

# PRODUCT DISCLOSURE STATEMENT

MARGIN FX CONTRACTS  
CONTRACTS FOR DIFFERENCE

FOREXCFDS IS A REGISTERED BUSINESS NAME OF THE ISSUER:

SIRIUS FINANCIAL MARKETS PTY LTD

ACN 142 189 384

AUSTRALIAN FINANCIAL SERVICES LICENCE No. 439907

***Date: 01 March 2021***

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## 1. INTRODUCTION

### 1.1 IMPORTANT INFORMATION

This Product Disclosure Statement (**PDS**) has been prepared and issued by Sirius Financial Markets Pty Ltd (ABN 36 142 189 384) (**Sirius, we, us or our**), trading as ForexCFDs. Sirius hold Australian Financial Service Licence No. 439907 (**AFSL**). This PDS provides you with key information about our financial products being over the counter derivatives, being margin foreign exchange contracts (**Margin FX Contracts**) and contracts for difference (**CFDs**).

Sirius is regulated by the Australian Securities & Investments Commission (**ASIC**). While ASIC is a robust regulator, ASIC does not endorse specific financial products. ASIC's regulation of Sirius applies in respect of the services provided under our AFSL.

Our Products are complex, risky and highly leveraged and may not be suitable for you. Their prices, and the Underlying Instruments, may fluctuate rapidly and widely because of events or conditions including regulatory adjustments which may not be foreseeable and it is not possible to control such risks.

The Financial Services Guide (**FSG**), this Product Disclosure Statement (**PDS**) and Client Agreement (**CA**) are important documents. You should read the FSG, the Client Agreement and this PDS in their entirety before making any decision to enter into a financial product with us. A copy of the FSG, the Client Agreement and this PDS can be downloaded from the Website at the following URL:

<http://www.forexcfd.com.au/legal-documents-download/>

The information in this PDS is current as of 01 March 2021. Sirius Financial markets may issue a supplementary or replacement PDS as a result of certain changes.

### 1.2 GENERAL ADVICE ONLY

Sirius is authorised under AFSL number 439907 to provide General Advice only. Sirius does not provide Personal Advice in any circumstances. Sirius operates trading names including ForexCFDs offering the MT4 and SmartCharts 2 platforms with General Advice only available. Personal Advice is not available under any circumstance.

The information contained in this PDS does not constitute any recommendation, advice or opinion. This PDS does not consider any of your objectives, your financial situation or needs. You should consider our Products and the information in this PDS, in consideration of your objectives, your financial situation and any needs you may have. You should consult with professional advisers, before entering into any of the Products, should you consider them suitable.

### 1.3 YOUR SUITABILITY TO DEAL IN THE PRODUCTS

We ask you for your personal information to assess your suitability to trade our Products, to fulfill our obligations under the Know Your Customer (KYC) requirements and to assess

your suitability for the products based on your knowledge of the concepts involved in trading leveraged derivative products. When we accept your application to trade our Products, this is not personal advice or any other advice to you. You must not rely on our assessment of your suitability since it is based on the information you provide at the time. The assessment is only for the purposes of deciding whether to open an Account for you. You may not later claim you are not responsible for your losses merely because we have opened an Account for you after assessing your suitability as required by our licence regulations. You remain solely responsible for your own assessments of the features and risks and seeking your own advice on whether our Products are suitable for you. Please refer to Section 5 in this PDS for the Sirius Client Qualification Policy.

#### **1.4 OTHER JURISDICTIONS**

This PDS is not intended to and does not constitute any offer or invitation, directly or indirectly, in any jurisdiction where the offer or invitation would breach the Applicable Laws or require the PDS or any other document to be lodged or registered. The distribution of this PDS outside Australia may be restricted by the laws of the places where it is distributed and therefore persons into whose possession this PDS comes, should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate laws in your local jurisdiction, foreign to the Commonwealth of Australia. Sirius make no offer in jurisdictions where leveraged OTC derivatives are prohibited or otherwise not expressly permitted.

#### **1.5 CURRENCY OF PDS**

The information in this PDS is up to date at the time it was prepared then issued and is subject to change at any time. Any updates will be posted on our Website.

If the new information is information which is materially adverse to you, we will issue either a new PDS or a supplementary PDS containing the new information. If the new information is not materially adverse to you, updated information may be found on our Website, or by calling us on +61 (02) 83798980

If you received this PDS electronically, we will provide a paper copy without charge, on request.

#### **1.6 OUR CONTACT DETAILS**

Office Address: Suite 21.02 Level 21 Australia Square  
264-278 George Street, Sydney, NSW 2000, Australia

Postal Address: Same as Office Address

Phone: +61 283798980

Email: [compliance@siriusau.com](mailto:compliance@siriusau.com)

Website: [www.ForexCFDs.com.au](http://www.ForexCFDs.com.au)

## 1.7 ANTI – MONEY LAUNDERING LEGISLATION

We may require information from you from time to time to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* and *Anti-Money Laundering and Counter-Terrorism Financing Rules 2007 (Cth)*. You undertake to provide us with all information and assistance that we may require to comply with the AML/CTF Laws.

We may pass on information collected from you and relate such information to transactions as required by the AML/CTF Laws or other Applicable Laws and regulations and are under no obligation to inform you we have done so. We may undertake all such anti-money laundering mechanisms and other checks in relation to you (including restricted lists, blocked persons and proscribed countries lists) as deemed necessary or appropriate by us, and we reserve the right to take any action with regard thereto with no liability whatsoever therefore.

You also warrant that:

- you are not aware and have no reason to suspect that:
  - the monies used to fund your transactions have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities whether prohibited under Australian Law, international law or convention, or by agreement; or
  - the proceeds of your investment will be used to finance any illegal activities; and
  - neither you nor your directors, in the case of a company, or trustees, or beneficiaries, are a politically exposed person as the term is used in the AML/CTF Laws.

## 1.8 OPENING AN ACCOUNT

Before you begin dealing in our Products, you must complete an Application Form and be approved by us to open an Account. Sirius provides different versions of Application requirements depending on whether you are an individual, corporation, a trust, or acting on behalf of a self-managed superannuation entity.

Before completing the Application Form, you should read our disclosure documents, including but not limited to the Financial Services Guide (FSG), this Product Disclosure Statement (PDS) and the Client Agreement (CA) in their entirety.

You must provide us with your Application Form, and at any time requested by us, such documentation as set out in the Application Form.

The Application Forms require you to disclose personal information. You should refer to our Privacy Policy which is available on our Website:

Please contact us directly if you have any concerns or if you would like to see a copy of our Privacy Policy, which explains how we collect personal information, maintain, use and disclose that information.



## **1.9 WARNING**

The Products offered by us in this PDS are derivatives and foreign exchange contracts as defined in the Corporations Act. Derivatives and foreign exchange contracts are complex and high-risk financial products. You should not engage in transactions or enter into Contracts unless you properly understand the nature of these Products and are comfortable with the attendant risks. You should obtain independent financial, legal, taxation and other professional advice prior to entering into a Contract to ensure this is appropriate for your objectives, financial situation or needs. Please carefully consider the impact of any gains or losses on your financial situation.

You may lose the entirety of amounts deposited with Sirius. You may incur losses to the extent of your total exposure to us and any relevant fees and charges that applied. These losses may be all of the funds you have deposited with us, or are required to deposit to satisfy Margin Requirements, on one or more positions you may have with us.

It is important that you understand that when you enter into a Product you are not trading in (and do not own, or have any rights to) the Underlying Instrument.

This initial warning cannot set out and duplicate all of the important information in this PDS. You should read all of this PDS and the Client Agreement before making a decision to invest in the financial products covered by this PDS. We recommend that you contact us if you have any questions arising from this PDS or the Client Agreement prior to entering into any transactions with us. Sirius recommends that you consult your adviser or obtain independent advice before trading.

Please read clause 7 of this PDS carefully for more information regarding risks associated with the Products.

