to CMC Markets.

31.4 The Client undertakes that, throughout the term of this Agreement, they will promptly notify CMC Markets of any change to the details supplied to CMC Markets on the application form or any material change or anticipated change to their financial circumstances which may affect the basis upon which CMC Markets undertakes business with the Client.

**32. Tape recording of conversations**

- 32.1 The Client agrees that CMC Markets may:
- (a) record all telephone conversations between the Client and CMC Markets; and
  - (b) use such recordings, or transcripts from such recordings, as evidence in any dispute or anticipated dispute between CMC Markets and the Client; and
  - (c) make available to regulators and other government bodies any recordings or transcripts from such recordings.

- 32.2 Recordings or transcripts made by CMC Markets may be destroyed under CMC Markets' normal practice (usually, but not necessarily, two calendar months from the date of the conversation).

### 33. Confidentiality

- 33.1 Subject to clauses 33.2 and 33.3 of this Agreement, neither party will disclose to any person (unless required to do so by any Applicable Law or by any regulatory or supervisory authority or by any other person entitled by law to require disclosure, or to enable it properly to perform its obligations under this Agreement), any information in relation to the business, investments, finances or other matters of a confidential nature of the other party of which it may in the course of its duties or otherwise become possessed, and each party will use all reasonable endeavours to prevent any such disclosure.
- 33.2 By entering into this Agreement the Client authorises CMC Markets to disclose such information relating to the Client as may be required by any law, rule or regulatory authority, including any Applicable Law, without prior notice to the Client.
- 33.3 By entering into this Agreement the Client authorises CMC Markets to process, disclose and use information relating to the Client as described in CMC Markets' Privacy Statement.

### 34. Joint Clients

- 34.1 If the Client is more than one person (for example, joint accountholders):
- (a) the liabilities of each such person will be joint and several;
  - (b) CMC Markets may act upon instructions received from any one person who is, or appears to CMC Markets to be, such a person, whether or not such person is an Authorised Person;
  - (c) any notice or other communication given by CMC Markets to one such person will be deemed to have been given to all such persons; and
  - (d) the rights of CMC Markets under clause 26 of this Agreement will apply if a Specified Event will be deemed to have occurred in respect of any one of such persons.

### 35. Instructions and Authorised Persons

- 35.1 **Instructions:** The Client may place orders or give CMC Markets oral or written instructions as specified in the PDS. The persons authorised to place orders or give CMC Markets instructions on the Client's behalf will be those notified by the Client to CMC Markets and may be varied by written notice to CMC Markets. CMC Markets is not bound by any such variation until written notice is actually received by CMC Markets.
- 35.2 CMC Markets is entitled to act upon the oral or written orders or instructions of any Authorised Person or any person who appears to CMC Markets to be an Authorised Person, notwithstanding that the person is not, in fact, so authorised. In particular, CMC Markets is entitled to act upon any orders or instructions transmitted using the Client's username, account number, user ID and/or password.
- 35.3 The Client must keep all security information relating to the Account, including, but not limited to, any user name, account number, user ID and password, confidential. CMC Markets does not have to establish the authority of anyone quoting the Client's username, account number, user ID, or password. If the Client is aware or suspects that these are no longer confidential then they should contact CMC Markets as soon as practicable so that they may be changed.
- 35.4 **Required instructions:** The Client must promptly give to CMC Markets any instructions which CMC Markets may require of the Client in respect of any Contract or proposed Contract. If the Client does not provide such instructions promptly, CMC Markets may, in its absolute discretion, take such reasonable steps at the Client's cost as CMC Markets reasonably considers necessary or desirable for its own protection or the protection of the Client.
- 35.5 It is the responsibility of the Client to inform themselves of key dates and events in relation to their Contracts when CMC Markets may require instructions. This includes, but is not limited to, the automatic closing date of any Spot.
- 35.6 CMC Markets may (but is not in any circumstances be obliged to) require confirmation (in such form as CMC Markets may reasonably request) of any order or instruction:

- (a) if such instruction is to close an Account or remit money due to the Client; or
  - (b) if it reasonably appears to CMC Markets that such confirmation is necessary or desirable.
- 35.7 Instructions may be acknowledged orally or in writing by CMC Markets, as appropriate.
- 35.8 **Client's risk:** Subject to clause 5.4 of this Agreement, any Internet Order or Internet Instruction sent by the Client will only be deemed to have been received, and will only then constitute a valid instruction and/or binding Contract between CMC Markets and the Client when such order or instruction has been recorded as accepted and confirmed by CMC Markets to the Client.
- 35.9 The mere transmission of an order or instruction by the Client does not give rise to a binding Contract between CMC Markets and the Client. Any order made by the Client is subject to CMC Markets accepting the Client's offer and such order having been recorded as accepted and confirmed by CMC Markets to the Client. The Client is responsible for making inquiry of CMC Markets if a confirmation is expected in relation to a transaction but has not been received by the Client.
- 35.10 CMC Markets is not liable for any loss, expense, cost or liability (including consequential loss) suffered or incurred by the Client as a result of Internet Orders placed, Internet Instructions given, or any other written communications made by the Client:
  - (a) not being received by CMC Markets; or
  - (b) being corrupted or delayed.

The Client will be responsible for all Internet Orders and Internet Instructions, and for the accuracy of all other information sent electronically, using the Client's username, account number, user ID and password.
- 35.11 The Client agrees to indemnify CMC Markets and keep CMC Markets indemnified against all losses which CMC Markets may suffer as a result of:
  - (a) any error in any order or instruction given by an Authorised Person; or
  - (b) acting on any order or instruction which is, or appears to be, from an Authorised Person.
- 35.12 **Real time trading:** For the avoidance of doubt, the trades and orders executed by CMC Markets are in real time, and CMC Markets is not, and cannot be, obliged to refuse to act upon instructions or orders notwithstanding that:
  - (a) they were sent in error; or
  - (b) their effect is to generate a debit balance in the Client's Account.
- 35.13 **Authorised Persons:** For the purposes of this Agreement, persons may only be authorised in accordance with clause 35.1 of this Agreement in the following circumstances:
  - (a) where the Client is a company, corporation, body corporate or incorporated association, a director or employee of the Client;
  - (b) where the Client is a partnership, a partner in, or employee of, the Client;
  - (c) in any circumstances other than those specified in clause 35.13(a) and (b) of this Agreement, a person authorised under a limited power of attorney or representative authorisation in the form specified by CMC Markets from time to time.
- 35.14 It is agreed and acknowledged by the Client that:
  - (a) a person authorised in accordance with clause 35.13(c) of this Agreement will not be permitted to give instructions to withdraw or transfer moneys or property belonging to the Client and deposited or lodged with CMC Markets;
  - (b) CMC Markets will not be obliged in any circumstances to act on any instructions received from a person authorised in accordance with clause 35.13(c) of this Agreement to withdraw or transfer moneys or property belonging to the Client and deposited or lodged with CMC Markets.

**36. Dispute Resolution**

- 36.1 The Client should inform CMC Markets immediately in writing of any dispute or difference whatsoever in connection with this Agreement. CMC Markets will endeavour to investigate and resolve any dispute or difference in accordance with CMC Markets' internal complaints handling system.
- 36.2 Any dispute or difference whatsoever in connection with this Agreement must be dealt with by the Client in Australia as follows in the event that the dispute or difference is unable to be resolved by CMC Markets to the Client's satisfaction in accordance with CMC Markets' internal complaints handling system:
- (a) the Client may refer the dispute or difference to the Financial Industry Complaints Service, for determination in accordance with their rules; or
  - (b) if the dispute or difference does not fall within the rules of the Financial Industry Complaints Service, the dispute or difference may be submitted by CMC Markets to arbitration in accordance with and subject to the Institute of Arbitrators and Mediators of Australia Expedited Commercial Arbitration Rules, and to the extent permitted under those rules the Arbitrator will be a person recommended by the New South Wales Chapter of the Institute of Arbitrators and Mediators of Australia; or
  - (c) if the dispute or difference does not fall within the rules of the Financial Industry Complaints Service, the Client may request CMC Markets to refer the dispute to arbitration in accordance with clause 36.2(b) of this Agreement, and:
    - (i) CMC Markets may decide in its absolute discretion whether to agree to any such request;
    - (ii) without agreement by CMC Markets in accordance with this clause 36.2(c), the Client will not be able to refer the dispute or difference to arbitration, but will have to submit for the benefit of CMC Markets only the dispute or difference to the exclusive jurisdiction of the Courts in New South Wales.
- The Client and CMC Markets agree to accept any determination of the arbitrator under clause 36.2(b) (or (c)) as final and binding and submit for the benefit of CMC Markets only, to the exclusive jurisdiction of the Courts in New South Wales for the enforcement of any such determination. For the avoidance of doubt, this clause 36.2 will not prevent CMC Markets from commencing proceedings in any other relevant jurisdiction for the enforcement of any such determination.
- 36.3 Clause 36.2 of this Agreement is for the benefit of CMC Markets only, and it does not prevent CMC Markets from commencing proceedings against the Client in any relevant jurisdiction, in addition to submitting any dispute or difference whatsoever with a Client in connection with this Agreement to arbitration in accordance with clause 36.2(b) of this Agreement.
- 36.4 The Client should contact CMC Markets for information on how complaints are handled by CMC Markets internally.

**37. Illegality etc.**

- 37.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement under the law of that jurisdiction nor the legality, validity or enforceability of such provisions under the law of any other jurisdiction will be in any way affected.

**38. Force Majeure**

- 38.1 CMC Markets may in its reasonable opinion determine that an emergency or exceptional market condition exists (a "Force Majeure Event"), including but not limited to:
- (a) where CMC Markets is, in its opinion, unable to maintain an orderly market in its Contracts in respect of any one or more of the Underlying Reference Instruments as a result of the occurrence of any act, omission or event (including but not limited to any circumstance beyond CMC Markets' control such as strike, riot, civil unrest or failure of power supply, communications or other infrastructure);

- (b) the suspension, closure, liquidation or abandonment of any relevant market or Underlying Reference Instruments;
  - (c) the imposition of limits or special or unusual terms in the relevant markets or Underlying Reference Instruments;
  - (d) the excessive movement, volatility or loss of liquidity in the relevant markets or Underlying Reference Instruments; or
  - (e) where CMC Markets reasonably anticipates that any of the circumstances set out in clause 38.1(a) to (d) of this Agreement are about to occur.
- 38.2 If CMC Markets determines that a Force Majeure Event exists then it may (without prejudice to any other rights under this Agreement and at its sole discretion) take any one or more of the following steps:
- (a) alter normal trading times;
  - (b) alter the Margin Percentage;
  - (c) amend or vary this Agreement and any transaction contemplated by this Agreement, including any Contract, insofar as it is impractical or impossible for CMC Markets to comply with its obligations to the Client;
  - (d) close any or all open Contracts, cancel instructions and orders as CMC Markets deems to be appropriate in the circumstances; or
  - (e) take or omit to take all such other actions as CMC Markets deems to be reasonably appropriate in the circumstances having regard to the positions of CMC Markets, the Client and other customers.
- 38.3 CMC Markets will inform the Client as soon as reasonably practicable if it determines that a Force Majeure Event exists.
- 38.4 If CMC Markets determines that a Force Majeure Event exists, CMC Markets will not be liable to the Client for any failure, hindrance or delay in performing its obligations under this Agreement or for taking or omitting to take any action in accordance with clause 38.3 of this Agreement.

### **39. Assignment and delegation**

- 39.1 The Client may not assign any of the Client's rights or delegate any of the Client's obligations under this Agreement to any person without the prior written consent of CMC Markets.
- 39.2 The Client may not charge any or all of their rights under this Agreement, including any rights to deposits held by CMC Markets.
- 39.3 Without prejudice to clause 39.4 of this Agreement, CMC Markets may assign its rights or delegate any of its obligations under this Agreement and any Contracts to any person on giving not less than one month's notice to the Client.
- 39.4 If the Client is in default of any of its obligations under this Agreement, CMC Markets will be entitled (without prejudice to any other rights it may have) at any time thereafter to assign to any person with immediate effect all or any of its rights in respect of moneys owing to it under this Agreement, as well as any security or other remedies available to it in respect of such moneys. If any such assignment is made, then the Client will, if so required by CMC Markets and the assignee, acknowledge in writing that the assignee has assumed the rights and obligations of CMC Markets under this Agreement in relation to the relevant moneys owing by the Client.
- 39.5 Notwithstanding anything to the contrary contained in this Agreement, CMC Markets may disclose to any actual or potential delegate or assignee as referred to in clauses 39.3 and 39.4 of this Agreement, such information relating to the Client and its relationship with CMC Markets, as CMC Markets sees fit.

### **40. Rights and remedies**

- 40.1 The rights and remedies contained in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

**41. Rights of third parties**

- 41.1 Nothing in this Agreement is intended to confer on any person other than CMC Markets or the Client any right to enforce any term of this Agreement.

**42. Delay, omission and waiver**

- 42.1 No delay or omission on the part of CMC Markets in exercising any right, power or remedy provided by law or under this Agreement, or partial or defective exercise thereof, will:
- (a) impair or prevent further or other exercise of such right, power or remedy; or
  - (b) operate as a waiver of such right, power or remedy.
- 42.2 No waiver of any breach of any term of this Agreement will (unless expressly agreed in writing by the waiving party) be construed as a waiver of a future breach of the same term or as authorising a continuation of the particular breach.

**43. Governing law and jurisdiction**

- 43.1 This Agreement and each Contract between CMC Markets and the Client will be governed by and construed in accordance with the law of New South Wales, Australia.
- 43.2 The parties submit, for the benefit of CMC Markets only, to the exclusive jurisdiction of the New South Wales, Australia. For the avoidance of doubt, this clause 43.2 will not prevent CMC Markets from commencing proceedings in any other relevant jurisdiction.

**44. Notices**

- 44.1 Subject to clauses 28, 44.2 and 47 of this Agreement and the PDS, any notice or other communication given or made under or in connection with the matters contemplated by this Agreement will, except where oral communication is expressly provided for, be in writing and will be sent to the addresses below:

**CMC Markets Asia Pacific Pty Limited**

Address	Governor Phillip Tower Level 44, 1 Farrer Place Sydney, NSW, 2000
Fax number	+ 61 [0] 2 9247 0199
Email address	<a href="mailto:info@cmcmarkets.com.au">info@cmcmarkets.com.au</a>

**Client:** The address, facsimile number and electronic mail address provided by the Client for this purpose.

- 44.2 Any such notice will be deemed to have been received:
- (a) if delivered personally or by hand, at the time of delivery;
  - (b) if posted, within 3 Business Days of posting;
  - (c) if oral, whether by telephone or face to face, when actually given;
  - (d) if by leaving a message on a telephone answering machine or voice mail, one hour after the message was left;
  - (e) if sent by facsimile, one hour after completion of its transmission; and
  - (f) if sent by electronic mail, one hour after sending.
- 44.3 The Client may alter the address (including electronic mail address) to which Contract Notes, statements and other communications are issued by written notice to CMC Markets and CMC Markets may notify the Client of a change to any of its details as stated above provided in either case that such alteration will only be effective on the later of the date specified in the notice and the time of deemed service under clause 44.2 of this Agreement.
- 44.4 The Client agrees and acknowledges that any Contract Notes, statements, supplementary PDS or FSG, new PDS or FSG, and any other written notices will be deemed to have been properly given or

made available if sent to the address (including electronic mail address) last notified to CMC Markets by the Client.

- 44.5 The Client agrees and acknowledges that they are solely responsible for ensuring that CMC Markets has their current address, telephone number, facsimile number and electronic mail address.

#### 45. Application Form

- 45.1 The Client by signing or submitting electronically the relevant application form when they are applying to become a customer of CMC Markets:
- (a) acknowledges to CMC Markets that it has received or downloaded, and read and understood this Agreement and the current PDS);
  - (b) agrees that CMC Markets will provide its products and services to them on the terms and conditions of this Agreement.

#### 46. Reporting to the Client

- 46.1 **Contract Notes:** In respect of each Contract entered into by CMC Markets with the Client, CMC Markets will send to the Client a Contract Note or to the Client's order a Contract Note and, after closing out an open Spot or Future, a difference account as contained in the daily statement. Such documents will, subject to the exceptions described in clause 46.1(a) and (b) of this Agreement, be sent prior to Close of Business on the next Business Day following the day on which the Contract is concluded. The documents will not be sent at this time if:
- (a) one order is effected by means of a number of Contracts within a single 24 hour period, in which case one Contract Note and, if necessary, one difference account as contained in the daily statement, will be sent; or
  - (b) a Contract is entered into after Close of Business on any Business Day, in which case the Contract will be treated as having been effected on the next following Business Day.
- 46.2 The prices quoted on Contract Notes sent to the Client will be net of any charges, which may not be separately identified. The Client agrees to receive Contract Notes in this form.
- 46.3 **Monthly statement:** A monthly statement in respect of each Account, including any positions which the Client may have, will be sent by CMC Markets to the Client within 14 days of the end of each calendar month.
- 46.4 For the purposes of such monthly statement, CMC Markets will report all currency balances on the Account in the relevant currency and in the Base Currency, based upon the month-end CMC Markets Exchange Rate.
- 46.5 The Client agrees and acknowledges that Contract Notes, difference accounts and monthly statements, may be sent by CMC Markets to the Client in electronic form and/or made available using the Electronic Facility.
- 46.6 **Electronic Facility:** The Client agrees and acknowledges that:
- (a) CMC Markets may establish an electronic facility over the internet that allows the Client to view, download and print the confirmations of Contracts, daily statements, monthly statements and other reports that CMC Markets provides;
  - (b) they authorise CMC Markets to use the electronic facility as the means of providing the confirmations of Contracts, daily statements, monthly statements and other reports of CMC Markets;
  - (c) they will access and use such electronic facility to:
    - (i) receive the confirmations of Contracts, daily statements, monthly statements and other reports CMC Markets provides;
    - (ii) confirm all Contracts; and
    - (iii) monitor their obligations under this Agreement;

- (d) the confirmation of the Contract, daily statement, monthly statement or other report is made available to the Client as at the time the relevant document is posted by CMC Markets on the electronic facility;
  - (e) the Trading Software constitutes an electronic facility for the purposes of this clause 46.6.
- 46.7 CMC Markets may send confirmations of Contracts, daily statements, monthly statements and other reports that CMC Markets provides, in addition to making them available using the Electronic Facility.
- 46.8 **Errors:** The Client should verify the contents of each document received from CMC Markets. Such documents will, in the absence of manifest error, be conclusive unless the Client notifies CMC Markets in writing to the contrary within 3 Business Days of receiving such document.
- 46.9 Despite anything to the contrary in this Agreement, the Client agrees that in the event that a confirmation of a Contract, daily statement, monthly statement or other report is provided to the Client in accordance with clause 46.6 of this Agreement, the time for objecting to the contents of a document under clause 46.8 of this Agreement is from the time the relevant document is made available using the Electronic Facility.