## 2. REGULATORY BENCHMARK DISCLOSURE

### Benchmarks for Our Products

ASIC has developed seven (7) disclosure benchmarks for OTC derivatives, the requirements for which are contained in the ASIC published, Regulatory Guide 227 (RG 227). The following table sets out the benchmarks and the information which describes how we deal with the benchmarks.

| Benchmark   | Benchmark met?<br>(Y/N) | Description  |
|---|-------------------------|--|
| <b>Benchmark 1 - Client Qualification and Suitability</b><br>Addresses the issuer's policy on investors' qualification for trading.                             | Yes                     | We will assess client qualifications and suitability for our Products when you apply to open an Account. Further information can be found in clause 5.2 – 5.3  |
| <b>Benchmark 2 - Opening Collateral</b><br>Addresses the issuer's policy on the types of assets accepted from investors as opening collateral.                  | No                      | To the extent that this benchmark requires that a limit of \$1,000 be accepted for opening payments made by credit cards, we accept credit card payments for more than \$1,000 as initial funding in order to provide flexible payment options to clients. Please note that the use of credit card has the effect of "double leverage" as you will be using borrowed funds to trade. See clause 3.21 for further information.              |
| <b>Benchmark 3 - Counterparty risk – hedging</b><br>Addresses the issuer's practices in hedging its risk from client positions and the quality of this hedging. | Yes                     | We maintain a written policy to manage our exposure to market risks from client Positions. This includes the factors we consider when determining if hedging counterparties are of sufficient standing and sets out the names of those hedging counterparties.<br><br>See clause 7.15 and the current hedging policy at <a href="http://www.forexcfds.com.au/legal-documents-download/">www.forexcfds.com.au/legal-documents-download/</a> |

| Benchmark  | Benchmark met?<br>(Y/N) | Description   |
|--|-------------------------|---|
| <p><b>Benchmark 4 - Counterparty risk – financial resources</b></p> <p>Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements.</p>               | Yes                     | <p>We maintain and apply policies to ensure that we meet all of our financial obligations under the conditions of our AFSL. See clause 7 for more information.</p>  |
| <p><b>Benchmark 5 - Client Money</b></p> <p>Addresses the issuer’s policy on its use of client money.</p>  | Yes                     | <p>We have a well-defined Client Money policy. These moneys are held and used in accordance with the Australian Client Money Rules. See clause 8 for more information.</p>  |
| <p><b>Benchmark 6 - Suspended or halted underlying assets</b></p> <p>Addresses the issuer’s practices in relation to investor trading when trading in the underlying asset is suspended or halted.</p> | Yes                     | <p>If the Underlying Market is volatile, we may choose to suspend trading even if a similar Underlying Instrument may be trading elsewhere such as another platform. We do not allow new Positions to be opened when the Underlying Market is halted or suspended. See clause 7.6 for more information.</p>   |
| <p><b>Benchmark 7- Margin calls</b></p> <p>Addresses the issuer’s practices in the event of client accounts entering into margin call.</p>   | Yes                     | <p>We make Margin Calls through the Trading Platform. You must monitor your Trading Platform and available Margin at all times while you have open Positions with us. We maintain and apply a clear policy in relation to minimum Margin Requirements and our rights including to close out positions. In times of market volatility we may choose to alter Margin requirements, for some, or all of our instruments. See clause 4 to clause 4.8 for further information.</p> |

### 3. KEY INFORMATION – QUESTIONS & ANSWERS

#### 3.1 WHAT DO THE TERMS IN THIS PDS MEAN AND HOW TO INTERPRET THEM?

A full list of defined terms is available in the Glossary, Section 20.

#### 3.2 WHAT FINANCIAL PRODUCTS DO WE PROVIDE?

All Products offered under this PDS are OTC derivatives, including Margin FX Contracts, and Contracts for Difference (CFDs).

#### 3.3 WHAT TYPE OF ACCOUNT CAN YOU OPEN?

You may trade with us in both Live and demo environments. Aside from our demo account, we offer other types of Accounts in a Live environment on our Trading Platforms. The types of Trading Accounts available under this PDS prior to 29 March 2021 include the following:

- Advanced – Variable spreads from 1.4, with leverage up to 200:1
- Pro – Variable spreads from 1.0, with leverage up to 200:1
- Black\* – By invitation only, with leverage up to 200:1

From 29 March 2021. The types of Trading Accounts available under this PDS include the following:

- Advanced – Variable spreads from 1.4, with leverage up to 30:1
- Pro – Variable spreads from 1.0, with leverage up to 30:1
- Black\* – By invitation only, with leverage up to 30:1

\* The ForexCFDs Black account is for serious traders and by invitation only, offering variable spreads from 0.4 plus a post-trade commission.

Please refer to our Website for details on the types of Accounts that you may open with us here:

[www.forexcfd.com.au/trading-account-types/](http://www.forexcfd.com.au/trading-account-types/)

Due to the regulatory change in available leverage, retail accounts, from commencement of trading on 29 March 2021, will have reduced leverage.

If you are unsure about how any of the Products or Trading features work, we strongly recommend that you apply for a demo account and trial our Trading Platform(s), prior to conducting trades in a Live Account. Our MT4 demo trading environment technically simulates our Live trading environment, by providing you a virtual account balance to trade with. Please note the psychology of trading with a virtual account balance differs greatly from trading Live with real, deposited funds. Demo enables you to become familiar with the Trading Platform features which are otherwise similar, between the demo and Live environments.

### 3.4 WHAT IS A MARGIN FX CONTRACT?

A Margin FX Contract is an agreement under which you may make a profit or incur a loss arising from fluctuations in the price of the Contract. The price of our Margin FX Contracts is based on the price of an Underlying Instrument, being the price of one currency relative to another.

**You do not own, have any interest, or right in the Underlying Instrument, or have the ability to transfer the Underlying Instrument to another broker, or Exchange, or to trade the Underlying Instrument on an Exchange by entering into a CFD Contract with Sirius.**

By entering into a Margin FX Contract, 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 Margin FX Contract as well as any associated fees, charges or holding costs.

The amount of any gain or loss made on a Margin FX Contract will be the net of:

- the difference between the price of the Contract when your Position is opened and the price of the Contract when the Position is closed;
- any Position commission charges made on the open and close of the Contract (Round turn trade) levied on the Black account type; any Swap or financing charges or benefits for positions held after 22:00 UK time daily on the MT4 Platform that may include a three day holding applied Wednesday for a Margin FX & Bullion Contracts; and
- any Swap or financing charges or benefits for positions held after 21:59:45 UK time daily on the SmartCharts 2 Platform that may include a three day holding applied Wednesday for a Margin FX Contract.

Further information may be accessed on our website:

[www.forexcfds.com.au/swaps-and-financing-charges/](http://www.forexcfds.com.au/swaps-and-financing-charges/)

You should consider the effect of leverage applied to your Positions on your gains and losses. Leverage allows a trader to open a position larger than the required, deposited amount. Leverage positions amplify gains and equally amplify losses, before any associated costs such as spreads or commissions.

Please refer to Section 9 for further information.

Where your Account is held in a currency that differs from the originating deposit currency, there is the risk of either advantageous or disadvantageous price movement in the relative values of the currencies.

Currency exposure risk applies to all balances withdrawable, that originated as a deposit in a different currency, or are trading profits in a currency you intend to redeem that differs from your deposited currency.

### 3.5 WHAT IS A CFD?

A CFD is an agreement which allows you to make a profit or loss from fluctuations in the price of an Underlying Instrument. **You do not own, or have any interest or right, in the Underlying Instrument; or have the ability to transfer the Underlying Instrument to another broker, or Exchange, or to trade the Underlying Instrument on an Exchange by entering into a CFD Contract with Sirius.**

By entering into a CFD contract, you are either entitled to be paid an amount of money, or are required to pay an amount of money, depending on movements in the price of the Underlying Instrument.

The amount of any gain or loss calculated on a CFD Contract will be the net of:

- the difference between the price of the Contract when your Position is opened and the price of the Contract when the Position is closed;
- any Position commission charges made on the open and close of the Contract (Round turn trade) levied on the Black account type instruments if applicable;
- any Swap or financing charges or benefits for positions held after 22:00 UK time daily on the MT4 Platform, that may include a three-day holding applied Wednesday for Bullion CFDs and Friday for Index or Commodity (other than Bullion) CFD Positions;
- any Swap or financing charges or benefits for positions held after 21:59:45 UK time daily on the SmartCharts 2 Platform, that may include a three-day holding applied Friday for Index CFD and Commodity CFD Positions; and
- Corporate Action charges or benefits relating to the CFD (if applicable).

Further information may be accessed on our website including the rates and calculations: [www.forexcfds.com.au/swaps-and-financing-charges/](http://www.forexcfds.com.au/swaps-and-financing-charges/)

You should consider the effect of leverage applied to your Positions on your gains and losses. Please refer to Section 9 for further information on possible fees, costs or charges.

We offer the following asset classes of CFDs:

- Margin FX or Currency CFDs
- Stock Indices CFDs;
- Commodity CFDs, including energy WTI Crude and Brent Crude oils
- Precious metal CFDs including Gold, Silver, Platinum

Please visit the Trading Platforms or the ForexCFDs website for a list of available Margin FX and CFDs.

[www.forexcfds.com.au/range-of-markets/](http://www.forexcfds.com.au/range-of-markets/)

### 3.6 WHAT IS A POSITION OR CONTRACT?

A Position (or Contract) is a Margin FX Contract or CFD entered into, by you with Sirius, under the Agreements.

#### **How to Open Positions – Margin FX Contracts and CFDs**

A Position in Margin FX Contract and CFDs can be opened by either buying (going long) or selling (going short) a Margin FX Contract or CFD.

- You go “long” when you buy a Margin FX Contract or CFD in the expectation that the price of the Underlying Instrument to which the Margin FX Contract or CFD is referable, will increase, which has the effect that the Margin FX Contract or CFD price we quote will increase; and
- You go “short” when you sell a Margin FX Contract or CFD in the expectation that the price of the Underlying Instrument to which the Margin FX Contract or CFD is referable will decline, which has the effect that the Margin FX Contract or CFD price we quote will decrease.

For Margin FX Contracts and CFDs, the rate of change is correlated 1:1 between the Margin FX Contract or CFD Position and the Underlying Instrument as quoted by us.

A Position in respect of a Margin FX Contract or a CFD is open until it is closed, and the amount of profit or loss can then be calculated.

If you close a Position, any related Orders you have placed against that Position will be cancelled, including Take Profit or a Stop Loss orders contingent to the Position.

Sirius may also exercise rights to close as set out in clause 12.1 and clause 12.2 of the Client Agreement.

### 3.7 WHAT IS A PRODUCT ISSUED ‘OVER THE COUNTER’?

All Products offered by Sirius are synthetic, meaning they are derivative contracts of Underlying Instruments, quoted on the OTC market. Instruments quoted and traded OTC do not offer protections associated with exchange traded instruments or via a market participant, including regulated exchange rules and any associated guarantee or compensation funds that may exist on domestic or international venues. All transactions are bilateral between you and us. This means you can only enter into contracts with us and with Sirius acting as principal.

None of our Products may be transferred to another party, broker or exchange by you. Transacting in our Products will never give rise to any ownership or right to the Underlying Instrument.

### 3.8 WHAT TYPE OF TRADING SOFTWARE DO WE OFFER?

We offer the following trading platforms to our clients:

- MT4 Trading Platform, accessible via installable download application, or mobile

apps for iOS and Android;

- SmartCharts 2 Trading Platform, accessible from <https://login.forexcfd.com.au/>

Both or any of the above trading platforms are referred to as the Trading Platform(s) in this PDS. Each Trading Platform has different features and functionalities, and the Products available on each Trading Platform may vary. For example, the rules around imposing Orders are different between the two Trading Platforms. We recommend that prior to engaging in live trading you open our demo account and conduct part simulated trading on the selected Trading Platform. This will enable you to become familiar with the attributes of the Trading Platform and the Products available.

Please note that positions on one Trading Platform are not transferrable to the other Trading Platform.

The SmartCharts 2 Trading Platform and associated apps are proprietary trading platforms offered by SmartCharts Ltd. Sirius also hold a MetaQuotes licence for the MT4 Trading Platform and rely upon MetaQuotes and other third parties to ensure the MT4 Trading Platform and any associated apps, along with relevant systems and procedures are regularly updated and maintained.

We will use our reasonable efforts to make the Trading Platforms available when you access them. However, we cannot give an absolute assurance or guarantee that the Trading Platforms will be available on a continuous basis due to systems maintenance, system failures and other related technological or external factors. We have no liability to you for any loss, damage, or cost which you may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of internet service providers or other system errors.

We do not accept any liability in respect of any delays, inaccuracies, errors, or omissions in any data provided to you in connection with the Trading Platforms. We have no liability to you in the event that any viruses, worms, software bombs, malware or similar items are introduced via the Trading Platforms or any software provided by us to you, in order to enable you to use the Trading Platforms, where we have taken reasonable steps to prevent occurrence.

You must carefully read and follow any operational rules or instructions, for, or on, the Trading Platforms. The Trading Platforms, from time to time, may impose special operating rules (available on the Trading Platform) including, but not limited to:

- The automatic population of trade size as a percentage of balance, take profit and stop loss on the SmartCharts 2 Trading Platform Order Ticket, that can be adjusted as you like, prior to placing the Order, subject to available funds in your Account;
- An open Position Stop Loss amount and/or Take Profit amount featured on the SmartCharts 2 platform Trade Ticket can be adjusted, outside of minimum levels, as you like, subject to available funds in your Account;



- Posting Margin (such as when payment is required and when the payment is effective);
- Margin calculations including automatic adjustments outside of trading hours or at anytime; and

### **3.9 WHAT CHARGES ARE PAYABLE WHEN DEALING IN OUR PRODUCTS?**

For the common fees, spreads, commissions, corporate action, swaps or financing charges or benefits incurred when dealing in our Products, please refer to Section 9, where these are set out.

In addition to the fees and charges, we will apply a Bid and Offer spread in respect of our Products, which will also affect any profit or loss you make when dealing in these Products.

The SmartCharts 2 and the MT4 platform feature a Black spread account, where a liquidity provider spread we then quote, is accompanied by a post-trade, round-turn commission charge payable on opening.

### **3.10 HOW DO WE DETERMINE THE PRICES OF OUR PRODUCTS?**

Our prices for Margin FX Contracts and CFDs are calculated by applying a percentage markup to the price for the Underlying Instrument most recently quoted to us, by one, or more, liquidity providers.

Further information on specific Forex and CFD prices are available from the website:

[www.forexcfds.com.au/range-of-markets/](http://www.forexcfds.com.au/range-of-markets/)

### **3.11 CAN WE CHANGE OR RE-QUOTE THE PRICE AFTER YOU HAVE ALREADY PLACED YOUR REQUEST FOR AN ORDER?**

No. When you open a Position, we will execute the Order when it meets the current price we are quoting. A Market Order will execute at the available price we are quoting when received.

A gap in the market occurs when the price of a Product makes a sharp move up or down with no trading occurring in between - or when the last market price quoted differs from the next quoted price, out of sequence.

Quoted market prices that exhibit gapping will generally result in slippage. Slippage is the difference between a requested price of a Position or pending Order and the price at which the related Order was executed or filled. Slippages may occur in dealing in our Products, resulting in adverse or beneficial outcomes in relation to your exposure.

There are five (5) common types of slippage:

- (a) When the quoted market prices gap during trading hours;
- (b) When the quoted market price is paused and the underlying instrument we quote resumes trading, as occurs with futures based underlying instruments;
- (c) The quoted prices gap at the commencement of trading after the weekend, or

holiday trading pauses;

- (d) When the market reacts to unexpected news, or a scheduled information release that varies from priced market expectations;
- (e) When a price is clicked on the trading platform and the quoted market prices have substantially changed in the time it took for the instruction to reach the execution venue.

For the benefit of our clients, we treat both slippage scenarios in the same way that they would be treated in the exchange-traded share or futures markets in that we slip our clients to a better price if the liquidity market from which we obtain prices has moved in the client's favour, and similarly a worse price if the market has moved against them.

Please note that slippage may be positive or negative. When executing our clients' transactions, Sirius's execution will reflect both positive and negative movements in the underlying price. Please refer to section 7.10 for further details.

### **3.12 WHERE CAN YOU FIND INFORMATION ABOUT OPENING HOURS?**

Our Trading Platforms commence with the Currency markets on Sunday at 22:00 GMT, and close on Friday, at 21:45 GMT. These times are also Sunday at 17:00 New York (EST) time and close on Friday at 16:45 New York (EST) time to coincide with the New York close on the daily chart of tradeable Margin FX instruments on the Trading Platforms.

CFDs of Commodities, Indices and Precious metal CFDs all have trading hours that vary and the CFD instruments are only available to trade when the underlying market is open and not otherwise suspended or unavailable.

You are able to view live quoted prices and place live Orders – both at Market and Pending – during times the Margin FX and CFD markets are open with the Underlying Instrument quoted by us.