#### 47. Limitation of Liability

- 47.1 CMC Markets does not accept or bear any liability whatsoever in respect of the operation of the Electronic Facility and the Trading Software, whether for any breach of a provision of any relevant legislation, negligence, injury, death, lost profits, loss of files, data or use, economic loss, loss of reputation or losses or damages incidental or consequential to the operation of the Electronic Facility and the Trading Software, except to the extent that it is caused by the fraud or dishonesty on the part of CMC Markets or its employees, agents or representatives.

#### 48. Warranties

- 48.1 All warranties, express and implied, as to the description, quality, performance or fitness of the purposes of the Client of the Electronic Facility and the Trading Software or any component of any such Electronic Facility or Trading Software are disclaimed and excluded.
- 48.2 CMC Markets does not warrant or forecast that the Electronic Facility and the Trading Software or any component of any such Electronic Facility or Trading Software or any services performed in respect of any such Electronic Facility or Trading Software will meet the requirements of any user, or that the operation of the Electronic Facility or the Trading Software will be uninterrupted or error free, or that any services performed in respect of the Electronic Facility and the Trading Software will be uninterrupted or error-free.
- 48.3 Where the Corporations Act, the ASIC Act or the Trade Practices Act 1974 of the Commonwealth of Australia or any similar State or Territory legislation implies in this Agreement any term, condition or warranty, and makes void or prohibits excluding or modifying the application of or exercise of, or liability under such term, condition or warranty, such term, condition or warranty will be deemed to be included in this Agreement. However, the liability of CMC Markets for any breach of such term, condition or warranty will be limited, at the option of CMC Markets, to any one or more of the following:
- (a) if the breach relates to goods:
    - (i) the replacement of the goods or the supply of equivalent or similar goods,
    - (ii) the repair of the goods,
    - (iii) the payment of the cost of repairing the goods or of acquiring equivalent goods, or
    - (iv) payment of the cost of having the goods repaired; or
  - (b) if the breach relates to services:
    - (i) the supplying of the services again, or
    - (ii) the payment of the cost of having the services supplied again.

## Schedule 1

### Definitions Schedule

In this Agreement (i.e. the Terms of Business) the following terms will, unless the context otherwise requires, have the following meanings and may be used in the singular or plural as appropriate:

"Account" means an account of the Client at CMC Markets;

"Agreement" has the meaning as set out in the introductory paragraph of these Terms of Business, and a reference to a clause, schedule or part of this Agreement is a reference to a clause, schedule or part of these Terms of Business.

"Applicable Law" means all:

- (a) applicable provisions of laws and regulations including all relevant rules of government agencies, exchanges, trade and clearing associations and self-regulatory organisations, that apply to the parties, this Agreement and the transactions contemplated by this Agreement;
- (b) applicable Australian Law;
- (c) applicable Market Rules;

"Application Form" means the application form and account opening documentation completed by the Client and submitted to CMC Markets or CMC Markets Group plc, whether electronically or in hard copy;

"ASIC" means the Australian Securities and Investments Commission or any regulatory body which replaces it or performs its functions;

"ASIC Act" means the *Australian Securities and Investments Commission Act 2001* of the Commonwealth of Australia;

"ASIC Policy" means any relevant policy of ASIC that applies to the parties, this Agreement and the transactions contemplated by this Agreement;

"Associate" means:

- (a) a person who is an officer, employee, agent, representative or associate of a party;
- (b) a Related Body Corporate of a party;
- (c) a person who is an officer, employee, agent, representative or associate of a Related Body Corporate of a party, and

in respect of any reference to CMC Markets' Associates includes CMC Markets Group plc;

"Australian Client Money Rules" means the provisions in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with client moneys and property as modified by ASIC for CMC Markets;

"Australian Law" means all laws, procedures, standards and codes of practice that apply in relation to the parties, this Agreement and the transactions contemplated by this Agreement, including the Corporations Act, the ASIC Act, ASIC Policy and the *Privacy Act (Cth) 1998*;

"Authorised Person" means the Client and/or any person authorised by the Client to give instructions to CMC Markets under clause 35 of this Agreement;

"Base Currency" means the currency selected by the Client under clause 11.3 of this Agreement and which, in the absence of a selection, will be AUD Dollars;

"Basket" means the collection of shares (or other registered instruments) of various companies on which a Spot or Future is based and for which CMC Markets quotes prices;

"Business Day" means

- (a) in relation to Services other than Spots on a Security, Basket or Index, any day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Sydney, New South Wales, Australia; and
- (b) in the case of Services relating to Spots on a Security, Basket or Index to which Limited Hours Trading applies, any day on which the exchange on which the relevant Security or each constituent Security has

its primary listing, or the exchange on which the Index operates, whichever is applicable, is open for trading, and will exclude any day on which all trading on the relevant exchange is closed or suspended;

- (c) in the case of Services relating to Spots on a Security, Basket or Index to which Limited Hours Trading does not apply, any day on which any relevant exchange is open for trading;

"Cash Dividend" means the amount of any dividend or distribution per Security that would be received by a holder of the relevant Security;

"Client" means the customer who enters into this Agreement with CMC Markets, including joint and corporate accountholders;

"Close of Business" means 22.00 GMT (21.00 GMT during daylight savings);

"Closing Date" means, in relation to a Contract, the date on which the Contract is closed out;

"Closing Price" means the price determined by CMC Markets, from time to time, having regard to the last traded or mid close price and CMC Markets Spread as may be appropriate for the Underlying Reference Instrument;

"CMC Markets" means CMC Markets Asia Pacific Pty Ltd (ABN 11 100 058 213);

"CMC Markets Exchange Rate" means such foreign exchange rate as CMC Markets may reasonably determine from time to time having regard to current market rates and which is available to the Client from CMC Markets on request;

"CMC Markets Product Schedule" means the list of CFDs which CMC Markets holds itself out from time to time as willing to quote a price, as amended by CMC Markets from time to time, including in relation to a Spot or Future on a Security or Basket, the list of Securities upon which CMC Markets holds itself out from time to time as willing to quote a price as amended by CMC Markets under paragraph 2.1(a) of Schedule 2 and in relation to a Spot on a Currency Index, the list of currencies upon which CMC Markets holds itself out from time to time as willing to quote a price as amended by CMC Markets under paragraph 5(a) of Schedule 9;

"CMC Markets Rollover Rate" means the rate determined by CMC Markets, from time to time, having regard to Interbank Rates for rollovers;

"CMC Markets Spread" means the difference between the bid and offer prices of a Contract quoted from time to time by CMC Markets and, where appropriate, expressed as a percentage of the relevant price;

"Collateral" means such securities or other assets, or any guarantee or indemnity accepted by CMC Markets from the Client instead of cash for the purposes of complying with the Client's obligations under clause 7.1 of this Agreement and as may be agreed from time to time with the Client under clause 7.5 of this Agreement;

"Contract" means any contract, whether oral or written, including any derivative, option, future, contract for difference or other transaction relating to such financial products entered into by CMC Markets with the Client or any back to back agreement which CMC Markets may enter into to enable it to enter into or fulfil its obligations under such contract;

"Contract Note" means a form of notification, which may be provided by CMC Markets through an Electronic Facility, including the Internet, requiring access by the Client, confirming entry into a Contract;

"Contract Price" means the price per Contract Unit of the Underlying Reference Instrument quoted from time to time by CMC Markets and which is calculated under clause 15 or 17 of this Agreement as appropriate;

"Contract Size" means, in relation to a Currency Futures Contract, a value specified by CMC Markets in the CMC Markets Product Schedule and as amended by CMC Markets under this Agreement from time to time;

"Contract Quantity" means:

- (a) in relation to a Contract other than an option, the number of Contract Units traded by the Client as stated on the Contract Note;
- (b) in relation to an option, the number of Contract Units that are the subject of the option as stated on the Contract Note;

"Contract Unit" means the minimum contract unit traded by CMC Markets and for which CMC Markets quotes prices such that the Contract Unit for each type of Contract is set out in paragraph 1 of the relevant part of the Schedules;

"Contract Value" means, in relation to a Contract, the total value of the Contract as calculated by CMC Markets in accordance with the terms of this Agreement;

"Corporations Act" means the *Corporations Act 2001* of the Commonwealth of Australia;

"Currency Futures Contract" means a futures contract over a currency or cross currency;

"Currency Index" means a collection of currencies on which a Spot is based and for which we quote prices in the primary reference currency;

"Derivative" has the same meaning as given to that term in section 761D of the Corporations Act;

"Electronic Facility" means the electronic facility referred to in clause 46.6 of this Agreement, and which may be the Trading Software;

"Equity Index Futures Contract" means a futures contract over an equity index;

"Ex-Dividend Date" means, in relation to a Security, the first date on which the price quoted on the relevant exchange is indicated to be an ex-dividend price or ex-distribution price;

"Financial Product Advice", "General Financial Product Advice" and "Personal Financial Product Advice" each have the same meaning as given to those terms in section 761A of the Corporations Act;

"Force Majeure Event" has the meaning set out in clause 38 of this Agreement;

"Forward" has the meaning set out in clause 20 of this Agreement;

"Franking Credit" means any tax, franking or imputation credit that is attached to a dividend or distribution paid to a person, and which reflects that person's allocation of tax paid by the entity paying the dividend or distribution;

"FSG" means CMC Markets' relevant financial services guide, including a supplementary and replacement financial services guide;

"Future" has the meaning set out in clause 20 of this Agreement;

"GMT" means Greenwich Mean Time;

"Goods and Services Tax" includes any goods and services tax levied or imposed in Australia and any value added tax levied or imposed overseas;

"Grey Market Security" means the share (or other registered instrument) of a company for which a listing is to be sought on any relevant exchange and on which a Spot or Future is based;

"Index" means the market index or sector index on which a Spot or Future is based;

"Interbank Rate" means, subject to paragraph 2.2 of Schedule 3, the mid interbank rate calculated by CMC Markets with reference to the bid and offer prices for the Underlying Reference Instrument most recently quoted by any one or more third party banks;

"Interest Qualification Level" means the interest qualification level as specified in section 6.8 of the PDS;

"Interest Percentage" means, in relation to a Contract, such percentage per annum of the Contract Value as detailed on the daily statement and as are also available from CMC Markets upon request;

"Internet Instructions" means instructions given using the internet;

"Internet Orders" means orders placed using the internet;

"Limited Hours Trading" means the ability of the Client to trade Spots and Futures and (where available) options on Spots on such Securities, Baskets, or Indices as are designated by CMC Markets from time to time under clause 4.5 of this Agreement only during such hours as the relevant exchange is open;

"Long Party" means, in relation to a Contract other than an option, the party that has notionally bought the relevant Underlying Reference Instrument;

"Margin Percentage" means, save in the case of Contracts on Treasury Products, such percentage of the Contract Value as specified by CMC Markets in the CMC Markets Product Schedule and as amended by CMC Markets under this Agreement from time to time;

"Market Rules" means the rules, regulations, customs and practices from time to time of any exchange, licensed financial market, clearing house, licensed clearing and settlement facility, or other organisation or market

involved in the conclusion, execution or settlement of a transaction or Contract and any exercise by any such exchange, clearing house or other organisation or market of any power or authority conferred on it;

"Minimum Equity Balance" means such minimum equity balance (as amended from time to time) specified in the current PDS and CMC Markets Product Schedule;

"Minimum Point Increment" means minimum possible price change between two successive transaction prices permitted by CMC Markets;

"Minimum Trading Size" means such minimum Contract Quantity or Contract Value as CMC Markets may specify on its website from time to time for any type of Contract;

"Net Cash Dividend" means the Cash Dividend, after any tax has been paid or withheld at source by the issuer of that Security, and ignoring any tax, franking or imputation credit that may attach to the dividend or distribution.

"Normal Trading Size" means the minimum and maximum Contract Quantity or Contract Value that CMC Markets reasonably considers appropriate, having regard if appropriate to the normal market size for which prices are available on any relevant exchange and for which it quotes live price information;

"Opening Value" means, in relation to a Contract, the total Contract value as agreed between CMC Markets and the Client at the time of the transaction as stated on the Contract Note or as determined in accordance with the terms of this Agreement and which, in the case of an Option, will be the premium for the Option;

"PDS" means CMC Markets' product disclosure statements, including a supplementary and replacement product disclosure statement;

"Privacy Statement" means the privacy statement in CMC Markets' current PDS which explains how CMC Markets collects personal information and then maintains, uses and discloses that information;

"Position Limit" means the limits, if any, imposed by CMC Markets under clause 8.3;

"Related Body Corporate" has the same meaning as in the Corporations Act, with any necessary modifications for companies incorporated outside Australia;

"Related Currency Futures Contract" means, in relation to any Spot, any futures contract over a currency or cross currency which, in CMC Markets' reasonable opinion, are likely to be indicative of potential fluctuations in the value of such Spot;

"Related Currency Index" means, in relation to a Spot on a Currency Index, the trade-weighted currency index of the relevant central bank for the primary reference currency and of which any fluctuations in the value are, in our reasonable opinion, likely to be indicative of potential fluctuations in the value of such Spot;

"Related Index Futures Contract" means

- (a) in relation to a Spot upon an Index, any index futures contract providing a return with reference to fluctuations in the points total of the same index; and
- (b) in relation to any Spot, such other index futures contract of which fluctuations in the value are, in CMC Markets' reasonable opinion, likely to be indicative of potential fluctuations in the value of such Spot;

"Related Index" means, in relation to any Spot, any index of which fluctuations in the points total are, in CMC Markets' reasonable opinion, likely to be indicative of potential fluctuations in the value of such Spot;

"Related Security" means, in relation to a Security, any instrument traded on any exchange relating to the same company and of which any fluctuations in the value are, in CMC Markets' reasonable opinion, likely to be indicative of potential fluctuations in the value of the relevant Security, including but not limited to depository receipts;

"Relevant Interest Rate" means such applicable interest rate as CMC Markets may reasonably select from time to time which is appropriate to the currency of the outstanding amount or the Underlying Reference Instrument (as applicable) as detailed on the daily statement and are also available from CMC Markets upon request;

"Security" means the share, unit or other registered instrument of a company or managed investment scheme traded on any exchange on which a Spot or Future is based and will include the constituent shares, units or other registered instruments of a Basket;

"Services" means the services to be provided by CMC Markets under this Agreement;

"Settlement Date" means such settlement date following the Closing Date as CMC Markets may reasonably determine in accordance with practice in the relevant market and notify the Client at the time of entering into the Contract;

"Short Party" means, in relation to a Contract other than an option, the party that has notionally sold the relevant Underlying Reference Instrument;

"Specified Date" means, in relation to a Future, the future date with reference to which the Future was entered into;

"Specified Event" means any of the following:

- (a) the Client fails to make any payment or fails to do any other act or thing required by clause 7 of this Agreement;
- (b) the Client fails to provide assets for delivery, or take delivery of assets, under any Contract on the first due date;
- (c) the Client dies or becomes of unsound mind;
- (d) an order is made that the corporate Client be wound up;
- (e) an application is made to a court for an order:
  - (i) that the Client be wound up;
  - (ii) appointing a liquidator or provisional liquidator for the Client;
- (f) a liquidator, provisional liquidator or controller is appointed to the Client;
- (g) a resolution is passed to appoint an administrator to the Client;
- (h) the Client passes a resolution or gives notice of its intention to pass a resolution to wind itself up;
- (i) the Client enters into a deed of company arrangement or proposes a reorganisation, moratorium or other administration involving all or any of its creditors;
- (j) the Client is dissolved or wound up in any other way;
- (k) the Client is or states that it is unable to pay its debts as and when they fall due;
- (l) the Client is or states that it is insolvent;
- (m) the Client seeks or obtains protection from any of its creditors under any legislation;
- (n) the Client becomes insolvent or commits an act of bankruptcy or his or her estate comes within the law dealing with bankrupts;
- (o) a bankruptcy petition is presented in respect of the Client or, if a partnership, in respect of one or more of the partners, or if a company, a receiver, trustee, administrative receiver or similar officer is appointed;
- (p) if execution is levied against the business or property of the Client and is not removed, released, lifted, discharged or discontinued within 28 days;
- (q) the Client seeks a moratorium or proposes any arrangement or compromise with their creditors;
- (r) any other event having substantially the same legal effect as the events specified in paragraphs (d) to (q);
- (s) any security created by any mortgage or charge becomes enforceable against the Client and the mortgagee or chargee takes steps to enforce the security or charge;
- (t) any indebtedness of the Client or any of their subsidiaries becomes immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity by reason of default of the Client (or any of their subsidiaries) or the Client (or any of their subsidiaries) fails to discharge any indebtedness on its due date;
- (u) the Client fails fully to comply with any obligations under this Agreement or any Contract;
- (v) any of the representations or warranties given by the Client are, or become, untrue;
- (w) CMC Markets reasonably considers it necessary for its own protection or the protection of its Associates;

"Spot" will have the meaning set out in clause 13 of this Agreement;

"Trading Software" means the Market*maker*<sup>®</sup> software product made available by CMC Markets under the end-user licence;

"Treasury Product" means any traded government debt instrument including, by way of example, Eurobonds, Eurodollar, T Bonds, Short Sterling, Gilts and Euribor;

"Total Equity" means the aggregate of the current cash balance in the Client's Account and the current unrealised profit and losses on the Client's Account;

"Underlying Reference Instrument" means the underlying property, index or contract with reference to which the value of a Spot or Future is determined as set out in clause 14.1 or 21.1 of this Agreement; and

"Writing" includes printing, typing and other modes of reproducing words in a visible form, including words sent by facsimile transmission, email, using the internet or any other computer, electronic or telecommunications facility through which words are communicated, and "written" has a corresponding meaning.

## Schedule 2

### Security, Basket and Index Spots and Futures

#### 1. Contract Unit

- 1.1 **Securities:** Where the Spot or Future is based on a single Security, the Contract Unit will be one share (or other registered instrument) and CMC Markets quotes prices in the relevant currency per share.
- 1.2 **Baskets:** Where the Spot or Future is based on a Basket, the Contract Unit will be the unit for which CMC Markets quotes prices, which will represent a weighting between the shares (or other registered instrument) of each of the companies comprising the Basket in accordance with their respective market capitalisations.
- 1.3 **Indices:** Where the Spot or Future is based on an Index, the Contract Unit will be the points total of the relevant Index and CMC Markets quotes prices in the relevant currency of the Index at x currency units per point where x depends on the relevant currency and is specified on CMC Markets' website.

#### 2. CMC Markets' Pricing

- 2.1 **CMC Markets Product Schedule:** CMC Markets will only quote prices for Spots and Futures on a single Security where such Security is included on the relevant CMC Markets Product Schedule, to which the following provisions apply:
  - (a) The Securities contained on the relevant CMC Markets Product Schedule will be defined with reference to criteria displayed from time to time on CMC Markets' website.
  - (b) CMC Markets may amend the criteria for any CMC Markets Product Schedule, such amendment to take effect immediately, save where it reduces the CMC Markets Product Schedule, in which case it will take effect not less than 7 days after such amendment is made.
  - (c) CMC Markets may amend the list of Securities to which the criteria apply and which are contained on any CMC Markets Product Schedule with immediate effect by amending the list of Securities for which prices are quoted on its website. Such amendment will be made in accordance with, and as soon as reasonably practicable after, any amendment to the equivalent published list of the relevant exchange.
  - (d) It is the responsibility of the Client to monitor the equivalent published list of the relevant exchange and to assess the likelihood of the Securities which form the basis of their orders and open positions continuing to meet the criteria for the relevant CMC Markets Product Schedule.
- 2.2 Where a Spot or Future is based on a single Security and that Security is withdrawn from the CMC Markets Product Schedule under paragraph 2.1 of this Schedule 2, CMC Markets will be entitled, without prior reference to the Client, to close out the Spot or Future with effect from close of trading on the relevant exchange on the last Business Day for which the Security was included in the relevant CMC Markets Product Schedule.
- 2.3 **Traded Securities to which Limited Hours Trading applies:** The Contract Price of a Spot on a single exchange traded Security to which Limited Hours Trading applies will be a bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the current mid market price of the relevant Security quoted on the relevant exchange.
- 2.4 The Contract Price of a Future on a single exchange traded Security to which Limited Hours Trading applies will be a bid or offer price (whichever is applicable) calculated by CMC Markets in accordance with paragraph 2.3 of this Schedule 2 and adjusted by CMC Markets as it considers representative, fair and reasonable to take account of the Relevant Interest Rate differential to the Specified Date and, in accordance with paragraph 5.2 of this Schedule 2 below, any dividends or distributions accruing before or on the Specified Date.
- 2.5 **Traded Securities to which Limited Hours Trading does not apply:** The Contract Price of a Spot on a single exchange-traded Security to which Limited Hours Trading does not apply will be a

bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the market price determined by CMC Markets to be representative, fair and reasonable having regard to the current mid market price of the relevant Security quoted on any relevant exchange or, if not available, any one or more of the following:

- (a) the most recent mid market price of the relevant Security quoted on any relevant exchange;
  - (b) the current price of any Related Security quoted on any relevant exchange;
  - (c) price movements of any other Security or Related Security within the business sector in which the Security is classified;
  - (d) movements in the points total of any Related Index;
  - (e) the current price of any Related Index Futures Contract;
  - (f) any other matter reasonably considered by CMC Markets to be appropriate, including but not limited to foreign exchange costs and tax considerations.
- 2.6 The Contract Price of a Future on a single exchange traded Security to which Limited Hours Trading does not apply will be a bid or offer price (whichever is applicable) calculated by CMC Markets in accordance with paragraph 2.5 of this Schedule 2 above and adjusted by CMC Markets as it considers representative, fair and reasonable to take account of the Relevant Interest Rate differential to the Specified Date and, in accordance with paragraph 5.2 below, any dividends or distributions accruing before or on the Specified Date.
- 2.7 **Baskets:** Subject to paragraphs 2.9 and 5 of this Schedule 2, the Contract Price of a Spot or Future on a Basket will be a bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the weighted sum of the mid prices of the constituent Securities in accordance with the companies' market capitalisations.
- 2.8 By way of example and in accordance with paragraph 2.7 of this Schedule 2 above, if the relative market capitalisations of the companies whose securities form part of a Basket vary, the Contract Price quoted by CMC Markets will vary accordingly so as to produce a profit or loss to CMC Markets or the Client on the Spot or Future.
- 2.9 Where a Spot or Future is based on a Basket and one or more (but not all) of the constituent Securities is withdrawn from the CMC Markets Product Schedule under paragraph 2.1 of this Schedule 2, each such constituent Security will be replaced in the Basket by the Security that took its place in the CMC Markets Product Schedule and CMC Markets will be entitled, without prior reference to the Client, to adjust the Contract Price in such manner as it considers representative, fair and reasonable, in order to maintain the weighting of the reconstituted Basket.
- 2.10 **Grey Market Securities:** The Contract Price of a Spot or Future on a Grey Market Security will be determined by CMC Markets (acting reasonably) with reference to any publicly available price or range of prices, as adjusted by CMC Markets from time to time having regard to the trading positions of CMC Markets' customers in such Spot or Future.
- 2.11 As soon as the Grey Market Security is traded on any relevant exchange, such Spot or Future will be valued, and otherwise treated under this Agreement, as if it is a Spot or Future (as applicable) on the relevant Security.
- 2.12 If the Grey Market Security does not come to listing on any relevant exchange, CMC Markets will cease quoting a price for that Security and close out the Client's position at a price which CMC Markets considers is representative, fair and reasonable having regard to the circumstances of the failure to come to listing.
- 2.13 **Indices:** The Contract Price of a Spot or Future on an Index will be a bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the market price determined by CMC Markets to be representative, fair and reasonable having regard to the current price of any Related Index Futures Contract and any other matter reasonably considered by CMC Markets to be appropriate.

### 3. Close of business accounting

- 3.1 **Traded Securities:** The Contract Price of a Spot on a single Security will equal the mid market price of the relevant Security at the close of trading on the relevant exchange on such Business Day.

- 3.2 If such Contract Price is determined on a day on which the exchange on which the relevant Security has its primary listing is closed, it will equal the mid market price of the relevant Security at the close of trading on the preceding Business Day for which such exchange was open.
- 3.3 The Contract Price of a Future on a single Security will be a mid price calculated under paragraph 2.4 of this Schedule 2 above.
- 3.4 **Baskets:** The Contract Price of a Spot on a Basket will equal the weighted sum of the mid market prices of the constituent Securities at the close of trading on the relevant exchange on such Business Day.
- 3.5 If such Contract Price is determined on a day on which the exchange on which each constituent Security has its primary listing is closed, it will equal the mid market price of the constituent Securities at the close of trading on the preceding Business Day for which such exchange was open.
- 3.6 The Contract Price of a Future on a Basket will be a mid price calculated under paragraph 2.7 of this Schedule 2.
- 3.7 **Grey Market Securities:** The Contract Price of a Spot or Future on a Grey Market Security will be a mid price calculated under paragraph 2.10 of this Schedule 2 above.
- 3.8 **Indices:** The Contract Price of a Spot or Future on an Index will be a mid price calculated under paragraph 2.13 of this Schedule 2 above.

#### 4. Closing

- 4.1 A Spot on a single Security, Basket or Index will close automatically at close of trading on the relevant exchange on the fifth anniversary of the date on which the Spot was first entered into.
- 4.2 A Future on a single Security, Basket or Index will close automatically at Close of Business on the fifth anniversary of the date on which the Future was first entered into.

#### 5. Additional provisions

- 5.1 **Account adjustment for dividends:** Subject to paragraph 5.3 of this Schedule 2 below, an adjustment to the Account will be made with reference to any dividend or distribution attributable to any relevant Security on which a Spot is based and will be made and calculated as follows:
  - (a) where the Client is the Long Party, CMC Markets will adjust the Account in favour of the Client by an amount equal to the Net Cash Dividend per Security multiplied by the Contract Quantity;
  - (b) where the Client is the Short Party, CMC Markets may adjust the Account in favour of CMC Markets by an amount equal to, the aggregate of the Cash Dividend per Security and any attached Franking Credit, multiplied by the Contract Quantity.

Such adjustment will apply to any such Spot which is open at Close of Business on the Business Day before the Ex-Dividend Date and will be made by CMC Markets by Close of Business on the day following the Ex-Dividend Date.

- 5.2 In relation to any Future which is opened by the Client or replacement Future opened automatically by CMC Markets under clause 24.3 of this Agreement before Close of Business on the Business Day before the Ex-Dividend Date, CMC Markets will take into account the Dividend which CMC Markets reasonably estimates will be declared after the Future is opened, but before the Specified Date of the relevant Future in calculating the Contract Price under paragraph 2.4 or 2.6 of this Schedule 2 (as applicable). CMC Markets will not be obliged to make any adjustment to the Account once the actual amount of the dividend or distribution is declared.
- 5.3 If CMC Markets determines in its sole discretion that there has been any change in, or any change in the interpretation or application by any court, governmental or other competent authority of, any applicable law or regulation which has the effect of reducing or increasing the amount of the ordinary dividend or distribution per Security that would be actually paid to a holder of that Security, CMC Markets may vary the Net Cash Dividend adjustment made under paragraph 5.1 or 5.2 of this Schedule 2 above with immediate effect by notice in writing to the Client.

- 5.4 For the avoidance of doubt, paragraphs 5.1 to 5.3 of this Schedule 2 above will apply with respect to any constituent Security of a Basket or Index, but subject to:
- (a) where the Client is the Short Party, any calculation of the adjustment in accordance with paragraph 5.1(b) ignoring any Franking Credit attached to the relevant dividend or distribution; and
  - (b) any such adjustment being scaled back in proportion to the respective weighting of the affected Security within the Basket or Index as CMC Markets reasonably considers appropriate.

5.5 **Suspension and market disruption:** If, at any time:

- (a) trading in any relevant Security, or any constituent Security of a Basket, on any exchange is limited or suspended; or
- (b) trading is limited or suspended on any exchange so as to restrict trading within any relevant Index such that CMC Markets is prevented from determining the Contract Price of a Security or Index,

then the Contract Price of such Security or Index will be the Contract Price immediately preceding such limitation or suspension and the Contract Price of any affected Basket will be calculated accordingly.

5.6 If:

- (a) in relation to a Spot or Future on a Security or Index; or
- (b) in relation to a Spot or Future on a Basket, such limitation or suspension affects all constituent Securities and such limitation or suspension continues for 5 Business Days,

CMC Markets may close the Spot or Future and determine a Closing Date and the Contract Value under clause 18 or 24 of this Agreement. CMC Markets reserves the right at all times during the term of any such limitation or suspension to adjust the Contract Price of any affected Spot or Future (including any Basket) in its reasonable discretion but having regard to the then prevailing market conditions affecting trading as a whole or trading in such Security or Index.

5.7 Where a Spot or Future is based on a Basket and:

- (a) trading in any one or more (but not all) of the constituent Securities on any exchange is limited or suspended for a period of 5 Business Days; or
- (b) a company, whose Security is one of the constituent Securities, goes into insolvency or is otherwise dissolved,

CMC Markets will be entitled, without prior reference to the Client, to exclude any such Security from the Basket going forward and to adjust the Contract Price in such manner as it considers representative, fair and reasonable, in order to maintain the respective weight of the remaining Securities within the Basket.

5.8 If, in relation to any Security, Basket or Index on which a Spot or Future is based, the price of any relevant Security or the Index becomes exceptionally volatile as reasonably determined by CMC Markets, CMC Markets may by notice inform the Client of an amendment to the Margin Percentage with respect to that Spot or Future. Such amendment will also apply to any relevant Spot or Future entered into with the Client after such amendment.

5.9 If:

- (a) CMC Markets is unable to hold, purchase or borrow any relevant Securities or CMC Markets' ability to hold, purchase or borrow such Securities becomes in the reasonable opinion of CMC Markets at any time materially impaired or restricted for whatever reason; or
- (b) CMC Markets reasonably believes that it can no longer perform its obligations under the Spot or Future on the same economic basis as that Underlying Reference Instrument the terms of the Spot or Future when the Spot or Future was originally entered into, then

CMC Markets will give notice to the Client of that fact and will, at the Client's request, provide the Client with reasonable evidence of such circumstances, although CMC Markets' determination will be conclusive.

- 5.10 At any time following the giving of notice by CMC Markets to the Client under paragraph 5.9 of this Schedule 2, CMC Markets may close the Spot or Future, and clause 18 or 24 of this Agreement will apply.
- 5.11 CMC Markets reserves the right to pass on to the Client any stock borrowing costs incurred by CMC Markets during exceptional market conditions, as reasonably determined by CMC Markets and notified in advance to the Client.
- 5.12 **Adjustments, insolvency and takeover bids:** If any Security becomes subject to adjustment as the result of any event set out in paragraph 5.13 of this Schedule 2 below, CMC Markets will determine the appropriate adjustment, if any, to be made to the Contract Price and/or the relevant Contract Quantity as it will reasonably consider appropriate to account for the diluting or concentrative effect of the adjustment or otherwise necessary to preserve the economic equivalent of the rights and obligations of the parties under the relevant Spot or Future immediately prior to such event. Such adjustment will be effective from the date determined by CMC Markets.
- 5.13 The events to which paragraph 5.12 of this Schedule 2 refers are the declaration by the issuer of the Security of the terms of any of the following:
- (a) subdivision, consolidation or reclassification of the Security, or a free distribution of shares or units, as the case requires, to existing holders by way of bonus, capitalisation or similar issue;
  - (b) distribution to existing holders of the Security, other shares, units or securities granting the right to payment of dividends, distributions and/or proceeds of liquidation of the issuer equally or proportionately with such payments to holders of the Security, or securities, rights or warrants granting the right to a distribution of shares units or securities or to purchase, subscribe, or receive shares, units or securities, in any case for payment (in cash or otherwise) at less than the prevailing market price per share, unit or security as determined by CMC Markets;
  - (c) any event in respect of the shares analogous to paragraph 5.13(a) or (b) above or otherwise having a diluting or concentrative effect on the market value of the Security.
- 5.14 If at any time a takeover bid is made, or a scheme of arrangement is proposed, in respect of a Security, then, subject always to the Client's right to close the position, at any time prior to the closing date of such offer:
- (a) in the case of a Spot or Future on a single Security, CMC Markets may give notice to the Client of its intention to close any relevant Spot or Future, in which case the provisions of such notice and clause 18 or 24 of this Agreement will apply; or
  - (b) in the case of a Spot or Future on a Basket, CMC Markets may give notice to the Client of its intention to amend the constituents of the Basket to exclude such Security and to adjust the Contract Price as it considers representative, fair and reasonable as specified in such notice.
- 5.15 If a company, whose Security forms the basis of a Spot or Future on a single Security, goes into insolvency or is otherwise dissolved, CMC Markets will close such Spot or Future and the date of such insolvency or dissolution will be the Closing Date. The Contract Value of such Spot or Future will be determined by CMC Markets in good faith.
- 5.16 Any adjustment or amendment of the Contract Price and the Contract Quantity made by CMC Markets under this paragraph 5 will, subject to paragraphs 5.1 and 5.2, be entered on the Account with effect immediately after Close of Business on such Business Day and will be conclusive and binding on the Client save in the case of manifest error.
- 5.17 No adjustments will be made in relation to any Spot or Future in respect of any events occurring after the closing of such Spot or Future.
- 5.18 Reference to any "takeover bid" in this paragraph 5 will have the meaning set out in section 9 of the Corporations Act for Securities traded in Australia, and in respect of Securities traded outside Australia, such code or regulations as are applicable to takeovers and mergers (as amended from time to time). If no such other code or regulations apply, CMC Markets will apply the Corporations Act.

## Schedule 3

### Forex Spots and Forwards

#### 1. Contract Unit

- 1.1 The Contract Unit will be one currency unit of the primary reference currency.

#### 2. CMC Markets' pricing

- 2.1 The Contract Price will be a bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the Interbank Rate.
- 2.2 If the Specified Date of a Forward is other than a date generally quoted in the market, CMC Markets will calculate the Interbank Rate from the available market prices for other value dates as CMC Markets considers representative, fair and reasonable.

#### 3. Close of business accounting

- 3.1 The Contract Price will be the mid price calculated under paragraph 2 above. All positions left open at the Close of Business will be rolled over to the next Business Day at the CMC Markets Rollover Rate.

#### 4. Closing

- 4.1 A Spot or Forward on currencies will close automatically at Close of Business on the fifth anniversary of the date on which the Spot or Forward was first entered into.