You may still access the Trading Platform and view your Account, market information, research and our other services outside of these times. However, there will not be any live quoted prices, trading or the ability to place pending Orders. Opening hours of our Products may vary within these times, please check our Trading Platforms for further information on opening hours for each Contract is available on our website:

[www.forexcfds.com.au/range-of-markets/](http://www.forexcfds.com.au/range-of-markets/)

### **3.13 IF THERE IS LITTLE OR NO TRADING OCCURRING IN THE UNDERLYING MARKET FOR A PRODUCT, CAN YOU STILL TRADE THAT PRODUCT?**

We will stop and suspend client trading or impose altered trading conditions when:

- The Underlying Market is closed or outside of trading hours – for example, a CFD of an underlying single share, when the stock exchange the share is listed on is closed or not in trading hours we quote;
- a trading halt exists for the Underlying Instrument;

- trading in the Underlying Instrument has been suspended through an exchange, trading venue or otherwise; and
- we consider it necessary, such as due to existing or anticipated, volatility, price gapping or illiquidity.

If we impose altered Trading Conditions this may include any, or all:

- Discontinue quoting variable spreads usually available;
- Commence offering wider variable Spreads derived from one or more liquidity providers; and
- Vary the Trading Hours of the affected instruments so as to avoid an expected disorderly market opening or closing.

### **3.14 WHAT ORDER TYPES DOES SIRIUS OFFER?**

Sirius offers a variety of Orders through our Trading Platforms. You will be able to find information about Orders that are available to you on the Trading Platform(s) when you log in.

All types of Orders on the SmartCharts 2 platform are non-guaranteed Orders. All Orders on the MT4 platform are non-guaranteed Orders.

The price at which we accept an Order to trade, including Orders to open and close trades, as well as take profit (TP) orders execute Fill or Kill (FOK). These orders only execute if they can fill in their entirety at the requested price.

The type of Orders and how they may be filled, if at all, will depend on the rules of the exchange where the Underlying Instruments, as quoted by us, may be being traded and the trading conditions of our Products such as the pricing model, minimum trade value or other restrictions. Please note that gapping and slippages may occur and we handle Execution Risks including gapping and slippages in accordance with section 7.10.

Sirius has complete discretion on whether to accept and execute any Order requested.

If an Event of Default specified in the Client Agreement occurs, we may impose a limit on the number of open pending Orders of each Account to prevent the degradation of the Trading Platforms performance of all other clients.

You should explore the operation of these Order types via demo accounts, and read available user guides on the Trading Platforms. You should also refer to our Client Agreement with respect to the operation of these order types.

A Market Order is an Order to buy or sell at the current market price as soon as possible. For example, if the quoted market is closed, the Market Order may not be entered into until the Underlying Market re-opens and is quoted by us.

### SmartCharts 2 Order Population

| Trade Size   | Buy or Sell Position Entry  |
|--|---|
| <ul style="list-style-type: none"> <li>○ Risk % of Account balance</li> <li>○ AUD\$ per point</li> <li>○ Lot Size</li> <li>○ Cash Amount</li> </ul>  | <ul style="list-style-type: none"> <li>○ @ Market</li> <li>○ Pending Price</li> <li>○ Bar high or Bar low</li> <li>○ Swing high or Swing low</li> </ul>                               |
| Take Profit  | Stop Loss   |
| <ul style="list-style-type: none"> <li>○ Pips from Entry</li> <li>○ Reward to Risk ratio</li> <li>○ Pending Price</li> <li>○ Bar high or Bar low</li> <li>○ Swing high or Swing low</li> </ul> | <ul style="list-style-type: none"> <li>○ Pips from Entry</li> <li>○ Pending Price</li> <li>○ Bar high or Bar low</li> <li>○ Swing high or Swing low</li> <li>○ Trail Price</li> </ul> |

SmartCharts 2 Trade Size feature allows you to preset your desired 'Risk as a percentage of account balance' to provide an inbuilt risk management system. The Risk as a Percentage of account balance is determined by you and once set to a default level, such as 2%, can be adjusted per trade by you or set to a new default amount.

SmartCharts 2 Take profit and Stop Loss feature allows you to adjust the distance from the entry price for each of the Order conditions and by default is set to 20 PIPs for each that can be adjusted as you wish along with a number of other calculations listed under each of the headings above.

### MT4 Order Population

| Trade Size  | Buy or Sell Position Entry  |
|---|---|
| <ul style="list-style-type: none"> <li>○ Lots</li> <li>○ Minimum size = 0.01 Lot</li> <li>○ Maximum size = 50 Lots</li> </ul> | <ul style="list-style-type: none"> <li>○ Market</li> <li>○ Pending Order Price <ul style="list-style-type: none"> <li>- Buy Limit / Buy stop</li> <li>- Sell Limit / Sell Stop</li> </ul> </li> </ul> |

| Take Profit   | Stop Loss  |
|---|--|
| <ul style="list-style-type: none"> <li>○ Price</li> <li>○ Level in points</li> <li>○ Visually adjust Pips on chart</li> </ul> | <ul style="list-style-type: none"> <li>○ Price</li> <li>○ Level in points</li> <li>○ Visually adjust Pips on chart</li> <li>○ Trail Price</li> </ul> |

MT4 orders are manual, however some options may be preset by you in the Client terminal Settings.

| Stop Loss Orders  |
|---|
| <p>A Stop Loss Order is an Order placed to limit the loss on an open Contract and allows you to specify a price at which you wish to close a Contract. Stop Loss Orders must be placed a minimum distance from the current Bid and Offer Prices. A Stop Loss Order can be seen as a 'pending' or a 'resting' Market Order. The Order will become active when the price specified in the Order is reached, and the Order will then operate as a Market Order when the active Order price is equal to or exceeds the last quoted price.</p> <p>Sirius will execute a Stop Loss Order once the following conditions are met:</p> <ul style="list-style-type: none"> <li>• for a Buy Stop Loss Order (i.e. a Stop Loss on a Sell position): the Offer price is equal to or greater than the active Order price; or</li> <li>• for a Sell Stop Loss Order (i.e. a Stop Loss on a Buy position): the Bid price is equals to or less than the active Order price</li> </ul> <p>Stop Loss Orders are non-guaranteed Orders. The execution of such Orders will depend on market volatility and liquidity. You cannot assume that you will always be able to have a Stop Loss Order filled at the requested price and Sirius has absolute discretion in determining whether to accept a Stop Loss Order on any of our Trading Platforms. If it is not possible to fill your Stop Loss Order as requested, Sirius will fill the Stop Loss Order at the best available price.</p> <p>Stop Loss Orders could be activated by short-term fluctuations in the markets, or in a fast-moving market, and the price at which the trade is executed could be much different from the Stop Loss Order price. Therefore, gapping and slippages may occur in executing Stop Loss Orders.</p> <p>You acknowledge and agree we will automatically populate prices on Order Tickets with Stop Loss Orders and Take Profit Orders to provide our clients with enhanced risk protection. The prices may be adjusted by you as you wish subject to your available margin and any minimum distance that may apply. Sirius may impose an altered Stop Loss Order on one or more of your Contracts at our sole discretion.</p> <p><b>Stop Loss Orders on the SmartCharts 2 Platform</b> - The SmartCharts 2 Trading Platform will automatically apply a Stop Loss Order for each Position. The Order prices may be</p> |

adjusted by you as you wish, subject to your available Account balance.

**Stop Loss Orders on MT4 Trading Platform** - Stop Loss Orders available on the MT4 Trading Platform are not automatic and require you to set them manually as you wish. Any amount can be entered however if the required Margin is not available, the Position may be stopped out prior to the stop loss value being reached.

**Example of a Stop Loss Order** - If you wish to speculate that the price of US30 will decrease and you only want to risk approximately USD 200 if you are incorrect in this speculation, you can open a Contract at the price of USD 28,801 and set the Stop Loss Order at USD 29,001 (i.e. USD 28,801 + USD 200). If the price of US30 does not decrease but continues to appreciate, and the Contract is closed at USD 29,003 rather than USD 29,001 because the price of USD 29,001 is not available at the time of closing due to rapid movement in price, the Contract in this example will then generate a loss of USD 202.

The ForexCFDs platforms are such that slippage can occur in some circumstances, including in fast moving or gapping markets we quote.