#### 5. Additional provisions

- 5.1 If you are a resident of Hong Kong and wish to trade in Forex Spots and Forwards, you will need to read the separate LFX Disclosure Document and make a separate application to CMC Markets.
- 5.2 Clauses 16 and 22.1(b) of this Agreement in relation to margin calculations will not apply to a Spot or a Forward on currencies and the remaining paragraphs of this paragraph 5 will apply.
- 5.3 At the time of each transaction, the Client will have margin on the Account at least equivalent to:

**Margin Percentage x Contract Quantity**

- 5.4 Commencing from the time of the transaction and throughout the term of the Spot or the Forward, the Client must have and maintain margin on the Account at least equivalent to the total of:

**Margin Percentage x Contract Quantity**

in respect of all open Forex Spots or Forwards positions on the Account. The amount of margin on the Account at any time will be determined as if such payments as are due under clause 17.4 of this Agreement were calculated and deducted from the Account on an ongoing basis during the day.

## Schedule 4

### Treasury Products Futures

#### 1. Contract Unit

- 1.1 The Contract Unit will be the points total of the relevant Treasury Product and CMC Markets quotes prices in the relevant currency per the minimum customary trade size of such Treasury Product.

#### 2. CMC Markets' pricing

- 2.1 The Contract Price will be a bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the last traded price of the relevant Underlying Reference Instrument (being a futures contract over a Treasury Product) on the relevant exchange.
- 2.2 If the Specified Date of a Future is other than a date generally quoted in the market, CMC Markets will calculate the relevant exchange rate from the available exchange prices for other value dates as CMC Markets considers representative, fair and reasonable.

#### 3. Close of business accounting

- 3.1 The Contract Price will be the mid price calculated under paragraph 2 of this Schedule 4 above. All positions left open at Close of Business will be rolled over to the next Business Day at the CMC Markets Rollover Rate.

#### 4. Closing

- 4.1 A Future based on a futures contract over a Treasury Product will close automatically at Close of Business on the fifth anniversary of the date on which the Future was first entered into.

#### 5. Additional provisions

- 5.1 Clause 22.1(b) of this Agreement in relation to margin calculations will not apply to a Future on a Treasury Product and the remaining paragraphs of this paragraph 5 will apply.
- 5.2 At the time of each transaction and throughout the term of the Future, the Client will have and maintain margin on the Account at least equivalent to:

**(Margin Percentage x current Contract Price / Minimum Point Increment) x Contract Quantity**

in respect of all open Treasury Futures positions on the Account. The amount of margin on the Account at any time will be determined as if such payments as are due under clause 17.4 of this Agreement were calculated and deducted from the Account on an ongoing basis during the day based upon the current bid or offer Contract Price (as applicable) from time to time.

## Schedule 5

### Bullion Spots

#### 1. Contract Unit

- 1.1 The Contract Unit will be one ounce of the relevant metal and CMC Markets quotes prices in the customary currency of the relevant market per ounce.

#### 2. CMC Market' pricing

- 2.1 The Contract Price will be a bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the Interbank Rate.
- 2.2 If the Specified Date of a Future is other than a date generally quoted in the market, CMC Markets will calculate the relevant exchange rate from the available exchange prices for other value dates as CMC Markets considers representative, fair and reasonable.

#### 3. Close of business accounting

- 3.1 The Contract Price will be the mid price calculated under paragraph 2 above. All positions left open at Close of Business will be rolled over to the next Business Day at the CMC Markets Rollover Rate.

#### 4. Closing

- 4.1 A Spot on a base or precious metal will close automatically at Close of Business on the fifth anniversary of the date on which the Spot was first entered into.

#### 5. Additional provisions

- 5.1 If you are a resident of Hong Kong and wish to trade in Bullion Spots, you will need to read the separate LFX Disclosure Document and make a separate application to CMC Markets.
- 5.2 Clause 16 of this Agreement in relation to margin calculations will not apply to a Spot on precious metals and the remaining paragraphs of this paragraph 5 will apply.
- 5.3 At the time of each transaction, the Client will have margin on the Account at least equivalent to:
- Margin Percentage x Contract Quantity x Contract Price**
- 5.4 Commencing from the time of the transaction and throughout the term of the Spot, the Client must have and maintain margin on the Account at least equivalent to the total of:

**Margin Percentage x Contract Quantity x Contract Price**

in respect of all open Bullion Spots positions on the Account . The amount of margin on the Account at any time will be determined as if such payments as are due under clause 17.4 of this Agreement were calculated and deducted from the Account on an ongoing basis during the day.

## Schedule 6

### Commodity Futures

#### 1. Contract Unit

- 1.1 The Contract Unit will be one SI unit (e.g. one ounce, pound or barrel) according to the custom of the relevant market and CMC Markets quotes prices in the customary currency of the relevant market per unit.
- 1.2 If, in accordance with the custom of the relevant market, prices for a commodity are quoted in different currencies in different markets, the Client may request CMC Markets to quote a price for the Future in any of the customary currencies.

#### 2. CMC Markets pricing

- 2.1 The Contract Price will be a bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the last traded price of the relevant Underlying Reference Instrument (being a futures contract over a commodity) on the relevant exchange.
- 2.2 If the Specified Date of a Future is other than a date generally quoted in the market, CMC Markets will calculate the relevant market rate from the available exchange prices for other value dates as CMC Markets considers representative, fair and reasonable.

#### 3. Close of business accounting

- 3.1 The Contract Price will be a mid price calculated under paragraph 2 above. All positions left open at Close of Business will be rolled over to the next Business Day at the CMC Markets Rollover Rate.

#### 4. Closing

- 4.1 A Future based on a futures contract over a commodity will close automatically at Close of Business on the fifth anniversary of the date on which the Future was first entered into.

#### 5. Additional provisions

- 5.1 Clause 22.1(b) of this Agreement in relation to margin calculations will not apply to a Future on a relevant commodity and the remaining paragraphs of this paragraph 5 will apply.
- 5.2 At the time of each transaction and throughout the term of the Future, the Client will have and maintain margin on the Account at least equivalent to:

**(Margin Percentage x current Contract Price / Minimum Point Increment) x Contract Quantity**

in respect of all open Commodities Futures positions on the Account. The amount of margin on the Account at any time will be determined as if such payments as are due under clause 17.4 of this Agreement were calculated and deducted from the Account on an ongoing basis during the day based upon the current bid or offer Contract Price (as applicable) from time to time.

## Schedule 7

### Equity Index Futures

#### 1. Contract Unit

- 1.1 The Contract Unit will be the points total of the relevant Equities Index Futures Contract and CMC Markets quoted prices in the relevant currency of the Equity Index Futures Contract at the relevant currency amount per index point (as specified on CMC Markets' website).

#### 2. CMC Markets pricing

- 2.1 The Contract Price will be a bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the mid-market price of the relevant Equities Index Futures Contract on the relevant exchange.
- 2.2 If the Specified Date of a Future is other than a date generally quoted in the market, CMC Markets will calculate the relevant exchange rate from the available exchange prices for other value dates as CMC Markets considers representative, fair and reasonable.

#### 3. Close of business accounting

- 3.1 The Contract Price will be a mid-market price calculated under paragraph 2 above. All positions left open at Close of Business will be rolled over to the next Business Day at the CMC Markets Rollover Rate.

#### 4. Closing

- 4.1 A Future based on an Equities Index Futures Contract will close automatically at Close of Business on the fifth anniversary of the date on which the Future was first entered into.

## Schedule 8

### Currency Futures

#### 1. Contract Unit

1.1 The Contract Unit will be one currency unit of the primary reference currency.

#### 2. CMC Markets pricing

2.1 The Contract Price will be a bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the mid-market price of the relevant Currency Futures Contract on the relevant exchange.

#### 3. Close of business accounting

3.1 The Contract Price will be a mid-market price calculated under paragraph 2 above. All positions left open at Close of Business will be rolled over to the next Business Day at the CMC Markets Rollover Rate.

#### 4. Closing

4.1 A Future based on a Currency Futures Contract will close automatically at Close of Business on the fifth anniversary of the date on which the Future was first entered into.

#### 5. Additional provisions

5.1 Clause 22.1(b) of this Agreement in relation to margin calculations will not apply to a Future on a relevant Currency and the remaining paragraphs of this paragraph 5 will apply.

5.2 At the time of each transaction and throughout the term of the Future, the Client will have and maintain margin on the Account at least equivalent to:

**Margin Percentage x [(Contract Quantity x current Contract Price) x Contract Size]**

in respect of all open Currency Futures positions on the Account. The amount of margin on the Account at any time will be determined as if such payments as are due under clause 17.4 of this Agreement were calculated and deducted from the Account on an ongoing basis during the day based upon the current bid or offer Contract Price (as applicable) from time to time.

## Schedule 9

### Currency Index CFDs

#### 1. Contract Unit

- 1.1 The Contract Unit will be one currency of the primary reference currency, which shall represent a weighting between the currencies of each country comprising the Currency Index.

#### 2. CMC Markets' pricing

- 2.1 Subject to paragraph 5 of this Schedule 9, the Contract Price of a Spot on a Currency Index will be a bid or offer price (whichever is applicable) calculated by CMC Markets by applying the CMC Markets Spread to the mid-market price of the Currency Index, which is derived by CMC Markets in accordance with the procedure set out in clause 2.2 of this Schedule 9.
- 2.2 CMC Markets derives the mid-market price of a Currency Index in a manner that CMC Markets considers representative, fair and reasonable to broadly reflect the Related Currency Index. The following process is used:
- (a) Selecting:
    - (i) each currency comprising the Currency Index;
    - (ii) the weight to be applied to each currency in the Currency Index. The weights chosen by CMC Markets may differ from those used by central banks to calculate the Related Currency Index and are available to the Client upon request by phone or email;
  - (b) Applying the Interbank Rate for each constituent currency to the power of the relevant weight for that currency (determined under paragraph 2.2(a)(ii) of this Schedule 9). This gives a weighted mid-market price for each currency in the Currency Index. If the Specified Date of a Forward is other than a date generally quoted in the market, CMC Markets will calculate the Interbank Rate from the available market prices for other value dates as CMC Markets considers representative, fair and reasonable.
  - (c) Adding together the weighted mid-market price of each constituent currency (determined under paragraph 2.2(b) of this Schedule 9), giving a weighted mid-market price of the constituent currencies in the Currency Index (**Weighted Sum**).
  - (d) Selecting the constant to be applied to Weighted Sum for the Currency Index (**Constant**). The Constant chosen by CMC Markets may differ from that used by central banks to calculate the Related Currency Index and are available to the Client upon request by phone or email.
  - (e) Multiplying the Weighted Sum by the Constant to give a mid-market price for the Currency Index.
- 2.3 By way of example and in accordance with paragraph 2.2 of this Schedule 9 above, if the relative weighted mid-market price of a Currency Index varies, the Contract Price quoted by CMC Markets will vary accordingly so as to produce a profit or loss to CMC Markets or the Client on the Spot.

#### 3. Close of business accounting

- 3.1 The Contract Price will be the mid price calculated under paragraph 2.1 above. All positions left open at the Close of Business will be rolled over to the next Business Day at the CMC Markets Rollover Rate.

#### 4. Closing

- 4.1 A Spot on a Currency Index will close automatically at Close of Business on the fifth anniversary of the date on which the Spot was first entered into.

#### 5. Additional provisions

- 5.1 A Currency Index CFD is only available to be traded by residents of Australia.

5.2 Clauses 16 of this Agreement in relation to margin calculations will not apply to a Spot on a Currency Index and the remaining paragraphs of this paragraph 5 will apply.

5.3 At the time of each transaction, the Client will have margin on the Account at least equivalent to:

**Margin Percentage x Contract Quantity**

5.4 Commencing from the time of the transaction and throughout the term of the Spot or the Forward, the Client must have and maintain margin on the Account at least equivalent to the total of:

**Margin Percentage x Contract Quantity**

in respect of all open Currency Index Spot positions on the Account. The amount of margin on the Account at any time will be determined as if such payments as are due under clause 17.4 of this Agreement were calculated and deducted from the Account on an ongoing basis during the day.

***Adjustments to a Currency Index***

5.5 We may (but shall not be obligated to) amend any Currency Index at any time without prior notice to you in order to broadly adjust it to changes made the Related Currency Index. Any amendments to the Currency Index shall be effective immediately and govern any contract entered into after or open at the time the time when the amendment is made.

## Annexure: Trading examples

All examples displayed are based upon the Margin Percentages and Commission for execution of trades for Australian Clients only, as set out in section 4 of this PDS. Charges for Foreign Clients are set out in section 4 of this PDS and may be different from those applying to Australian Clients. Margin Percentages and Commissions may be changed as specified in this PDS without these examples being updated. All other amounts are approximations for illustration purposes only. To find out the currently applicable Financing Rates please call Client Services on 1300 660 262 (only in Australia) or +61 [0] 2 8221 2100(English) or +61 [0] 2 8221 2166(Chinese). Other charges as specified in section 4 of this PDS may also apply.

### Example 1: Going Long and making a profit using a Share CFD

Step 1 - Opening your Account	Calculation	Account Display	
You open an Account with CMC Markets and have on deposit A\$10,000 in Total Equity.	n/a	<b>Total Equity</b>	\$10,000.00
You have no Margin Requirement at this point as you hold no CFD positions.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity less your Total Margin Requirement.	$\$10,000 - 0 = \$10,000$	<b>Free Equity</b>	\$10,000.00

Step 2 - Opening a position	Calculation	Account Display	
The price of a BHP Share CFD is 24.99 (Bid price) / 25.00 (Offer price).			
You buy 5,000 BHP Share CFDs at the offer price of \$25.00. You will pay \$125 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your previous Total Equity balance.	$5000 \text{ CFDs} \times \$25.00 \times 0.1\% = \$125$ $\$10000 - \$125 = \$9875$	<b>Total Equity</b>	\$9,875.00
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by Margin Percentage. BHP has a 3% Margin Percentage. Your Total Margin Requirement to open this position is \$3,750.	$5000 \text{ CFDs} \times \$25.00 \times 3\% = \$3750$	<b>Total Margin Requirement</b>	\$3,750.00
You decide to hold the position overnight. The closing price for a BHP Share CFD for that day was \$25, the same as your purchase price.			
Your Free Equity is \$6,125 (i.e. your Total Equity less your Total Margin Requirement).	$\$9875 - \$3750 = \$6125$	<b>Free Equity</b>	\$6,125.00

Step 3 – The next day	Calculation	Account Display	
<p>Your Account is debited \$27.40 for the overnight Financing Charge, calculated by multiplying the number of CFDs held, by the CMC Markets closing price, then multiplied by the Financing Rate divided by 365 (refer to the table containing information about Financing Rates at Section 4.2).</p>	<p>Closing position overnight 9,875.00</p> <p>Less Financing Charge (5000 x 25.00) x 8% / 365 = 27.40</p>	<b>Total Equity</b>	\$17,347.60
<p>Following an earnings upgrade, the opening price of BHP Share CFDs is \$26.50/51. Your position is marked to market, which changes your Account balance from the previous night's closing position.</p>	<p>Plus Profit (26.50 - 25.00) x 5000) = 7500</p> <p>Equals 9,875 - 27.40 + 7500 = 17347.60</p>		
<p>Your Total Margin Requirement to hold this position is \$3,975.</p>	<p>5000 x 26.50 x 3%=\$3,975</p>	<b>Total Margin Requirement</b>	\$3,975.00
<p>Your Free Equity is your Total Equity less your Total Margin Requirement.</p>	<p>17347.60 – 3975.00 = 13372.60</p>	<b>Free Equity</b>	\$13,372.60

Step 4 - Closing the position	Calculation	Account Display	
<p>You decide to close your position and take the profit by selling 5,000 BHP Share CFDs at the bid price of 26.50. We fill your order at this price.</p> <p>You would pay \$132.50 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your Account balance.</p>	<p>5000 x 26.50 x 0.1% = 132.50</p> <p>17347.60 - 132.50 = 17215.10</p>	<b>Total Equity</b>	\$17,215.10
<p>Your Total Margin Requirement would now be zero as your position has been closed.</p>	n/a	<b>Total Margin Requirement</b>	\$0.00
<p>Your Equity is now \$1,7215.10 (i.e. your Total Equity Less your Total Margin Requirement).</p>	<p>17215.10 – 0 = 17215.10</p>	<b>Free Equity</b>	\$17,215.10

In this example you opened a long position and closed at a greater price. After Commission and Financing Charges you would have made \$7,215.10 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been \$7,769.90. Please see the example below for how this loss is calculated.

## Example 2: Going Long and making a loss using a Share CFD

### Step 1 – Opening your Account

Your Account has the same opening balances as shown in Example 1.

Step 2 - Opening a position	Calculation	Account Display	
The price of BHP Share CFD is 24.99 (Bid price) / 25.00 (Offer price).			
You buy 5,000 BHP Share CFDs at the offer price of \$25.00. You will pay \$125 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your opening Total Equity balance.	$5000 \times 25.00 \times 0.1\% = 125$ $10000 - 125 = 9875$	<b>Total Equity</b>	\$9,875.00
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by Margin Percentage. BHP has a 3% Margin Percentage. Your Total Margin Requirement to open this position is \$3,750.	$5000 \times 25.00 \times 3\% = 3750$	<b>Total Margin Requirement</b>	\$3,750.00
You decide to hold the position overnight. The closing price for a BHP Share CFD for that day was \$25.00, the same as your purchase price.		<b>Free Equity</b>	\$6,125.00
Your Free Equity is \$6125 (i.e. your Total Equity less your Total Margin Requirement).	$9875 - 3750 = 6125$		

Step 3 – The next day	Calculation	Account Display	
Your Account is debited \$27.40 for the overnight Financing Charge, calculated by multiplying the number of CFDs held, by the CMC Markets closing price, then multiplied by the Financing Rate divided by 365 (refer to the table containing information about Financing Rates at Section 4.2).	Closing position overnight 9875.00 Less Financing Charge $(5000 \times 25.00) \times 8\% / 365 = 27.40$ Less Loss $(23.50 - 25.00) \times 5000 = -7500$	<b>Total Equity</b>	\$2,347.60
Following an earnings downgrade, the opening price of BHP Share CFD is \$23.50/51. Your position is marked to market, and your Total Equity balance falls below your Total Margin Requirement. Your Account is placed on Margin Call (see section 3.14 of this PDS).	Equals $9875 - 27.40 - 7500 = 2347.60$		
Your Total Margin Requirement to hold this position is \$3,525.	$5000 \times 23.50 \times 3\% = 3525$	<b>Total Margin Requirement</b>	\$3,525.00

Your Free Equity is your Total Equity less your Total Margin Requirement. This means that you will be on Margin Call for \$1,177.40.	$2347.60 - 3525 = -1177.4$	<b>Free Equity</b>	\$-1,177.40
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Step 4 - Closing the position	Calculation	Account Display	
You decide close your position by selling 5,000 BHP Share CFDs at the bid price of 23.50. We fill your order at this price. You would pay \$117.50 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your Account balance.	$5000 \times 23.50 \times 0.1\% = 117.50$ $2347.60 - 117.50 = 2230.10$	<b>Total Equity</b>	\$2,230.10
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is now \$2230.10 (i.e. your Total Equity Less your Total Margin Requirement).	$2230.10 - 0 = 2230.10$	<b>Free Equity</b>	\$2,230.10

In this example you opened a Long position and closed at a lesser price. After Commission and Financing Charges you would have made \$7,769.90 loss.