### Limit Orders

A Limit Order may be used by you to either open or close a Contract at a predetermined price that is more favorable to you than the current market price. We will execute your Limit Order when:

- for a buy-limit Order: the Offer price is equal to or less than the active Order price;  
or
- for a sell-limit Order: the Bid price is equal to or greater than the active Order price;

Once the active Limit Order price is reached, the Limit Order becomes a Market Order. Similar to ordinary Stop Loss Orders, Limit Orders are not guaranteed, and the execution of such Orders will depend on market volatility and liquidity. Therefore, gapping and slippage may occur.

**Example of a Limit Order** - If you want to speculate that the price of the ASX200 will decrease after reaching an all time high of 7100. Instead of waiting for the market to reach this price, you place a sell Limit Order at 7100. This active Order will trigger a sell trade once the price of 7100 is reached or higher.

When the price of the ASX200 appreciates above 7100 and immediately changes from 7099 to 7101, the sell trade will be triggered due to the price movement and you will receive a positive slippage fill price of 7101 instead of 7100

Conversely, a negative slippage example would be as above, except the trade was a Buy order instead of a Sell order.

### Take Profit Orders

A Take Profit Order is placed to close an open Position when it reaches a desirable price

as entered into the Trade Ticket. Take Profit Orders must be placed a minimum distance from the current Bid and Offer Prices.

A Take Profit Order can be seen as a 'pending' or a 'resting' Market Order. The Order will become active when the price specified in an active Order is reached.

Sirius will execute a Take Profit Order once the following conditions are met:

- for a buy-Order: the Offer price we quote equals or is greater than the active Order price; or
- for a sell-Order: the Bid price we quote equals or is less than the active Order price;

Take Profit Orders are NOT guaranteed, and the execution of such Orders will depend on market volatility and liquidity. You cannot assume that you will always be able to have a Take Profit Order as requested. If it is not possible to fill your Order as requested, Sirius will fill the Take Profit Order at the nearest available price.

Take Profit Orders could be activated by short-term fluctuations in the markets, or in a fast-moving market, and the price at which the trade is executed could be much different from the Order price. Therefore, gapping and slippages may occur.

You acknowledge and agree that under the Client Agreement we will automatically populate a SmartCharts 2 platform Order with a Take Profit Order and a Stop Loss Order to provide our clients with enhanced risk protection. Sirius may impose a Take Profit Order on your Contracts at our discretion.

**Take Profit Order on SmartCharts 2 Trading Platform** - The ForexCFDs Trading Platform will automatically apply a Take Profit Order for each Contract you conduct with us. The Order prices may be adjusted by you as you wish.

**Take Profit Order on MT4 Trading Platform** - Unlike the Take Profit Order on ForexCFDs Trading Platform, Take Profit Orders available on the MT4 Trading Platform are not automatic and require you to set them manually, as you wish. Any amount permitted can be entered, however if the required Margin is not available, the Contract may be stopped out prior to the Take Profit value being reached.

**Example of a Take Profit Order** - If you wish to speculate that the price of 100 WTICrude oil barrels will increase by a few dollars and you only want to risk approximately USD 200 if you are incorrect in this speculation, you can open a Contract at the price of USD 60.00 and set the Take profit order at USD 65.00 and Stop Loss Order at USD 58.00 (i.e. USD 60.00 x 100 Barrels minus USD 200). If the price of WTICrude oil does increase and our quoted price of 65.00 reaches the Take Profit Order amount in the Trade Ticket, the Contract is closed at USD 65.00 resulting in a profit on this transaction of 5.00 per barrel or USD 500 less any finance charge paid (in this case none as the trade was closed intra-day) or commission charge if using a Black Account.

### 3.15 WHAT IS THE MINIMUM TRADING SIZE, THE MAXIMUM TRADING SIZE AND THE MINIMUM BALANCE TO OPEN AN ACCOUNT?

The size of your Contract must exceed the relevant Minimum Trading Size and must not exceed the relevant Maximum Trading Size, each as specified on the Trading Platforms, and may be changed from time to time.

The minimum balance to open an Account depends on the type of Account you open. When trading in our Products, you may deposit an amount that suits you and which is in line with the amount you are willing to risk.

For specifications please refer to [www.forexcfd.com.au/trading-account-types/](http://www.forexcfd.com.au/trading-account-types/)

### **3.16 HOW DO YOU DEAL IN PRODUCTS WITH US?**

You may place requests for dealing in our Products via the Trading Platforms through a computer or other device with which the Trading Platform is compatible.

We will not accept request for Orders over the phone except in circumstances where a client is experiencing technical failure.

If you experience a technical failure you may speak with a Dealer who is only able to accept direct instruction to close or modify an order or position with the exact prices you specify.

The dealer may quote the live market price to you however when transacting, this price may not be available in the case of a market order to close a position. In the case of a Limit order placed on your behalf, the dealer will then send you an email with your exact instructions and we require you to confirm those instructions by reply email before the instructions will be accepted.

Instructions may only be provided, and will only be confirmed in English unless Sirius confirms that the representative is fluent in another language you both agree to communicate in. Sirius will not accept requests for Orders from you through any other means, such as email, unless we have previously agreed with you to do so.

It is possible for a third party to place Orders on your behalf provided that a written and executed Power of Attorney or Authorised Person authority has been received and accepted by us.

### **3.17 WHEN IS A CONTRACT FORMED?**

A price quote given to you by one of our Dealers is not an offer to contract. If you indicate that you wish to trade at the price quoted to you, you will be deemed to be making an offer to trade at our quoted price and our Dealer will be entitled to confirm or reject that offer. Your clicking 'buy' or 'sell' on the Trading Platform will send a message to us indicating that you wish to trade on the terms and conditions indicated. This message will constitute an offer by you to buy or sell at the price and trade size chosen.

The SmartCharts 2 platform will pre-populate Stop Loss Orders and Take Profit Orders according to the parameters you define as a default and that may be altered as you wish subject to available margin and price proximity to the market price per trade or as default settings.



If we accept your offer, the information about your offer to trade will appear on the Trading Platform. Your Order will not have been placed and no Contract will come into existence until this information is available on the Trading Platform.

**If the information about your offer to trade does not appear on the Trading Platform within two (2) minutes, you must notify us immediately. If you do not notify us, you will be deemed to have agreed only the transactions recorded by us. Similarly, if you dispute the contents of any transaction information sent by us to you, you must notify us immediately upon receipt by telephone or email, if you do not, the transaction recorded by us will be deemed to have been agreed by you.**

### **3.18 HOW DO YOU REQUEST TO CLOSE OUT A POSITION?**

You can request to close a Position by selecting a Position in the Trading Platform and closing it. However, please note that we may not be able to allow you to close a Position at a particular time and/or at the particular price, for example, without limitation, due to the Underlying Market being closed or otherwise not tradeable, gapping or illiquidity. In adverse market conditions, instruments may be halted or suspended at the discretion of Sirius and/or our liquidity provider.

### **3.19 WHAT IS MARGIN?**

Margin Requirements will fluctuate with the value of the Underlying Instrument on which the Contract is based. Further, where you deal in a Contract that is denominated in a currency other than the Base Currency of your Account, your Margin Requirement may also be affected by fluctuations in the relevant foreign exchange rate.

For detailed information please refer to Section 4.

### **3.20 WHAT IS A MARGIN CALL?**

A Margin Call is the request to add additional funds to cover the shortfall between the available funds and the margin requirement of any open positions.

You have a continuing obligation to us to ensure that at all times during which you have open Contracts, your Total Equity is at least equal to or greater than the Stop Out Level.

Important terms include:

Equity is defined as (Account Balance + Unrealised Profit/Loss)

Free Margin is defined as (Account Balance – Total Margin Requirement +/- Open PnL)

Total Margin requirement is defined as the sum of open Position's margin requirement

Margin level % is defined as (Equity / Margin x 100)

From the commencement of trading on 29 March 2021, a Margin Call will be issued when the Total Margin Requirement is equal to or greater than your available Free Margin.

Should the Positions in the SmartCharts 2 account move against you, where your Free Margin is equal to or less than 50% of the Total Margin Requirement, all positions will be

closed.

Should the Positions in the MT4 account move against you, where your Free Margin is equal to or less than 50% of Total Margin Requirement, your positions will be closed beginning with the largest losing position to the smallest losing position in sequence, until either the Free Margin is greater than 50% of your Total Margin Requirement or there are no open Positions.

You may monitor your Margin Requirements using the Trading Platforms.

### **3.21 HOW ARE PAYMENTS MADE IN AND OUT OF YOUR ACCOUNT?**

We offer a number of payment options for our clients to open and fund their Accounts and to meet Margin Calls. The full list of current payment options is available on our Website and include Debit/Credit Cards and EFT Bank Transfers.

All funds must be cleared funds before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in Products.

We will use all reasonable efforts to process your withdrawal using the same payment option you have used to fund your Account. Where this is not possible for any reason, we will pay you through electronic transfer to a nominated bank account in the same name as the account held with us.

You agree and acknowledge that we may ask any third party used to fund an Account to verify their identify and we may refuse to accept or return any payment of money from any third party or from any account of any third party. You further agree and acknowledge that we do not accept any liability or responsibility for any loss, cost or expense incurred or suffered by you in connection with such non-acceptance or return.

#### **Benchmark 2 – Opening Collateral**

We only accept cash or cash equivalent as opening collateral or funding of your Account.

We do not encourage the use of borrowed funds to fund the Products. We attempt to limit the use of credit cards to fund an Account but note that with the advent of Visa and Mastercard Debit Cards it is not possible for us to distinguish between a debit and credit card. For this reason, we have not adopted the Opening Collateral Benchmark suggested by ASIC in Regulatory Guide 227 as it would impede your ability to use debit cards to fund your Account.

We also remind traders that the use of credit to trade leveraged financial products may form an additional amount of leverage beyond that which is stated on the specific Product traded. As CFDs and Margin FX are complex and risky products, Sirius does not recommend using Credit amounts as your deposited funds with us.

### **3.22 DO YOU RECEIVE INTEREST ON MONEYS HELD IN YOUR ACCOUNT OR PAY INTEREST ON MONEYS YOU OWE TO US?**

We do not pay interest on credit balances or charge interests on debit balances in the

currency ledger on your Account.

From commencement of trading on 29 March 2021, Negative Balance Protection will be in force on both Trading Platforms. This means that should the balance in your trading account fall below zero, you will not be liable for the negative balance amount.

### **3.23 WHAT HAPPENS IF YOU HOLD A POSITION OVERNIGHT?**

When you hold a Margin FX Contract or CFD Position overnight in a Product they will be rolled to the next Business Day at 21:59:45 UK time on the SmartCharts 2 platform or 22:00 UK time on the MT4 platform. Positions held overnight may be subject to a swap or financing charge or benefit. You should refer to our Product Schedule and the Client Agreement for detailed information on whether Overnight Commission is applicable to a particular Product.

[www.forexcfds.com.au/swaps-and-financing-charges/](http://www.forexcfds.com.au/swaps-and-financing-charges/)

For further information, please refer to Section 9.2 and Section 9.3

### **3.24 WHAT ARE THE RISKS OF OUR PRODUCTS?**

Our Products are OTC derivative products. Margin FX Contracts and CFDs are complex, highly leveraged financial products that carry significantly greater risk than non-leveraged (also known as non-g geared) speculations or investments.

**You may lose all of your initial deposit and any subsequent deposits you have made.**

You may incur losses to the extent of your total deposited amounts held with us and any fees and/or charges applicable from 00:00 GMT on 29 March 2021. Prior to this time, you may lose more than your deposited funds.

Sirius offers a range of risk management tools including, but not limited to, Stop Loss Orders, Limit Orders, Take Profit Orders.

It is important that you understand when you enter into a Product with ForexCFDs on either platform, you are not trading in, you do not own, or have any rights to the Underlying Instruments. Before trading with us, please read and consider our Financial Services Guide (FSG), Product Disclosure Statement (PDS) and Client Agreement (CA) to decide if the products are suitable.

You should obtain your own independent financial, legal, taxation and other professional advice as to whether our Products are appropriate for you, should you require.

### **3.25 WHAT ARE THE TAXATION IMPLICATIONS OF ENTERING INTO OUR PRODUCTS?**

The taxation consequences of dealing in our Products depend on your personal circumstances. Some general taxation consequences are set out in Section 10.

The taxation consequences can be complex and will differ for each individual's financial circumstances. We recommend that you obtain independent taxation and accounting

advice in relation to the impact of Margin FX Contracts or CFD transactions on your particular financial situation to which Sirius makes no assessment beyond your knowledge suitability for an account.

### **3.26 HOW DO YOU LEARN TO USE THE TRADING PLATFORM?**

Please contact our Client Services Department for further details. Our representatives will provide you with a Platform Walk-through and resources to assist you with the technical aspects of Symbols, Order types, the Order and Trade Tickets and more.

### **3.27 WHAT IF YOU DEFAULT IN YOUR OBLIGATIONS?**

Sirius has extensive powers under the Client Agreement to take action in response to a range of default events. We may suspend and/or terminate your Account, and close out all or any of your Positions, including cancelling any outstanding Orders. From 29 March 2021, Negative Balance Protection will be applied to all retail trading accounts on the ForexCFDs MT4 and SmartCharts 2 trading platforms.

### **3.28 WHAT IF YOU NEED FURTHER INFORMATION?**

You can contact us through the contact details listed out in clause 1.6 for further information or please refer to the ForexCFDs Financial Services Guide available on our website [www.forexcfds.com.au/legal-documents-download/](http://www.forexcfds.com.au/legal-documents-download/)

## **4. MARGIN AND MARGIN CALLS – MARGIN FX CONTRACTS OR CFDS**

### **4.1 APPLICABILITY**

This section and Margin requirements are applicable to Margin FX Contracts or CFDs.

### **4.2 INITIAL MARGIN ON THE SMART CHARTS PLATFORM**

Upon placing an Order Ticket to open a Position at parameters determined or specified price, or when you trade 'At Market' you are required to pay us, and have in your Account, the Initial Margin for that trade, this is known as the Initial Margin, and is calculated as follows:

**Initial Margin requirement = (Quantity of Contract Units x Contract Size x Contract Price) x Margin Percentage.**

When you open an Order Ticket on the SmartCharts 2 platform you will see the requirement for the Margin, and you will need to have sufficient funds in your Account to satisfy the Margin Requirement for the Order ticket to be active and/or filled as a Position as well as any other Positions open on the SmartCharts 2 platform.

Margin Requirements vary with each Product and a list of the requirements is set out in the Trading Conditions available on the Trading Platform. Margin Requirements are subject to regular change.

Please refer to Range of Markets – Margin % here:

[www.forexcfds.com.au/range-of-markets/](http://www.forexcfds.com.au/range-of-markets/)

As of market open on 29 March 2021, the following schedule of Leverage will be the maximum available for Australian traders with Retail trading accounts:

**Margin FX**

30:1 for CFDs of a major currency pair, defined as any two of the Australian dollar (AUD), Great British pound (GBP), Canadian dollar (CAD), Euro (EUR), Japanese Yen (JPY), Swiss Franc (CHF) and the United States dollar (USD);

20:1 for CFDs of minor currency pairs being any other

**Gold (XAU)**

20:1 for CFDs Gold

**Silver (XAG) and Platinum**

10:1 for CFDs of Silver and Platinum

**Commodities**

10:1 for Commodity CFDs including Crude Oil

**Stock market Indices**

20:1 for major stock markets

CAC 40, DAX, Dow Jones Industrial Average, EURO STOXX 50 Index, FTSE 100, NASDAQ 100 Index, NASDAQ Composite Index, Nikkei Stock Average, S&P 500 and S&P/ASX 200;

10:1 for minor stock markets described as any other stock market that is not a major stock market

**4.3 INITIAL MARGIN ON THE MT4 PLATFORM**

Upon placing a trade that creates an open Position you are required to pay us, and have in your Account, the Margin for that trade as calculated by us. This is known as the Initial Margin, and is calculated as follows:

For Margin FX:

$$\text{Initial Margin requirement} = (\text{Quantity of Contract Units} \times \text{Contract size}) \times \text{Margin Percentage}$$

For Index and Commodity CFDs:

$$\text{Initial Margin requirement} = (\text{Quantity of Contract Units} \times \text{Contract Size} \times \text{Contract Price}) \times \text{Margin Percentage}$$

When you open a Position in our Products on the MT4 Platform you will need to have sufficient funds in your Account to satisfy the Margin Requirement for that Position and any other open Positions on the MT4 platform.

Margin Requirements vary with each Product and a list of the requirements is set out in the Trading Conditions available on the Trading Platform. Margin Requirements are

subject to regular change.