## Example 3: Going Short and making a profit using a Share CFD

<b>Step 1 – Opening your Account</b>
Your Account has the same opening balances as shown in Example 1.

<b>Step 2 - Opening a position</b>	<b>Calculation</b>	<b>Account Display</b>	
The price of BHP Share CFD is 24.99 (bid price) / 25.00 (offer price).		<b>Total Equity</b>	\$9,875.05
You sell 5,000 BHP Share CFDs at the bid price of \$24.99.			
You will pay \$124.95 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your opening Total Equity balance.	$5000 \times 24.99 \times 0.1\% = 124.95$ $10000 - 124.95 = 9875.05$		
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by Margin Percentage. BHP CFDs have a 3% Margin Percentage.		<b>Total Margin Requirement</b>	\$3,748.50
Your Total Margin Requirement to open this position is \$3,748.50.	$5000 \times 24.99 \times 3\% = 3748.50$		
You decide to hold the position overnight. The closing price for a BHP Share CFD for that day was \$24.99, the same as your sale price.		<b>Free Equity</b>	\$6,126.55
Your Free Equity is now \$6,126.55 (i.e. your Total Equity Less your Total Margin Requirement).	$9875.05 - 3748.50 = 6126.55$		

<b>Step 3 – The next day</b>	<b>Calculation</b>	<b>Account Display</b>	
Your Account is credited \$13.69 for overnight financing, calculated by multiplying the number of CFDs held, by the CMC Markets closing price, then multiplied by the Financing Rate divided by 365 (refer to the table containing information about Financing Rates at Section 4.2).	Closing position overnight \$9,875.05 Plus Financing Benefit $(5000 \times 24.99) \times 4\% / 365 = 13.69$ Plus Profit $(24.99 - 23.51) \times 5000 = 7400$	<b>Total Equity</b>	\$17,288.74
Following an earnings downgrade, the opening price of BHP Share CFDs the next day is \$23.50/51.	Equals $9875.05 + 13.69 + 7400 = 17288.74$		
Your position is marked to market, which changes Account balance from the previous night's closing position.			
Your Total Margin Requirement if you continue to hold this position is \$3,526.50.	$5000 \times 23.51 \times 3\% = 3526.50$	<b>Total Margin Requirement</b>	\$3,526.50

Your Free Equity is your Total Equity less your Total Margin Requirement.	$17,288.74 - 3,526.50 = 13,762.24$	<b>Free Equity</b>	\$13,762.24
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Step 4 - Closing the position	Calculation	Account Display	
You decide to close your position by buying 5,000 BHP Share CFDs at the offer price of 23.51. We fill your order at this price.			
You would pay \$117.55 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your Account balance.	$5000 \times 23.51 \times 0.1\% = 117.55$ $17,288.74 - 117.55 = 17171.19$	<b>Total Equity</b>	17171.19
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is now \$17,171.19 (i.e. your Total Equity Less your Total Margin Requirement).	$17171.19 - 0 = 17171.19$	<b>Free Equity</b>	\$17,171.19

In this example you opened a short position and closed at a lesser price. After Commission charges and Financing Benefits you would have made \$7,171.19 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been \$7,843.81. Please see the example below for how this loss is calculated.

## Example 4: Going Short and making a loss using a Share CFD

<b>Step 1 – Opening your Account</b>
Your Account has the same opening balances as shown in Example 1.

<b>Step 2 - Opening a position</b>	<b>Calculation</b>	<b>Account Display</b>	
The price of BHP Share CFD is 24.99 (bid price) / 25.00 (offer price).		<b>Total Equity</b>	\$9,875.05
You sell 5,000 BHP Share CFDs at the bid price of \$24.99.			
You will pay \$124.95 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your opening Total Equity balance.	$5000 \times 24.99 \times 0.1\% = 124.95$ $10000 - 124.95 = 9875.05$		
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the instrument Margin Percentage. BHP has a 3% Margin Percentage.		<b>Total Margin Requirement</b>	\$3,748.50
Your Total Margin Requirement to open this position is \$3,748.50.	$5000 \times 24.99 \times 3\% = 3748.50$		
You decide to hold the position overnight. The closing price for a BHP Share CFD for that day was \$24.99, the same as your sale price.		<b>Free Equity</b>	\$6,126.55
Your Free Equity is now \$6,126.55 i.e. your Total Equity Less your Total Margin Requirement.	$9875.05 - 3748.50 = 6126.55$		

<b>Step 3 – The next day</b>	<b>Calculation</b>	<b>Account Display</b>	
Your Account is credited \$13.69 for the overnight Financing Benefit, calculated by multiplying the number of CFDs held, by the CMC Markets closing price, then multiplied by the Financing Rate divided by 365 (refer to the table containing information about Financing Rates at Section 4.2).	Closing position overnight 9875.05 Plus Financing Benefit $(5000 \times 24.99) \times 4\% / 365 = 13.69$ Less Loss $(24.99 - 26.51) \times 5000 = 7,600$	<b>Total Equity</b>	\$2,288.74
Following an earnings upgrade, the opening price of BHP Share CFDs the next day is \$26.50/51.	Equals $9875.05 + 13.69 - 7600 = 2288.74$		
Your position is marked to market, which changes Account balance from the previous nights closing position. Your Total Equity balance has fallen below your Total Margin Requirement. Your Account is placed on Margin Call (see Section 3.14).			
Your Total Margin Requirement if you	$5000 \times 26.51 \times 3\% =$	<b>Total Margin</b>	\$3,976.50

continue to hold this position is \$3,976.50.	3976.50	<b>Requirement</b>	
Your Free Equity is your Total Equity less your Total Margin Requirement. This means that you will be on Margin Call for \$1,687.76.	$2288.74 - 3976.50 = -1687.76$	<b>Free Equity</b>	-\$1,687.76

Step 4 - Closing the position	Calculation	Account Display	
You decide to close your position and buy 5,000 BHP Share CFDs at the offer price of 26.51. We fill your order at this price.		<b>Total Equity</b>	\$2,156.19
You would pay \$132.55 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your Account balance.	$5000 \times 26.51 \times 0.1\% = -132.55$ $2288.74 - 132.55 = 2156.19$		
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is now \$2156.19 (i.e. your Total Equity Less your Total Margin Requirement).	$2156.19 - 0 = 2156.19$	<b>Free Equity</b>	\$2,156.19

In this example you opened a short position and closed at a greater price. After Commission charges and Financing Benefits you would have made \$7,843.81 loss.

## Example 5: Going Long and making a profit using an Index CFD

<b>Step 1 – Opening your Account</b>
Your Account has the same opening balances as shown in Example 1.

<b>Step 2 – Opening a position</b>	<b>Calculation</b>	<b>Account Display</b>	
The price of AUSSIE200 Index CFD is 5210 (Bid price) / 5212 (Offer price).		<b>Total Equity</b>	\$10,000.00
You buy 10 AUSSIE200 Index CFDs at the offer price of 5212.	n/a		
You will pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Index CFDs (see Section 4.1).			
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by Margin Percentage. The AUSSIE200 has a 1% Margin Percentage. Your Total Margin Requirement to open this position is \$521.20.	$10 \times 5212 \times 1\% = 521.20$	<b>Total Margin Requirement</b>	\$521.20
You decide to hold the position overnight. The closing price for AUSSIE200 Index CFD for that day was 5212, the same as your purchase price.		<b>Free Equity</b>	\$9,478.80
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10000 - 521.20 = 9478.80$		

<b>Step 3 – The next day</b>	<b>Calculation</b>	<b>Account Display</b>	
Your Account is debited \$14.28 for the overnight Financing Charge, calculated by the number of CFDs multiplied by the CMC Markets closing price, multiplied by the Financing Rate and divided by 365 (refer to the table containing information about Financing Rates at Section 4.2).	Closing position overnight is 10000 Less Financing Charge $(10 \times 5212) \times 10\% / 365 = 14.28$ Plus Profit $(5248 - 5212) \times 10 = 360$ Equals $10000 - 14.28 + 360 = 10345.72$	<b>Total Equity</b>	\$10345.72
Following a positive lead from the US overnight, the AUSSIE200 Index CFD opens the next day higher at 5248/50. Your position is marked to market, which changes your Account balance from the previous night's closing position.			
Your Total Margin Requirement to hold this position is \$524.80.	$10 \times 5248 \times 1\% = 524.8$	<b>Total Margin Requirement</b>	\$524.80
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10345.72 - 524.8 = 9820.92$	<b>Free Equity</b>	\$9,820.92

Step 4 - Closing the position	Calculation	Account Display	
<p>You decide to close your position and sell 10 AUSSIE200 Index CFDs at the bid price 5248. We fill your order at this price.</p> <p>You would pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Index CFDs (see Section 4.1).</p>		<b>Total Equity</b>	\$10345.72
Accordingly, your Total Equity remains unchanged.			
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10345.72 - 0 = 10345.72$	<b>Free Equity</b>	\$10,345.72

In this example you opened a long position and closed at a greater price. After Financing Charges you would have made \$345.72 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been \$434.28. Please see the example below for how this loss is calculated.

## Example 6: Going Long and making a loss using an Index CFD

### Step 1 – Opening your Account

Your Account has the same opening balances as shown in Example 1.

Step 2 - Opening a position	Calculation	Account Display	
The price of AUSSIE200 Index CFD is 5210 (bid price) / 5212 (offer price).		<b>Total Equity</b>	\$10,000.00
You buy 10 AUSSIE200 Index CFDs at the offer price of 5212.			
You will pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Index CFDs (see Section 4.1).	n/a		
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by Margin Percentage. The AUSSIE200 has a 1% Margin Percentage. Your Total Margin Requirement to open this position is \$521.20	$10 \times 5212 \times 1\% = 521.20$	<b>Total Margin Requirement</b>	\$521.20
You decide to hold the position overnight. The closing price for AUSSIE200 Index CFD for that day was 5212, the same as your purchase price.		<b>Free Equity</b>	\$9,478.80
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10000 - 521.20 = 9478.80$		

Step 3 – The next day	Calculation	Account Display	
Your Account is debited \$14.28 for the overnight Financing Charge, calculated by the number of CFDs multiplied by the CMC Markets closing price, multiplied by the Financing Rate and divided by 365 (refer to the table containing information about Financing Rates at Section 4.2).	Closing position overnight is 10000 Less Financing Charge $(10 \times 5212) \times 10\% / 365 = 14.28$	<b>Total Equity</b>	\$9,565.72
Following a negative lead from the US overnight, the AUSSIE200 Index CFD opens the next day lower at 5170/72. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Less Loss $(5170 - 5212) \times 10 = -420$ Equals $10000 - 420 - 14.28 = 9565.72$		
Your Total Margin Requirement to hold this position is \$517.	$10 \times 5170 \times 1\% = 517$	<b>Total Margin Requirement</b>	\$517.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$9565.72 - 517 = 9048.72$	<b>Free Equity</b>	\$9,048.72

Step 4 - Closing the position	Calculation	Account Display	
<p>You decide to close your position and sell 10 AUSSIE200 Index CFDs at the bid price 5170. We fill your order at this price. You would pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Index CFDs (see Section 4.1).</p>		<b>Total Equity</b>	\$9,565.72
<p>Accordingly, your Total Equity remains unchanged.</p>			
<p>Your Total Margin Requirement would now be zero as your position has been closed.</p>	n/a	<b>Total Margin Requirement</b>	\$0.00
<p>Your Free Equity is your Total Equity Less your Total Margin Requirement.</p>	$9565.72 - 0 = 9565.72$	<b>Free Equity</b>	\$9,565.72

In this example you opened a long position and closed at a lesser price. After Financing Charges you would have made \$434.28 loss.

## Example 7: Going Short and making a profit using an Index CFD

<b>Step 1 – Opening your Account</b>
Your Account has the same opening balances as shown in Example 1.

<b>Step 2 - Opening a position</b>	<b>Calculation</b>	<b>Account Display</b>	
The price of AUSSIE200 Index CFD is 5210 (bid price) / 5212 (offer price).		<b>Total Equity</b>	\$10,000.00
You sell 10 AUSSIE200 Index CFDs at the bid price of 5210.			
You will pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Index CFDs (see Section 4.1).	n/a		
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by Margin Percentage. The AUSSIE200 has a 1% Margin Percentage. Your Total Margin Requirement to open this position is \$521.	$10 \times 5210 \times 1\% = 521$	<b>Total Margin Requirement</b>	\$521.00
You decide to hold the position overnight. The closing price for AUSSIE200 Index CFD for that day was 5210, the same as your sale price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10000 - 521 = 9479$	<b>Free Equity</b>	\$9,479.00

<b>Step 3 – The next day</b>	<b>Calculation</b>	<b>Account Display</b>	
Your Account is credited \$2.85 for the overnight Financing Benefit, calculated by the number of CFDs multiplied by the CMC Markets closing price, multiplied by the Financing Rate and divided by 365 (refer to the table containing information about Financing Rates at Section 4.2).	Closing position overnight is 10000 Plus Financing Benefit $(10 \times 5210) \times 2\% / 365 = 2.85$ Plus Profit $(5210 - 5172) \times 10 = 380$ Equals $10000 + 380 + 2.85 = 10382.85$	<b>Total Equity</b>	\$10,382.85
Following a negative lead from the US overnight, the AUSSIE200 Index CFD opens the next day lower at 5170/72. Your position is marked to market, which changes your Account balance from the previous night's closing position.			
Your Total Margin Requirement to hold this position is \$517.2.	$10 \times 5172 \times 1\% = 517.2$	<b>Total Margin Requirement</b>	\$517.20
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10382.85 - 517.20 = 9865.65$	<b>Free Equity</b>	\$9,865.65

Step 4 - Closing the position	Calculation	Account Display	
You decide to close your position and buy 10 AUSSIE200 Index CFDs at the offer price 5172. We fill your order at this price. You would pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Index CFDs (see Section 4.1).	n/a		
Accordingly, your Total Equity remains unchanged.		<b>Total Equity</b>	\$10,382.85
Your Total Margin Requirement would now be zero as your position has been closed	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity less your Total Margin Requirement.	$10382.85 - 0 = 10382.85$	<b>Free Equity</b>	\$10,382.85

In this example you opened a short position and closed at a lesser price. After Financing Benefits you would have made \$382.85 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been \$397.15. Please see the example below for how this loss is calculated.

## Example 8: Going Short and making a loss using an Index CFD

### Step 1 – Opening your Account

Your Account has the same opening balances as shown in Example 1.

Step 2 - Opening a position	Calculation	Account Display	
The price of AUSSIE200 Index CFD is 5210 (bid price) / 5212 (offer price).		<b>Total Equity</b>	\$10,000.00
You sell 10 AUSSIE200 Index CFDs at the bid price of 5210.			
You will pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Index CFDs (see Section 4.1).	n/a		
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by Margin Percentage. The AUSSIE200 has a 1% Margin Percentage. Your Total Margin Requirement to open this position is \$521.	$10 \times 5210 \times 1\% = 521$	<b>Total Margin Requirement</b>	\$521.00
You decide to hold the position overnight. The closing price for AUSSIE200 Index CFD for that day was 5210, the same as your sale price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,000 - 521 = 9479$	<b>Free Equity</b>	\$9,479.00

Step 3 – The next day	Calculation	Account Display	
Your Account is credited \$2.85 for the overnight Financing Benefit, calculated by the number of CFDs multiplied by the CMC Markets closing price, multiplied by the Financing Rate and divided by 365 (Refer to the table containing information about Financing Rates at Section 4.2).	Closing position overnight is 10000 Plus Financing Benefit $(10 \times 5210) \times 2\% / 365 = 2.85$	<b>Total Equity</b>	\$9,602.85
Following a positive lead from the US overnight, the AUSSIE200 Index CFD opens the next day higher at 5248/50. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Less Loss $(5210 - 5250) \times 10 = -400$ Equals $10000 - 400 + 2.85 = 9602.85$		
Your Total Margin Requirement to hold this position is \$525.	$10 \times 5250 \times 1\% = 525$	<b>Total Margin Requirement</b>	\$525.00

Your Free Equity is your Total Equity Less your Total Margin Requirement.	$9602.85 - 525 = 9077.85$	<b>Free Equity</b>	\$9,077.85
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Step 4 - Closing the position	Calculation	Account Display	
<p>You decide to close your position and buy 10 AUSSIE200 Index CFDs at the offer price 5250.</p> <p>You would pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Index CFDs (see Section 4.1).</p>		<b>Total Equity</b>	\$9,602.85
Accordingly, your Total Equity remains unchanged.			
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$9,602.85 - 0 = 9,602.85$	<b>Free Equity</b>	\$9,602.85

In this example you opened a short position and closed at a greater price. After Financing Benefits you would have made \$397.15 loss.