Please refer to Range of Markets – Margin % here:

[www.forexcfds.com.au/range-of-markets/](http://www.forexcfds.com.au/range-of-markets/)

As of market open on 29 March 2021, the following schedule of Leverage will be the maximum available for Australian traders with Retail trading accounts:

**Margin FX**

30:1 for CFDs of a major currency pair, defined as any two of the Australian dollar (AUD), Great British pound (GBP), Canadian dollar (CAD), Euro (EUR), Japanese Yen (JPY), Swiss Franc (CHF) and the United States dollar (USD);

20:1 for CFDs of minor currency pairs being any other

**Gold (XAU)**

20:1 for CFDs Gold

**Silver (XAG) and Platinum**

10:1 for CFDs of Silver and Platinum

**Commodities**

10:1 for Commodity CFDs including Crude Oil

**Stock market Indices**

20:1 for major stock markets

CAC 40, DAX, Dow Jones Industrial Average, EURO STOXX 50 Index, FTSE 100, NASDAQ 100 Index, NASDAQ Composite Index, Nikkei Stock Average, S&P 500 and S&P/ASX 200;

10:1 for minor stock markets described as any other stock market that is not a major stock market

**4.4 CONTINUING MARGIN OBLIGATION**

In addition to the Initial Margin, you have a continuing obligation in relation to Margin as set out below in respect of all open Positions on your Account.

On the SmartCharts 2 Platform, you have a continuing Margin obligation to us to ensure that at all times during which you have open Positions, your account balance is at least the Margin Requirement, plus 50% of the aggregate or total margin requirement. The Margin required by us at all times (the Margin Requirement) for each open Position being:

$$\text{Margin requirement} = (\text{Quantity of Contract Units} \times \text{Contract Size} \times \text{Contract Price}) \times \text{Margin Percentage}$$

On the MT4 Platform, you have a continuing Margin obligation to us to ensure that at all times during which you have open Positions, your account balance is at least the Margin that we require you to have paid to us for all of your open Positions, such Margin required by us at all times (the Margin Requirement) for each open Position being:

For Margin FX:

**Margin requirement = (Quantity of Contract Units x Contract size) x Margin Percentage**

For Index and Commodity CFDs:

**Margin requirement = (Quantity of Contract Units x Contract Size x Contract Price) x Margin Percentage**

On both platforms, you must pay to us the Margin Requirements for all of your open Positions.

Also we may vary the Margin Percentage (and therefore the Margin) at any time at our discretion (see clause 4.7).

On the Smart Charts 2 Platform, your Account Balance will be determined by us on an ongoing basis, and will fluctuate according to the money you have deposited in your Account, the dealings conducted on your Account and the Positions you hold.

On the MT4 Platform, your Total Equity will be determined by us on an ongoing basis, and 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 opening hours set out in section 3.12, your Account balance is constantly calculated in line with movements in our prices. The Account balance is also calculated during and at the end of the day to include overnight commissions and benefits. It is your responsibility to monitor and manage your open Positions and exposures and ensure that your Account is sufficiently funded at all times for Margin. This may require:

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

#### **4.5 MARGIN CALL LEVEL**

For all types of ForexCFDs Platforms Accounts, Margin Level is calculated as:

**the percentage of Total Equity to Total Margin Requirements**

For all types of ForexCFDs Platforms Accounts, the Margin Call Level is set to be 100%.

This means that should the Margin Level fall below 100% of the requirement, the Trading Platform will automatically trigger a Margin Call.

On the SmartCharts 2 platform and the MT4 platform, Margin Calls are made on a net Account basis i.e. if you have several open Contracts, then Margin Calls are netted across the group of open Contracts. In other words, the unrealised profits of one Contract will be used or applied as Initial Margin or Variation Margin for another Contract.

Sirius has the right to change the applicable Margin Call Levels at any time. Please refer to our Website for the most updated Margin Call Level.

If a Margin Call is triggered, you are required by us to deposit additional funds into your Account to satisfy the Margin Call. These funds are due and payable to us immediately on the Margin Call being triggered.

#### 4.6 STOP OUT LEVEL AND OUR RIGHT

In addition to the requirements set out in clause 4.5, if at any time a Stop Out Level is reached, whilst it is not an Event of Default, we may (but are not obliged to) close some or all of your open Positions at our absolute discretion. We will not be responsible for any losses you may suffer or incur in connection with any such closing of your open Positions or any lack of closing thereof.

Please see below table of applicable Stop Out Levels:

| Trading Platform       | Stop Out Level                                 |
|------------------------|--|
| SmartCharts 2 Platform | Total Equity / Total Margin Requirements = 50% |
| MT4 Trading Platform   | Total Equity / Total Margin Requirements = 50% |

On the SmartCharts 2 platform all open Positions, will close where the Margin requirement of 50% of the Total Margin Requirement is not met.

On the MT4 platform, open Positions, starting with the largest loss, will close in sequence, one after the other, until the Margin requirement of 50% of the Total Margin Requirement is met or available margin is exceeded by the remaining open Position(s).

#### 4.7 CHANGING MARGIN PERCENTAGE, MARGIN CALL LEVEL AND STOP OUT LEVEL

We may vary the Margin Percentage requirement, at any time, at our discretion to an amount less than the regulation proscribed maximums, commencing 29 March 2021. Without limitation, we may vary the Margin Percentage, Margin Call Level and Stop Out Level in response to, or in anticipation of but not limited to the following:

- changing volatility and/or liquidity in the Underlying Instrument or in the financial markets generally;
- economic news;
- changes in your dealing pattern with us;
- your credit circumstances change; or
- your exposure to us being concentrated in a particular Underlying Instrument.



You should note that there may be other circumstances which may give rise to us changing your Margin Percentage requirement.

When the Margin Percentage requirement, Margin Level or Stop Out Level is changed, you will need to close and open the Trading Platforms in order to have relevant Margin updated.

#### **4.8 YOU MUST MONITOR MARGIN**

Through the Trading Platform, you have access to your Account and sufficient information to enable you to calculate the amount of any Margin Requirements and the total amount of Margin due from you in the Base Currency using our current exchange rate. It is your responsibility to ensure that you obtain all relevant information in respect of your Account, including all information in respect of your current open Positions. We will not be responsible for any losses you may suffer or incur as a result of you not obtaining or requesting any such information.

It is your responsibility to monitor at all times (including by checking on the Trading Platform) the amount of Margin deposited with us from time to time against the amount of any Margin currently required and any additional Margin that may be necessary or desirable, having regard to such matters as:

- your open Position(s);
- the volatility of any relevant Underlying Instrument;
- the volatility of the relevant market sector;
- the volatility of the financial markets generally;
- any applicable exchange rate risk; and
- the time it will take for you to remit sufficient cleared funds to us.

#### **4.9 NO OBLIGATION TO MAKE MARGIN CALL; FAILURE TO PAY MARGIN**

Margin Calls will be displayed to you in the following manner:

- both Trading Platforms will indicate a Margin Call in the area that displays your balance and equity.
- the Smartcharts Trading Platform will also indicate a Margin Call by sending you an external email;

You can monitor your Margin Requirements using the Trading Platform or by contacting us. You should ensure at all times you have sufficient funds in the Account to support your open contract Positions.

Your failure to pay any Margin or comply with your obligations in connection with Margin is an Event of Default. If an Event of Default occurs, we may, among other things, terminate the Client Agreement and/or close all or any of your open Positions and deduct the

resulting realised loss from your Account.

Sirius offers Negative Balance Protection meaning you have no liability to Sirius for negative amounts incurred in your account that are not satisfied by the total of your deposited funds in the trading account from commencement of Trading on 29 March 2021.

See Section 12 for a description of our powers upon an Event of Default.

## **5. BECOMING A CLIENT**

### **5.1 QUALIFICATION POLICY**

Trading in our Products is not suitable for everyone because of the significant risks involved. This section sets out how our Client Qualification Policy operates in practice.

### **5.2 MINIMUM QUALIFICATION CRITERIA**

We assess your suitability against a list of qualifying criteria that addresses your understanding and experience with the Products. You must be aware of the features of the Products and the associated risks before investing in them. We do not accept retail investors unless you meet the minimum qualification criteria. In accordance with RG 227, the factors that we take into account in assessing your suitability include:

- Previous trading experience in trading financial products;
- Understanding of leverage, margins and volatility;
- Understanding of the key features of the Products;
- Understanding the trading process and relevant technology;
- Ability to monitor and manage the risks of trading; and
- Understanding that only risk capital should be traded.