## Example 9: Going Long and making a profit using a Treasury CFD

Step 1 – Opening your Account
Your Account has the same opening balances as shown in Example 1.

Step 2 - Opening a position	Calculation	Account Display	
The price of AUST3YR Dec 06 Treasury CFD is 94.17 (Bid price) / 20 (Offer price). The tick movement for 1 AUST3YR is AUD \$1 per 0.01.			
You buy 10 AUST3YR Dec 06 Treasury CFDs at the Offer price of 94.20.			
You will pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Treasury CFDs (see Section 4.1).	n/a	<b>Total Equity</b>	\$10,000.00
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the Margin Percentage and divided by the tick size. AUST3YR Dec 06 has a 1 % Margin Percentage and a 0.01 tick size. Your Total Margin Requirement to open this position is \$942.00	$10 \times 94.20 \times 1\% / 0.01 = 942$	<b>Total Margin Requirement</b>	\$942.00
You decide to hold the position overnight. The closing price for AUST3YR Dec 06 Treasury CFD for that day was 94.20, the same as your purchase price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,000 - 942 = 9058$	<b>Free Equity</b>	\$9,058.00

Step 3 – The next day	Calculation	Account Display	
Following speculation of an interest rate cut, the opening price of AUST3YR Dec 06 Treasury CFD the next day is 94.30/33. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Closing position overnight is 10000 Plus Profit $(94.30 - 94.20) \times 10 / 0.01 = 100$ Equals $10000 + 100 = 10100$	<b>Total Equity</b>	\$10,100
Financing Charges/Benefits do not apply to Treasury CFDs. Refer to the table at Section 3.7.			

Your Total Margin Requirement to hold this position is \$943.	$10 \times 94.30 \times 1\% / 0.01 = 943$	<b>Total Margin Requirement</b>	\$943.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10100 - 943 = 9157$	<b>Free Equity</b>	\$9157.00

Step 4 - Closing the position	Calculation	Account Display	
You decide to close your position and sell 10 AUST3YR Dec 06 Treasury CFDs at the bid price of 94.30. You would pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Treasury CFDs (see Section 4.1).			
Accordingly, your Total Equity remains unchanged.		<b>Total Equity</b>	\$10,100.00
Your Total Margin Requirement would now be zero as your position has been closed.		<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity less your Total Margin Requirements.	$10,100 - 0 = 10,100$	<b>Free Equity</b>	\$10,100.00

In this example you opened a long position and closed at a greater price. After Commission and Financing Charges you would have made \$100.00 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been \$100.00. Please see the example below for how this loss is calculated.

## Example 10: Going Long and making a loss using a Treasury CFD

<b>Step 1 – Opening your Account</b>
Your Account has the same opening balances as shown in Example 1.

Step 2 - Opening a position	Calculation	Account Display	
The price of AUST3YR Dec 06 Treasury CFD is 94.17 (bid price) / 20 (offer price) The tick movement for 1 AUST3YR is AUD \$1 per 0.01.			
You buy 10 AUST3YR Dec 06 Treasury CFDs at the offer price of 94.20.		<b>Total Equity</b>	\$10,000.00
You will pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Treasury CFDs (see Section 4.1).	n/a		
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the Margin Percentage and divided by the tick size. AUST3YR Dec 06 has a 1 % Margin Percentage and a 0.01 tick size. Your Total Margin Requirement to open this position is \$942.00.	$10 \times 94.20 \times 1\% / 0.01 = 942$	<b>Total Margin Requirement</b>	\$942.00
You decide to hold the position overnight. The closing price for AUST3YR Dec 06 Treasury CFD for that day was 94.20, the same as your purchase price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$\$10,000 - 942 = \$9,058$	<b>Free Equity</b>	\$9,058.00

Step 3 – The next day	Calculation	Account Display	
Following speculation of an interest rate rise, the opening price of AUST3YR Dec 06 Treasury CFD the next day is 94.10/13. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Closing position overnight is 10000 Less Loss $(94.10 - 94.20) \times 10 / 0.01 = -100$ Equals $10000 - 100 = 9900$	<b>Total Equity</b>	\$9,900
Financing Charges/Benefits do not apply to Treasury CFDs. Refer to the table at Section 3.7.			

Your Total Margin Requirement to hold this position is \$941.	$10 \times 94.10 \times 1\% / 0.01 = 941$	<b>Total Margin Requirement</b>	\$941.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$9900 - 941 = 8959$	<b>Free Equity</b>	\$8959.00

Step 4 - Closing the position	Calculation	Account Display	
You decide to close your position and sell 10 AUST3YR Dec 06 Treasury CFDs at the bid price of 94.10. You would pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Treasury CFDs (see Section 4.1).			
Accordingly, your Total Equity remains unchanged.	$10000 - 100 = 9900$	<b>Total Equity</b>	\$9,900.00
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity less your Total Margin requirement.	$9,900 - 0 = 9,900$	<b>Free Equity</b>	\$9,900.00

In this example you opened a long position and closed at a lesser price. After Commission and Financing Charges you would have made \$100 loss.

**Example 11: Going Short and making a profit using a Treasury CFD**

<b>Step 1 – Opening your Account</b>
Your Account has the same opening balances as shown in Example 1.

Step 2 - Opening a position	Calculation	Account Display	
The price of AUST3YR Dec 06 Treasury CFD is 94.17 (bid price) / 20 (offer price). The tick movement for 1 AUST3YR is AUD \$1 per 0.01.		<b>Total Equity</b>	\$10,000.00
You sell 10 AUST3YR Dec 06 Treasury CFDs at the bid price of 94.17.			
You will pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Treasury CFDs (see Section 4.1).	n/a		
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the Margin Percentage and divided by the tick size. AUST3YR Dec 06 has a 1 % Margin Percentage and a 0.01 tick size. Your Total Margin Requirement to open this position is \$941.70.	$10 \times 94.17 \times 1\% / 0.01 = 941.70$	<b>Total Margin Requirement</b>	\$941.70
You decide to hold the position overnight. The closing price for AUST3YR Dec 06 Treasury CFD for that day was 94.17, the same as your sale price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,000 - 941.70 = 9,058.30$	<b>Free Equity</b>	\$9,058.30

Step 3 – The next day	Calculation	Account Display	
Following speculation of an interest rate rise, the opening price of AUST3YR Dec 06 Treasury CFD the next day is 94.10/13. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Closing position overnight is 10000 Plus Profit $(94.17 - 94.13) \times 10 / 0.01 = 40$ Equals $10000 + 40 = 10040$	<b>Total Equity</b>	\$100,40

Financing Charges/Benefits do not apply to Treasury CFDs. Refer to the table at Section 3.7.			
Your Total Margin Requirement to hold this position is \$941.3.	$10 \times 94.13 \times 1\% / 0.01 = 941.3$	<b>Total Margin Requirement</b>	\$941.30
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10040 - 941.30 = 9098.70$	<b>Free Equity</b>	\$9098.70

Step 4 - Closing the position	Calculation	Account Display	
You decide to close your position and buy 10 AUST3YR Dec 06 Treasury CFDs at the offer price of 94.13.	n/a		
You would pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Treasury CFDs (see Section 4.1).	n/a		
Your Total Equity remains unchanged.	n/a	<b>Total Equity</b>	\$10,040.00
Your Total Margin Requirement would now be zero as your position has been closed.		<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity less your Total Margin Requirement.	$10040 - 0 = 10040$	<b>Free Equity</b>	\$10,040.00

In this example you opened a short position and closed at a lesser price. After Commission and Financing Charges you would have made \$40.00 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been \$100.00. Please see the example below for how this loss is calculated.

**Example 12: Going Short and making a loss using a Treasury CFD**

<b>Step 1 – Opening your Account</b>
Your Account has the same opening balances as shown in Example 1.

Step 2 – Opening a position	Calculation	Account Display	
The price of AUST3YR Dec 06 Treasury CFD is 94.17 (bid price) / 20 (offer price) The tick movement for 1 AUST3YR is AUD \$1 per 0.01.			
You sell 10 AUST3YR Dec 06 Treasury CFDs at the bid price of 94.17.			
You will pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Treasury CFDs (see Section 4.1).	n/a	<b>Total Equity</b>	\$10,000.00
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the Margin Percentage and divided by the tick size. AUST3YR Dec 06 has a 1 % Margin Percentage and a 0.01 tick size. Your Total Margin Requirement to open this position is \$941.70.	$10 \times 94.17 \times 1\% / 0.01 = 941.70$	<b>Total Margin Requirement</b>	\$941.70
You decide to hold the position overnight. The closing price for AUST3YR Dec 06 Treasury CFD for that day was 94.17, the same as your sale price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,000 - 941.70 = 9,058.30$	<b>Free Equity</b>	\$9,058.30

Step 3 – The next day	Calculation	Account Display	
Following speculation of an interest rate cut, the opening price of AUST3YR Dec 06 Treasury CFD the next day is 94.24/27. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Closing position overnight is 10000 Less Loss $(94.17 - 94.27) \times 10 / 0.01 = -100$	<b>Total Equity</b>	\$9,900
Financing Charges/Benefits do not apply to Treasury CFDs. Refer to the table at Section 3.7.	Equals $10000 - 100 = 9900$		

Your Total Margin Requirement to hold this position is \$942.70.	$10 \times 94.27 \times 1\% / 0.01 = 942.7$	<b>Total Margin Requirement</b>	\$942.70
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$9900 - 942.7 = 8957.3$	<b>Free Equity</b>	\$8,957.30

Step 4 - Closing the position	Calculation	Account Display	
You decide to close your position and buy 10 AUST3YR Dec 06 Treasury CFDs at the offer price of 94.27.			
You would pay \$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Treasury CFDs (see Section 4.1).			
Accordingly, your Total Equity remains unchanged.		<b>Total Equity</b>	\$9,900.00
Your Total Margin Requirement would now be zero as your position has been closed.		<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$9900 - 0 = 9900$	<b>Free Equity</b>	\$9,900.00

In this example you opened a long position and closed at a lesser price. After Commission and Financing Charges you would have made \$100 loss.

## Example 13: Going Long and making a profit using a Commodity CFD

Step 1 - Opening your Account	Calculation	Account Display	
You open an Account with CMC Markets and deposit USD\$10,000.	n/a	<b>Total Equity</b>	\$10,000.00
You have no Margin Requirement at this point as you hold no CFD positions.	n/a	<b>Total Margin Requirement</b>	\$0.00
Free Equity is your Total Equity Less your Total Margin Requirement.	$10000 - 0 = 10000$	<b>Free Equity</b>	\$10,000.00

Step 2 - Opening a position	Calculation	Account Display	
The price of USCRUDE Dec 06 Commodity CFD is 61.17 (bid price) / 23 (offer price). The tick movement for 1 USCRUDE DEC 06 is USD \$1 per 0.01.		<b>Total Equity</b>	\$10,000.00
You buy 10 USCRUDE Dec 06 Commodity CFDs at the offer price of 61.23.			
You will pay USD\$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Commodity CFDs (see Section 4.1).	n/a		
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the Margin Percentage and divided by the tick size. USCRUDE Dec 06 has a 3 % Margin Percentage and a 0.01 tick size. Your Total Margin Requirement to open this position is USD\$1,836.90.	$10 \times 61.23 \times 3\% / 0.01 = 1836.90$	<b>Total Margin Requirement</b>	\$1,836.90
You decide to hold the position overnight. The closing price for USCRUDE Dec 06 Commodity CFD for that day was 61.20, the same as your purchase price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10000 - 1836 = 8163.10$	<b>Free Equity</b>	\$8,163.10

Step 3 – The next day	Calculation	Account Display	
<p>Following speculation of a reduction in production by OPEC, the opening price of USCRUDE Dec 06 Commodity CFD the next day is 61.30/36. Your position is marked to market, which changes your Account balance from the previous night's closing position.</p>	<p>Closing position overnight is 10000                      Plus Profit <math>(61.30 - 61.23) \times 10 / 0.01 = 70</math>                      Equals  <math>10000 + 70 = 10070</math></p>	<p><b>Total Equity</b></p>	<p>\$10,070</p>
<p>Financing Charges/Benefits do not apply to Commodity CFDs. Refer to the table at Section 3.7.</p>			
<p>Your Total Margin Requirement to hold this position is \$1839.</p>	<p><math>10 \times 61.30 \times 3\% / 0.01 = 1839</math></p>	<p><b>Total Margin Requirement</b></p>	<p>\$1839</p>
<p>Your Free Equity is your Total Equity Less your Total Margin Requirement.</p>	<p><math>10070 - 1839 = 8231</math></p>	<p><b>Free Equity</b></p>	<p>\$8,231</p>
Step 4 - Closing the position	Calculation	Account Display	
<p>You decide to close your position and sell 10 USCRUDE Dec 06 Commodity CFDs at the bid price of 61.30.                      You would pay \$0 Commission for this trade. CMC Markets charges no commission for buying and selling Commodity CFDs (see Section 4.1).</p>	<p>n/a</p>		
<p>Accordingly, your Total Equity remains unchanged.</p>	<p>n/a</p>	<p><b>Total Equity</b></p>	<p>\$10,070.00</p>
<p>Your Total Margin Requirement would now be zero as your position has been closed.</p>	<p>n/a</p>	<p><b>Total Margin Requirement</b></p>	<p>\$0.00</p>
<p>Your Free Equity is your Total Equity less your Total Margin Requirement.</p>	<p><math>10,070 - 0 = 10,070</math></p>	<p><b>Free Equity</b></p>	<p>\$10,070.00</p>

In this example you opened a long position and closed at a greater price. After Commission and Financing Charges you would have made USD\$70.00 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been USD\$190.00. Please see the example below for how this loss is calculated.

**Example 14: Going Long and making a loss using a Commodity CFD**

<b>Step 1 – Opening your Account</b>
Your Account has the same opening balances (in USD) as shown in Example 13. All Account balances are in USD.

Step 2 - Opening a position	Calculation	Account Display	
The price of USCRUDE Dec 06 Commodity CFD is 61.17 (bid price) / 23 (offer price). The tick movement for 1 USCRUDE DEC 06 is USD \$1 per 0.01.			
You buy 10 USCRUDE Dec 06 Commodity CFDs at the offer price of 61.23.			
You will pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Commodity CFDs (see Section 4.1).	n/a	<b>Total Equity</b>	\$10,000.00
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the Margin Percentage and divided by the tick size. USCRUDE Dec 06 has a 3 % Margin Percentage and a 0.01 tick size. Your Total Margin Requirement to open this position is USD\$1,836.90.	$10 \times 61.23 \times 3\% / 0.01 = 1836.90$	<b>Total Margin Requirement</b>	\$1,836.90
You decide to hold the position overnight. The closing price for USCRUDE Dec 06 Commodity CFD for that day was 61.23, the same as your purchase price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,000 - 1,836.90 = 8,163.00$	<b>Free Equity</b>	\$8,163.10

Step 3 – The next day	Calculation	Account Display	
Following speculation of an interest rate rise, the opening price of USCRUDE Dec 06 Commodity CFD the next day is 61.04/10. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Closing position overnight is 10000 Less Loss $(61.04 - 61.23) \times 10 / 0.01 = -190$ Equals $10000 - 190 = 9810$	<b>Total Equity</b>	\$9,810
Financing Charges/Benefits do not apply to Commodity CFDs. Refer to the table at Section 3.7.			
Your Total Margin Requirement to hold this	$10 \times 61.04 \times 3\% / 0.01 =$	<b>Total Margin</b>	\$1831.20

position is \$1831.20.	1831.2	<b>Requirement</b>	
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$9810 - 1831.2 = 7978.8$	<b>Free Equity</b>	\$7978.80
<b>Step 4 - Closing the position</b>	<b>Calculation</b>	<b>Account Display</b>	
You decide to close your position and sell 10 USCRUDE Dec 06 Commodity CFDs at the bid price of 61.04. You would pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Commodity CFDs (see Section 4.1).	n/a		
Accordingly, your Total Equity remains unchanged.	n/a	<b>Total Equity</b>	\$9,810.00
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$9,810 - 0 = 9810$	<b>Free Equity</b>	\$9,810.00

In this example you opened a long position and closed at a lesser price. After Commission and Financing Charges you would have made USD\$190 loss.

**Example 15: Going Short and making a profit using a Commodity CFD**

<b>Step 1 – Opening your Account</b>	
Your Account has the same opening balances (in USD) as shown in Example 13. All Account balances are in USD.	

<b>Step 2 - Opening a position</b>	<b>Calculation</b>	<b>Account Display</b>	
The price of USCRUDE Dec 06 Commodity CFD is 61.17 (bid price) / 23 (offer price). The tick movement for 1 USCRUDE DEC 06 is USD \$1 per 0.01.		<b>Total Equity</b>	\$10,000.00
You sell 10 USCRUDE Dec 06 Commodity CFDs at the bid price of 61.17.			
You will pay USD\$0 Commission for this trade. CMC Markets charges no Commission for buying and selling Commodity CFDs (see Section 4.1).	n/a		
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the Margin Percentage and divided by the tick size. USCRUDE Dec 06 has a 3 % Margin Percentage and a 0.01 tick size. Your Total Margin Requirement to open this position is \$1,835.10.	$10 \times 61.17 \times 3\% / 0.01 = 1835.10$	<b>Total Margin Requirement</b>	\$1,835.10
You decide to hold the position overnight. The closing price for USCRUDE Dec 06 Commodity CFD for that day was 61.17, the same as your sale price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,000 - 1,835.10 = 8,164.90$	<b>Free Equity</b>	\$8,164.90

<b>Step 3 – The next day</b>	<b>Calculation</b>	<b>Account Display</b>	
Following speculation of an interest rate rise, the opening price of USCRUDE Dec 06 Commodity CFD the next day is 61.04/10. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Closing position overnight is 10000 Less Loss $((61.17 - 61.10) \times 10 / 0.01 = 70$	<b>Total Equity</b>	\$10,070
Financing Charges/Benefits do not apply to Commodity CFDs. Refer to the table at Section 3.7.	Equals $10000 + 70 = 10070$		

Your Total Margin Requirement to hold this position is \$1833.	$10 \times 61.10 \times 3\% / 0.01 = 1833$	<b>Total Margin Requirement</b>	\$1833
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10070 - 1833 = 8237$	<b>Free Equity</b>	\$8237
<b>Step 4 - Closing the position</b>			
<b>Step 4 - Closing the position</b>	<b>Calculation</b>	<b>Account Display</b>	
You decide to close your position and buy 10 USCRUDE Dec 06 Commodity CFDs at the offer price of 61.10. You would pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Commodity CFDs (see Section 4.1).	n/a		
Accordingly, your Total Equity remains unchanged.	n/a	<b>Total Equity</b>	\$10,070.00
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,070 - 0 = 10,070$	<b>Free Equity</b>	\$10,070.00

In this example you opened a short position and closed at a lesser price. After Commission and Financing Charges you would have made USD\$70.00 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been USD\$ 190.00. Please see the example below for how this loss is calculated.

## Example 16: Going Short and making a loss using a Commodity CFD

<b>Step 1 – Opening your Account</b>
Your Account has the same opening balances (in USD) as shown in Example 13. All Account balances are in USD.

<b>Step 2 - Opening a position</b>	<b>Calculation</b>	<b>Account Display</b>	
The price of USCRUDE Dec 06 Commodity CFD is 61.17 (bid price) / 23 (offer price). The tick movement for 1 USCRUDE DEC 06 is USD \$1 per 0.01.	n/a		
You sell 10 USCRUDE Dec 06 Commodity CFDs at the bid price of 61.17.			
You will pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Commodity CFDs (see Section 4.1).	n/a	<b>Total Equity</b>	\$10,000.00
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the Margin Percentage and divided by the tick size. USCRUDE Dec 06 has a 3 % Margin Percentage and a 0.01 tick size. Your Total Margin Requirement to open this position is USD\$1,835.10.	$10 \times 61.17 \times 3\% / 0.01 = 1835.10$	<b>Total Margin Requirement</b>	\$1,835.10
You decide to hold the position overnight. The closing price for USCRUDE Dec 06 Commodity CFD for that day was 61.17, the same as your sale price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,000 - 1,835.10 = 8,164.90$	<b>Free Equity</b>	\$8,164.90

<b>Step 3 – The next day</b>	<b>Calculation</b>	<b>Account Display</b>	
Following speculation of an interest rate cut, the opening price of USCRUDE Dec 06 Commodity CFD the next day is 61.30/36. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Closing position overnight is 10000 Less Loss $(61.17 - 61.36) \times 10 / 0.01 = -190$ Equals $10000 - 190 = 9810$	<b>Total Equity</b>	\$9,810
Financing Charges/Benefits do not apply to Commodity CFDs. Refer to the table at Section 3.7.			
Your Total Margin Requirement to hold this	$10 \times 61.36 \times 3\% / 0.01 =$	<b>Total Margin</b>	\$1840.80

position is \$1840.80.	1840.80	<b>Requirement</b>	
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$9810 - 1840.80 = 7969.20$	<b>Free Equity</b>	\$7,969.20
<b>Step 4 - Closing the position</b>			
<b>Step 4 - Closing the position</b>	<b>Calculation</b>	<b>Account Display</b>	
You decide to close your position and buy 10 USCRUDE Dec 06 Commodity CFDs at the offer price of 61.36. You would pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Commodity CFDs (see Section 4.1).	n/a		
Accordingly, your Total Equity remains unchanged.	n/a	<b>Total Equity</b>	\$9,810.00
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$9,810 - 0 = 9,810$	<b>Free Equity</b>	\$9,810.00

In this example you opened a short position and closed at a lesser price. After Commission and Financing Charges you would have made USD\$190 loss.

## Example 17: Going Long and making a profit using a Forex CFD

### Step 1 – Opening your Account

Your Account has the same opening balances (in USD) as shown in Example 13. All Account balances for Forex CFDs transacted are denominated in USD. These USD balances can be converted to your Base Currency upon request as set out in Section 6.7.

Step 2 - Opening a position	Calculation	Account Display	
The price of EURUSD Spot CFD is 1.2930 (Bid price) / 1.2932 (Offer price).	n/a		
You buy 100,000 EURUSD Spot CFDs at the offer price of 1.2932.			
You will pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Forex CFDs (see Section 4.1).	n/a	<b>Total Equity</b>	\$10,000.00
Your Total Margin Requirement is the number of Forex CFDs multiplied by Margin Percentage. Forex CFDs have a 1% Margin Percentage. Your Total Margin Requirement to open this position is USD\$1,000.	$100000 \times 1\% = 1000$	<b>Total Margin Requirement</b>	\$1,000.00
You decide to hold the position overnight. The closing price for a EURUSD Spot CFD for that day was 1.2932, the same as your purchase price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10000 - 1000 = 9000$	<b>Free Equity</b>	\$9,000.00

Step 3 – The next day	Calculation	Account Display	
Your position is closed at 1.2932 and re opened at 1.2932809, the difference being the Rollover Rate. The Rollover Rate is variable and calculated as set out at Section 3.7. As the USD is the higher yielding currency, and you are short USD, your Account is debited \$USD8.09 for the overnight Rollover Charge.	Closing position overnight is 10000 Less Rollover Charge:  $(1.2932 - 1.2932809) \times 100000 = 8.09$	<b>Total Equity</b>	\$10,971.91
Following speculation of a US interest rate cut, the price of EURUSD Spot CFD the next day is 1.3030/32. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Plus Profit $(1.3030 - 1.2932) \times 100000 = 980$ Equals $10000 - 8.09 + 980 = 10971.91$		
Your Total Margin Requirement to hold this position is \$1000.	$100000 \times 1\% = 1000$	<b>Total Margin Requirement</b>	\$1000

Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10971.91 - 1000 = 9971.91$	<b>Free Equity</b>	\$9,971.91
<b>Step 4 - Closing the position</b>	<b>Calculation</b>	<b>Account Display</b>	
You decide to close your position and sell 100,000 EURUSD Spot CFDs at the Bid price of 1.3030. We fill your order at this price. You would pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Forex CFDs (see Section 4.1).	n/a		
Accordingly, your Total Equity remains unchanged.	n/a	<b>Total Equity</b>	\$10,971.91
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10971.91 - 0 = 10971.91$	<b>Free Equity</b>	\$10,971.91

In this example you opened a long position and closed at a greater price. After Commission and Financing Charges you would have made USD\$971.91 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been USD\$1,028.09. Please see the example below for how this loss is calculated.

## Example 18: Going Long and making a loss using a Forex CFD

### Step 1 – Opening your Account

Your Account has the same opening balances (in USD) as shown in Example 13. All Account balances for Forex CFDs transacted are denominated in USD. These USD balances can be converted to your Base Currency upon request as set out in Section 6.7.

Step 2 - Opening a position	Calculation	Account Display	
The price of EURUSD Spot CFD is 1.2930 (Bid price) / 1.2932 (Offer price).	n/a		
You buy 100,000 EURUSD Spot CFDs at the offer price of 1.2932.			
You will pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Forex CFDs (see Section 4.1).	n/a	<b>Total Equity</b>	\$10,000.00
Your Total Margin Requirement is the number of Forex CFDs multiplied by Margin Percentage. Forex CFDs have a 1% Margin Percentage. Your Total Margin Requirement to open this position is USD\$1,000.	$100000 \times 1\% = 1000$	<b>Total Margin Requirement</b>	\$1,000.00
You decide to hold the position overnight. The closing price for a EURUSD Spot CFD for that day was 1.2932, the same as your purchase price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10000 - 1000 = 9000$	<b>Free Equity</b>	\$9,000.00

Step 3 – The next day	Calculation	Account Display	
Your position is closed at 1.2932 and re opened at 1.2932809, the difference being the Rollover Rate. The Rollover Rate is variable and calculated as set out at Section 3.7. As the USD is the higher yielding currency, and you are short USD, your Account is debited \$USD8.09 for the overnight Rollover Charge.	Closing position overnight is 10000 Less Rollover Charge: $(1.2932 - 1.2932809) \times 100000 = 8.09$	<b>Total Equity</b>	\$8,971.91
Following speculation of a US interest rate rise, the price of EURUSD Spot CFD the next day is 1.2830/32. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Less Loss $(1.2830 - 1.2932) \times 100000 = 1020$ Equals $10000 - 8.09 - 1020 = 8,971.91$		

Your Total Margin Requirement to hold this position is \$1000.	$100000 \times 1\% = 1000$	<b>Total Margin Requirement</b>	\$1000
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$8971.91 - 1000 = 7971.91$	<b>Free Equity</b>	\$7,971.91
<b>Step 4 - Closing the position</b>			
<b>Step 4 - Closing the position</b>	<b>Calculation</b>	<b>Account Display</b>	
You decide to close your position and sell 100,000 EURUSD Spot CFDs at the bid price of 1.2830. We fill your order at this price. You would pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Forex CFDs (see Section 4.1).	n/a		
Accordingly, your Total Equity remains unchanged.	n/a	<b>Total Equity</b>	\$8,971.91
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$8,971.91 - 0 = 8,971.91$	<b>Free Equity</b>	USD\$8,971.91

In this example you opened a long position and closed at a lesser price. After Commission and Financing Charges you would have made USD\$1,028.09 loss.

## Example 19: Going Short and making a profit using a Forex CFD

### Step 1 – Opening your Account

Your Account has the same opening balances (in USD) as shown in Example 13. All Account balances for Forex CFDs transacted are denominated in USD. These USD balances can be converted to your Base Currency upon request as set out in Section 6.7.

Step 2 – Opening a position	Calculation	Account Display	
The price of EURUSD Spot CFD is 1.2930 (bid price) / 1.2932 (offer price).		<b>Total Equity</b>	\$10,000.00
You sell 100,000 EURUSD Spot CFDs at the bid price of 1.2930.			
You will pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Forex CFDs (see Section 4.1).	n/a		
Your Total Margin Requirement is the number of Forex CFDs multiplied by Margin Percentage. Forex CFDs have a 1% Margin Percentage. Your Total Margin Requirement to open this position is USD\$1,000.	$100000 \times 1\% = 1000$	<b>Total Margin Requirement</b>	\$1,000.00
You decide to hold the position overnight. The closing price for a EURUSD Spot CFD for that day was 1.2930, the same as your purchase price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,000 - 1,000 = 9,000$	<b>Free Equity</b>	\$9,000.00

Step 3 – The next day	Calculation	Account Display	
Your position is closed at 1.2930 and re opened at 1.2930407, the difference being the Rollover Rate. The Rollover Rate is variable and calculated as set out at Section 3.7. As the USD is the higher yielding currency, and you are long USD, your Account is credited \$USD4.07 for the overnight Rollover Benefit.	Closing position overnight is 10000 Plus Rollover Benefit: $(1.2930407 - 1.2930) \times 100,000 = 4.07$	<b>Total Equity</b>	\$10,994.07
Following speculation of a US interest rate rise, the price of EURUSD Spot CFD the next day is 1.2830/32. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Plus Profit $(1.2931 - 1.2832) \times 100000 = 990$ Equals $10000 + 4.07 + 990 = 10994.07$		
Your Total Margin Requirement to hold this position is \$1000.	$100000 \times 1\% = 1000$	<b>Total Margin Requirement</b>	\$1,000

Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10994.07 - 1000 = 9994.07$	<b>Free Equity</b>	\$9,994.07
<b>Step 4 - Closing the position</b>			
<b>Step 4 - Closing the position</b>	<b>Calculation</b>	<b>Account Display</b>	
You decide to close your position and buy 100,000 EURUSD Spot CFDs at the offer price of 1.2832. We fill your order at this price. You would pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Forex CFDs (see Section 4.1).	n/a		
Accordingly, your Total Equity remains unchanged.	n/a	<b>Total Equity</b>	\$10,994.07
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,994.07 - 0 = 10,994.07$	<b>Free Equity</b>	\$10,994.07

In this example you opened a short position and closed at a lesser price. After Commission charges and financing benefits you would have made USD\$994.07 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been USD\$1005.93. Please see the example below for how this loss is calculated.

**Example 20: Going Short and making a loss using a Forex CFD**

**Step 1 – Opening your Account**

Your Account has the same opening balances (in USD) as shown in Example 13. All Account balances for Forex CFDs transacted are denominated in USD. These USD balances can be converted to your Base Currency upon request as set out in Section 6.7.

Step 2 - Opening a position	Calculation	Account Display	
The price of EURUSD Spot CFD is 1.2930 (bid price) / 1.2932 (offer price).		<b>Total Equity</b>	\$10,000.00
You sell 100,000 EURUSD Spot CFDs at the bid price of 1.2930.			
You will pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Forex CFDs (see Section 4.1).	n/a	<b>Total Equity</b>	\$10,000.00
Your Total Margin Requirement is the number of Forex CFDs multiplied by Margin Percentage. Forex CFDs have a 1% Margin Percentage. Your Total Margin Requirement to open this position is USD\$1,000.	$100000 \times 1\% = 1000$	<b>Total Margin Requirement</b>	\$1,000.00
You decide to hold the position overnight. The closing price for a EURUSD Spot CFD for that day was 1.2930, the same as your purchase price.			
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$10,000 - 1,000 = 9,000$	<b>Free Equity</b>	\$9,000.00

Step 3 – The next day	Calculation	Account Display	
Your position is closed at 1.2930 and re opened at 1.2930407, the difference being the Rollover Rate. The Rollover Rate is variable and calculated as set out at Section 3.7. As the USD is the higher yielding currency, and you are long USD, your Account is credited \$USD4.07 for the overnight Rollover Benefit.	Closing position overnight is 10000 Plus Rollover Benefit of 4.07: $(1.2930407 - 1.2930) \times 100000 = 4.07$	<b>Total Equity</b>	\$8,994.07
Following speculation of a US interest rate cut, the price of EURUSD Spot CFD the next day is 1.3030/32. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Less Loss $(1.2930 - 1.3031) \times 100000 = -1010$ Equals $10000 + 4.07 - 1010 = 8994.07$		

Your Total Margin Requirement to hold this position is \$1000.	$100000 \times 1\% = 1000$	<b>Total Margin Requirement</b>	\$1,000
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$8994.07 - 1000 = 7994.07$	<b>Free Equity</b>	\$7,994.07

Step 4 - Closing the position	Calculation	Account Display	
You decide to close your position and buy 100,000 EURUSD Spot CFDs at the offer price of 1.3032. You would pay USD\$0 Commission for this trade. CMC Markets charges no commission for buying and selling Forex CFDs (see Section 4.1).	n/a		
Accordingly, your Total Equity remains unchanged.	n/a	<b>Total Equity</b>	\$8,994.07
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is your Total Equity Less your Total Margin Requirement.	$8994.07 - 0 = 8994.07$	<b>Free Equity</b>	\$8,994.07

In this example you opened a short position and closed at a greater price. After Commission and Financing Charges you would have made USD\$1005.93 loss.

## Example 21: Going Long, making a loss and going into margin call using a Share CFD

### Step 1 – Opening your Account

Your Account has the same opening balances as shown in Example 1.

Step 2 - Opening a position	Calculation	Account Display	
The price of BHP Share CFD is 24.99 (bid price) / 25.00 (offer price).			
You buy 5,000 BHP Share CFDs at the offer price of \$25.00. You will pay \$125 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your opening Total Equity balance.	$5000 \times 25.00 \times 0.1\% = 125$ $10000 - 125 = 9875$	<b>Total Equity</b>	\$9,875.00
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by Margin Percentage. Your Total Margin Requirement to open this position is \$3,750.	$5000 \times 25.00 \times 3\% = 3750$	<b>Total Margin Requirement</b>	\$3,750.00
You decide to hold the position overnight. The closing price for a BHP Share CFD for that day was \$25, the same as your purchase price.			
Free Equity is \$6,125 (i.e. your Total Equity less your Total Margin Requirement).	$9875 - 3750 = 6125$	<b>Free Equity</b>	\$6,125.00

Step 3 – Going on to Margin Call	Calculation	Account Display	
Your Account is debited \$27.40 for the overnight Financing Charge, calculated by multiplying the number of CFDs held, by the CMC Markets price, then multiplied by the Financing Rate divided by 365 (refer to the table containing information about Financing Rates at Section 3.7). Following an earnings downgrade, the opening price of BHP Share CFD the next day is \$23.50/51. Your position is marked to market, which changes your Account balance from the previous night's closing position. Your Total Equity balance falls below your Total Margin Requirement. Your Account is placed on Margin Call (see Section 3.14 of this PDS).	Closing position overnight is 9875 Less Financing Charge $(5000 \times 25.00) \times 8\% / 365 = 27.40$ Less Loss $(23.50 - 25.00) \times 5000 = -7500$ Equals $9875 - 27.4 - 7500 = 2347.6$	<b>Total Equity</b>	\$2,347.60
Your Total Margin Requirement would also decrease by \$225 based upon the new notional value of your position.	$((5000 \times 23.50) \times 3\%) - 3750 = -225$	<b>Total Margin Requirement</b>	\$3,525.00

As your Free Equity has now fallen into a debit balance, you would now be on a Margin Call for this debit of \$1,150.00. Your Free Equity is your Total Equity Less your Total Margin Requirement.	$2347.6 - 3525 = 1177.4$	<b>Free Equity</b>	-\$1,177.40
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Step 4 - Closing the position	Calculation	Account Display	
You decide to close your position and sell 5,000 BHP Share CFDs at the bid price of 23.50.			
You would pay \$117.50 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your previous Total Equity balance.	$5000 \times 23.50 \times 0.1\% = 117.50$ $2347.6 - 117.50 = 2230.10$	<b>Total Equity</b>	\$2,230.10
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Your Free Equity is now \$2230.10 (i.e. your Total Equity Less your Total Margin Requirement).	$2,230.10 - 0 = 2,230.10$	<b>Free Equity</b>	\$2,230.10

In this example you opened a long position and closed at a lesser price. After Commission and Financing Charges you would have made \$7,769.90 loss.

## Example 22: Going Long and making a loss greater than the funds deposited using a Share CFD

Step 1 – Opening your Account
Your Account has the same opening balances as shown in Example 1.

Step 2 - Opening a position	Calculation	Account Display	
The price of BHP Share CFD is 24.99 (bid price) / 25.00 (offer price).			
You buy 5,000 BHP Share CFDs at the offer price of \$25.00. You will pay \$125 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see section 4.1). This amount is deducted from your Total Equity leaving \$9875.	$5000 \times 25.00 \times 0.1\% = 125$ $10000 - 125 = 9875$	<b>Total Equity</b>	\$9,875.00
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by Margin Percentage.		<b>Total Margin Requirement</b>	\$3,750.00
Your Total Margin Requirement to open this position is \$3,750.	$5000 \times 25.00 \times 3\% = 3750$		
You decide to hold the position overnight. The closing price for a BHP Share CFD for that day was \$25, the same as your purchase price.		<b>Free Equity</b>	\$6,125.00
Your Free Equity your Total Equity less your Total Margin Requirement.	$9875 - 3750 = 6125$		

Step 3 – The next day	Calculation	Account Display	
Your Account is debited \$27.40 for the overnight Financing Charge, calculated by multiplying the number of CFDs held, by the CMC Markets price, then multiplied by the Financing Rate divided by 365 (refer to the table containing information about Financing Rates at Section 4.2). Following an earnings downgrade, the opening price of BHP Share CFD the next day is \$23.00/01. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Closing position overnight is 9875 Less Financing Charge $(5000 \times 25.00) \times 8\% / 365 = 27.40$ Less Loss $(23.00 - 25.00) \times 5000 = - \$10,000$ Equals $9875 - 27.4 - 10000 = - 152.40$	<b>Total Equity</b>	-\$152.40
Your Total Margin Requirement would also decrease by \$300 based upon the new notional value of your position	$((5000 \times 23.00) \times 3\%) - 3750 = -300$	<b>Total Margin Requirement</b>	\$3,450.00
As your Free Equity has now fallen into a debit balance, you would now be on a Margin Call for this debit of \$3,602.40. Your Free Equity is your Total Equity Less your Total Margin Requirement.	$-152.40 - 3,450 = -3602.40$	<b>Free Equity</b>	-\$3,602.40

Step 4 - Closing the position	Calculation	Account Display	
As your Total Equity has fallen into a debit, an automatic liquidation order would be generated as your Total Equity is less than the 20% of your Total Margin Requirement (see Section 3.15).	$5000 \times 23.00 \times 0.1\% = 115$ $-152.40 - 115 = -267.40$	<b>Total Equity</b>	-\$267.40
CMC Markets will close your position and sell 5,000 BHP Share CFDs at the bid price of 23.50.			
On this occasion, CMC Markets are able to liquidate your position at the opening price of \$23. Liquidating your position at the opening price may not always be possible.			
You would pay \$115 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your Total Equity balance.			
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Free Equity is now a debit balance of \$267.40 (i.e. your Total Equity Less your Total Margin Requirement).	$-267.30 - 0 = -267.40$	<b>Free Equity</b>	-\$267.40

In this example you opened a long position and closed at a lesser price. After Commission and Financing Charges you would have made a \$10,267.40 loss. This means that you would now be liable to pay this debit of \$267.40 on your Account.

## Example 23: Going Long, making a loss but limiting it with a Guaranteed Stop-loss order, using a Share CFD

### Step 1 – Opening your Account

Your Account has the same opening balances as shown in Example 1.

Step 2 - Opening a position	Calculation	Account Display	
The price of BHP Share CFD is 24.99 (bid price) / 25.00 (offer price)			
You buy 5,000 BHP Share CFDs at the offer price of \$25.00. You will pay \$125 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see section 4.1). This amount is deducted from your Account balance leaving Total Equity of \$9875. You decide to place a Guaranteed Stop-loss order on your account at the minimum distance away that is allowable (5% on Share CFDs), at a price of 23.75 . You are charged a premium of \$356.25 for the placement of this order (see Sections 4.6 and 7.12).	$5000 \times 25.00 \times 0.1\% = 125$ $5000 \times 23.75 \times 0.3\% = 356.25$ $10000 - 125 - 356.25 = 9518.75$	<b>Total Equity</b>	\$9,518.75
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by Margin Percentage.			
Your Total Margin Requirement to open this position is \$3,750.	$5000 \times 25.00 \times 3\% = 3750$	<b>Total Margin Requirement</b>	\$3,750.00
You decide to hold the position overnight. The closing price for a BHP Share CFD for that day was \$25, the same as your purchase price.			
Your Free Equity is your Total Equity less your Total Margin Requirement.	$9518.75 - 3750 = 5768.75$	<b>Free Equity</b>	\$5,768.75

Step 3 – The next day	Calculation	Account Display	
Your Account is debited \$27.40 for the overnight Financing Charge, calculated by multiplying the number of CFDs held, by the CMC Markets closing price, then multiplied by the Financing Rate divided by 365 (refer to the table containing information about Financing Rates at Section 4.2). Following an earnings downgrade, the opening price of BHP Share CFD the next day is \$23.50/51. Your position is marked to market, which changes your Account balance from the previous night's closing position.	Closing position overnight is 9518.75 Less Financing Charge $(5000 \times 25.00) \times 8\% / 365 = 27.40$ Less Loss $(23.50 - 25.00) \times 5000 = -7500$ Equals $9518.75 - 27.40 - 7500 = 1991.35$	<b>Total Equity</b>	\$1,991.35
Your Total Margin Requirement to hold this position is \$3525.00.	$5000 \times 23.50 \times 3\% = 3525$	<b>Total Margin Requirement</b>	\$3,525.00

Your Free Equity is your Total Equity Less your Total Margin Requirement.	$1991.35 - 3525 = -1533.65$	<b>Free Equity</b>	-\$1,533.65
<b>Step 4 – Closing the position</b>	<b>Calculation</b>	<b>Account Display</b>	
<p>As this opening price is below your Guaranteed Stop-loss order price CMC Markets will close your position and sell 5,000 BHP Share CFDs at your Guaranteed Stop-loss price of 23.75. The difference between the opening price and the price your position was sold at is re-credited back to your Account balance.</p> <p>You would pay \$118.75 Commission for this trade if you trade at CMC Markets' retail rate of 0.1% (see Section 4.1). This amount is deducted from your Account balance.</p>	<p>Opening balance is 1991.35                      Less Commission (5000 x 23.75) x 0.1% = 118.75                      Plus re-credit (23.75 – 23.50) x 5000 = - 1250                      Equals  <math>1991.35 - 118.75 + 1250 = 3122.60</math></p>	<b>Total Equity</b>	\$3,122.60
Your Total Margin Requirement would now be zero as your position has been closed.	n/a	<b>Total Margin Requirement</b>	\$0.00
Total Free Equity is your Total Equity Less your Total Margin Requirement.	$3,122.60 - 0 = 3,122.60$	<b>Total Free Equity</b>	\$3,122.60

In this example you opened a long position and closed at a lesser price. After the Premium, Commission and Financing Charges you would have made a \$6,877.40 loss.

**Example 24: Going Long and making a profit using a Currency Future CFD**

<b>Step 1 – Opening your Account</b>					
<p>Your Account has the same opening balances (in USD) as shown in Example 1. All Account balances for Currency Future CFDs transacted are denominated in USD. These USD balances can be converted to your Base Currency upon request as set out in Section 6.7.</p>					
<b>Step 2 – Opening a position</b>		<b>Calculation</b>		<b>Account Display</b>	
<p>The price of EURO Future Dec 07 CFD is 1.3859 (bid price) / 1.3861 (offer price). The tick value for 1 EURO Future Dec 07 is USD \$1.25 per 0.0001, equivalent to a contract size of USD\$12,500</p>		$1.25 / 0.0001 = 12,500$		<p><b>Total Equity</b>      <b>\$10,000.00</b></p>	
<p>You buy 10 EURO Future Dec 07 CFD at the offer price of 1.3861</p>					
<p>You will pay \$0 Commission for this trade</p>					
<p>Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the contract size and the margin percentage</p> <p>EURO Future Dec 07 has a 1% Margin Percentage</p> <p>Your Total Margin Requirement to open this position is USD\$1732.63</p>		$10 \times 1.3861 \times 12,500 \times 1\% = 1,732.63$		<p><b>Total Margin Requirement</b>      <b>\$1,732.63</b></p>	
<p>You decide to hold the position overnight. The closing price for EURO Future Dec 07 CFD for that day was 1.3861, the same as your purchase price</p>		$10,000 - 1,732.63 = 8,267.37$		<p><b>Total Free Equity</b>      <b>\$8,267.37</b></p>	
<b>Step 3 – Closing the position</b>		<b>Calculation</b>		<b>Account Display</b>	
<p>Following speculation of a decrease in US interest rates the price of EURO Future Dec 07 rises the next day to 1.3900 / 1.3902</p>		$(1.3900 - 1.3861) \times 10 \times 12,500 = 487.50$ $10,000 + 487.50 =$		<p><b>Total Equity</b>      <b>\$10,487.50</b></p>	
<p>You decide to close your position and sell 10 EURO Future Dec 07 CFDs at the bid price of 1.3900</p>					
<p>Your Total Equity would increase by \$487.50 to \$10,487.50</p>					

	10,487.50		
You would pay \$0 Commission for this trade	$10,487.50 - 0 = 10,487.50$		
Your Total Margin Requirement would now be zero as your position has been closed	n/a	<b>Total Margin Requirement</b>	<b>\$0.00</b>
Account credited \$0 for overnight financing	$10,487.50 - 0 = 10,487.50$	<b>Total Free Equity</b>	<b>\$10,487.50</b>

In this example you opened a long position and closed at a greater price. After commission and financing charges you would have made USD\$487.50 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been USD\$487.50. Please see the example 25 below which outlines how a loss is calculated.

**Example 25: Going long and making a loss using a Currency Future CFD**

<b>Step 1 – Opening your Account</b>					
<p>Your Account has the same opening balances (in USD) as shown in Example 1. All Account balances for Currency Future CFDs transacted are denominated in USD. These USD balances can be converted to your Base Currency upon request as set out in Section 6.7.</p>					
<b>Step 2 – Opening a position</b>		<b>Calculation</b>		<b>Account Display</b>	
<p>The price of EURO Future Dec 07 CFD is 1.3859 (bid price) / 1.3861 (offer price). The tick value for 1 EURO Future Dec 07 is USD \$1.25 per 0.0001, equivalent to a contract size of USD\$12,500</p>		$1.25 / 0.0001 = 12,500$		<p><b>Total Equity</b></p>	<p><b>\$10,000.00</b></p>
<p>You buy 10 EURO Future Dec 07 CFD at the offer price of 1.3861</p>					
<p>You will pay \$0 Commission for this trade</p>					
<p>Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the contract size and the margin percentage</p> <p>EURO Future Dec 07 has a 1% Margin Percentage</p> <p>Your Total Margin Requirement to open this position is USD\$1386.10</p>		$10 \times 1.3861 \times 12,500 \times 1\% / 0.0001 = 1,732.63$		<p><b>Total Margin Requirement</b></p>	<p><b>\$1,732.63</b></p>
<p>You decide to hold the position overnight. The closing price for EURO Future Dec 07 CFD for that day was 1.3861, the same as your sale price</p>		$10,000 - 1,732.63 = 8,267.37$		<p><b>Total Free Equity</b></p>	<p><b>\$8,267.37</b></p>
<b>Step 3 – Closing the position</b>		<b>Calculation</b>		<b>Account Display</b>	
<p>Following speculation of a increase in US interest rates the price of EURO Future Dec 07 falls the next day to 1.3822 / 1.3824</p>		$(1.3861 - 1.3822) \times 10 \times 12,500 = 487.50$		<p><b>Total Equity</b></p>	<p><b>9,512.50</b></p>
<p>You decide to close your position and sell 10 EURO Future Dec 07 CFDs at the bid price of 1.3822</p>					
<p>Your Total Equity would decrease by \$487.50 to \$9,512.50</p>					

	$10,000 - 487.50 = 9,512.50$		
You would pay \$0 Commission for this trade	$9,512.50 - 0 = 9,512.50$		
Your Total Margin Requirement would now be zero as your position has been closed	n/a	<b>Total Margin Requirement</b>	<b>\$0.00</b>
Account credited \$0 for overnight financing	$9,512.50 - 0 = 9,512.50$	<b>Total Free Equity</b>	<b>\$9,512.50</b>

In this example you opened a Long position and closed at a lesser price. After Commission and financing you would have made a USD\$487.50 loss.

**Example 26: Going short and making a profit using a Currency Future CFD**

<b>Step 1 – Opening your Account</b>			
Your Account has the same opening balances (in USD) as shown in Example 1. All Account balances for Currency Future CFDs transacted are denominated in USD. These USD balances can be converted to your Base Currency upon request as set out in Section 6.7.			
<b>Step 2 – Opening a position</b>	<b>Calculation</b>	<b>Account Display</b>	
The price of EURO Future Dec 07 CFD is 1.3859 (bid price) / 1.3861 (offer price). The tick value for 1 EURO Future Dec 07 is USD \$1.25 per 0.0001, equivalent to a contract size of USD\$12,500	$1.25 / 0.0001 = 12,500$	<b>Total Equity</b>	<b>\$10,000.00</b>
You sell 10 EURO Future Dec 07 CFD at the bid price of 1.3859			
You will pay \$0 Commission for this trade			
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the contract size and margin percentage EURO Future Dec 07 has a 1% Margin Percentage Your Total Margin Requirement to open this position is \$1732.38	$10 \times 1.3859 \times 12,500 \times 1\% = 1,732.38$	<b>Total Margin Requirement</b>	<b>\$1,732.38</b>
You decide to hold the position overnight. The closing price for EURO Future Dec 07 CFD for that day was 1.3859, the same as your purchase price	$10,000 - 1,732.38 = 8,267.62$	<b>Total Free Equity</b>	<b>\$8,267.62</b>
<b>Step 3 – Closing the position</b>	<b>Calculation</b>	<b>Account Display</b>	
Following speculation of a increase in US interest rates the price of EURO Future Dec 07 falls the next day to 1.3800 / 1.3802		<b>Total Equity</b>	<b>\$10,712.50</b>
You decide to close your position and buy 10 EURO Future Dec 07 CFDs at the offer price of 1.3802			
Your Total Equity would increase by \$712.5 to \$10,712.5			
	$(1.3859 - 1.3802) \times 10 \times 1.25 / 0.0001 = 712.50$		

	$10,000 + 712.50 = 10,712.50$		
You would pay \$0 Commission for this trade	$10,712.50 - 0 = 10,712.50$		
Your Total Margin Requirement would now be zero as your position has been closed		<b>Total Margin Requirement</b>	<b>\$0.00</b>
Account credited \$0 for overnight financing	$10,712.50 - 0 = 10,712.50$	<b>Total Free Equity</b>	<b>\$10,712.50</b>

In this example you opened a Short position and closed at a lesser price. After Commission and financing charges you would have made a USD\$712.50 profit. If the price had have moved in the opposite direction by an equal amount, your loss would have been USD\$712.50. Please see the example 27 below which outlines how a loss is calculated.

**Example 27: Going short and making a loss using a Currency Future CFD**

<b>Step 1 – Opening your Account</b>							
Your Account has the same opening balances (in USD) as shown in Example 1. All Account balances for Currency Future CFDs transacted are denominated in USD. These USD balances can be converted to your Base Currency upon request as set out in Section 6.7.							
<b>Step 2 – Opening a position</b>		<b>Calculation</b>		<b>Account Display</b>			
The price of EURO Future Dec 07 CFD is 1.3859 (bid price) / 1.3861 (offer price). The tick value for 1 EURO Future Dec 07 is USD \$1.25 per 0.0001, equivalent to a contract size of USD\$12,500		1.25 / 0.0001 = 12,500		<b>Total Equity</b>		<b>\$10,000.00</b>	
You sell 10 EURO Future Dec 07 CFD at the bid price of 1.3859							
You will pay \$0 Commission for this trade							
Your Total Margin Requirement is the number of CFDs multiplied by the CMC Markets Price, multiplied by the contract size and margin percentage EURO Future Dec 07 has a 1% Margin Percentage and a contract size of 12,500 Your Total Margin Requirement to open this position is \$1732.38		10 x 1.3859 x 12,500 x 1% = 1,732.38		<b>Total Margin Requirement</b>		<b>\$1,732.38</b>	
You decide to hold the position overnight. The closing price for EURO Future Dec 07 CFD for that day was 1.3859, the same as your purchase price		10,000 – 1,732.38 = 8,267.62		<b>Total Free Equity</b>		<b>\$8,267.62</b>	
<b>Step 3 – Closing the position</b>		<b>Calculation</b>		<b>Account Display</b>			
Following speculation of a decrease in US interest rates the price of EURO Future Dec 07 rises the next day to 1.3914 / 1.3916				<b>Total Equity</b>		<b>\$9,287.50</b>	
You decide to close your position and buy 10 EURO Future Dec 07 CFDs at the offer price of 1.3916							
Your Total Equity would decrease by		(1.3916 – 1.3859) x 10 x					

\$712.50 to \$9,287.50	$12,500 = 712.50$ $10,000 - 712.50 = 9,287.50$		
You would pay \$0 Commission for this trade	$9,287.50 - 0 = 9,287.50$		
Your Total Margin Requirement would now be zero as your position has been closed		<b>Total Margin Requirement</b>	<b>\$0.00</b>
Account credited \$0 for overnight financing	$9,287.50 - 0 = 9,287.50$	<b>Total Free Equity</b>	<b>\$9,287.50</b>

In this example you opened a Short position and closed at a lesser price. After Commission and financing you would have made a USD\$712.50 loss.

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