Our assessment of your suitability is based on the information you provide. You warrant that the information you provide to us is true and accurate in all aspects. You understand that we will rely upon the information you provide in making a judgment about whether to accept you as a client.

Our assessment of your suitability to trade in the Products and any limits we set for your Account (or later change to those limits) should not be taken as personal advice to you nor does it imply that we are responsible for any of your losses from trading in the Products.

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

Even if we assess you as suitable to trade the Products, we urge you to use demo accounts for a period of time to ensure you are familiar with the terminology of the Products and how they work. If in our reasonable judgment we consider that you have qualified, we will

not be liable in any way to you, or have any dealings or transactions between us set aside, modified or varied, if your experience, knowledge and understanding are found to be insufficient or that we were in error in making our judgment.

### **5.3 CLIENT QUALIFICATION TEST**

When you start the Account opening process with us online, you will be asked the level of previous experience you have in Margin FX Contracts, CFDs and Options. As part of the Account opening process, you will be required to demonstrate through a Client Qualification Test your understanding of the following:

- the differences between general and personal advice
- leverage, Margins and volatility;
- key features of Margin FX Contracts, CFDs and Options;
- the trading process and relevant technology; and
- the ability to manage and monitor trading risks.

The above test must be passed with a 75% or higher score to allow an Account to be opened. The test may be attempted three (3) times

### **5.4 CLIENT ON-BOARDING PROCESS**

We check minimum qualification criteria as part of our client on-boarding process through the Application Form and our Client Qualification Test. If you do not meet our minimum qualification criteria, one of our sales representatives will contact you to discuss potential solutions to improve your understanding and knowledge of Margin FX Contracts, CFDs and Options.

### **5.5 WRITTEN RECORDS**

As the issuer of financial products, we are required to document our assessment process and retain this information as records.

## **6. KEY BENEFITS**

The use of our Products provides a number of benefits, which must be weighed against the risks involved. Benefits include the following:

### **6.1 HEDGING**

You can use our Products to hedge exposures in relation to the relevant Underlying Instrument. Hedging also means that you may not receive the benefits of price movements quoted by us in your favour.

Please note that in circumstances where a Margin FX or CFD Position of equivalent volume is entered into on the platforms, being equivalently both Long and Short, that the Margin

requirement for each is not entirely offset by the other. Each Position on the ForexCFD trading platforms has an Initial and Ongoing Margin requirement.

## **6.2 SPECULATION**

You can also use our Products for speculation, with a view to possibly deriving gains from fluctuations with respect to the Underlying Instruments. Speculation may result in losses rather than gains.

## **6.3 LEVERAGE**

The use of our Products involves a high degree of leverage. These Contracts enable you to outlay a relatively small amount (in the form of Margin) for an exposure to the Underlying Instrument. Gains and losses are amplified by the extent of the leverage. The leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains and the transaction costs should form part of your assessment.

## **6.4 TRADE IN SMALL AMOUNTS**

Our Trading Platform allows you to make transactions in small amounts. You can open an Account with a minimum open balance as set out in clause 3.15. When trading in a Product we offer, you may deposit any amount that is in line with how much you are willing to risk.

# **7. KEY RISKS OF TRADING WITH US AND IN OUR PRODUCTS**

## **7.1 INTRODUCTION**

You should carefully consider whether dealing in our Products is appropriate for you in the light of your financial circumstances. In deciding whether or not you wish to become involved in these transactions, you should be aware that these Products are OTC derivative products that are speculative, highly leveraged and carry a significantly greater risk than non-leveraged (also known as non-gear) speculations or investments.

We do not make or give any recommendation advice or opinion in relation to Margin FX Contracts, CFD. We do not take into account your objectives, financial situation or needs. Without limitation, the Client Qualification Policy does not amount to personal financial product advice.

You should obtain independent financial, legal, taxation and other professional advice prior to entering into our Products with us to ensure this is appropriate for your objectives, financial situation and needs.

## **7.2 WE ACT AS PRINCIPAL AND PRODUCT ISSUER**

Sirius operates as a market maker, and accordingly will act as a principal, not as an agent, in respect of all transactions. As we issue Contracts, you are exposed to various financial and business risks, including credit risk, associated with dealing with us.

Protections normally associated with dealings on licensed markets are not available when

trading in the Products issued by us.

### **7.3 LEVERAGE AND LOSS OF MONIES**

The use of our Products may involve a high degree of leverage. These Contracts enable you to outlay a relatively small amount (in the form of Margin) to secure an exposure to a CFD of the Underlying Instrument quoted by us. Gains and losses are amplified by the extent of the leverage. The leverage can work against you as well as for you, which means that the use of leverage can lead to large losses as well as large gains. Transaction costs also form part of the net result.

If you acquire a Product, you will be exposed to movements in the price, value or level of the Underlying Instrument. The risk of loss is increased as you might be highly leveraged. From 29<sup>th</sup> March 2021 negative balance protection ensures that your account if you are a retail client, will never go below zero, however you are still at risk of losing your entire deposited amounts.

### **7.4 RISK RESULTING FROM FAILURE TO PROVIDE REQUIRED MARGIN**

If the price of our Product moves against your Position you may be required to deposit further moneys with us in order to satisfy your Total Margin Requirement and maintain your Position. The amount of the additional Margin may be substantial and failure to pay it promptly may result in:

- some or all of your open Positions being closed or liquidated by us as a sequence set out in clause 4.6; and
- you being prevented from opening new Positions, offsetting or extending existing Positions;

Further, any additional funds must become cleared before they will be taken as satisfying your Margin Requirement, unless we agree to the evidence you provide of your bank transfer and manually credit the platform. Your Position may be liquidated before you have an opportunity to deposit additional funds and any additional funds that you deposit have had the opportunity to become cleared funds.

### **7.5 DERIVATIVE MARKETS**

Derivative markets are speculative and volatile. Our Products are derivative instruments and can be highly volatile. When you enter into a Contract, transacting on prices we quote, you are not trading in the underlying market and you do not own or have any rights to the Underlying Instrument.

Under certain market conditions, the price of Contracts quoted by us, may not maintain the usual relationship with the Underlying Markets because of unforeseeable events or changes in conditions, which cannot be controlled by you.

### **7.6 DEALING MAY BE AFFECTED BY FACTORS IN THE UNDERLYING MARKET**

The prices for our Products are derived from prices in the Underlying Market and quoted by us. Under certain market conditions, it could become difficult or impossible for you to manage the risk of open Positions by entering into opposite Positions on the same contract or closing existing Positions.

Prices in Underlying Markets, and prices of our Products, will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs or policies, national and international political and economic events and prevailing psychological characteristics and expectations of the 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 Contract 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 lack liquidity, caused by insufficient trading activity or because the aggregate of all requests for Orders at a particular price determined by us exceeds the available volume in that market. This may affect our ability to offer Products in sufficient volume to allow you to close out your Position or open a new Position.

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 potential losses.

We have 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. You should refer to clause 15.2 of the Client Agreement.

#### **Benchmark 6 Suspended or Halted Underlying Instruments**

We will suspend trading in Contracts when there is a trading halt in the Underlying Instrument.

If an Underlying Instrument to which a Contract relates is suspended or has been halted from trading, we will suspend trading in the Product and we may choose to increase the Margin Requirements to support that open Position at our reasonable discretion. If the Underlying Instrument remains suspended for a period that we deem unacceptable to us in our sole discretion, we may close the open Position at fair value as determined by us. If an Underlying Instrument to a Product has been de-listed or ceases to be priced, we reserve the right to close all affected open Positions at the last available price quoted by us.

### **7.7 FOREIGN EXCHANGE RISK**

On the SmartCharts 2 platform or the MT4 platform, your account usually has AUD as the Base Currency, meaning the Account Balance represents Australian dollars.

Contract profits or losses may be affected by fluctuations in the relevant Underlying Market price we quote, between the time the Order is placed and the time the Position is closed, liquidated or offset.

When you deal in a Product denominated in a currency other than the Base Currency, all Margins, profits, losses, commissions and fees in relation to the Position open are calculated at the time, using the currency in which the Contract is denominated with reference to the Prices we quote including the currency exchange rates where applicable.

Similarly, on settlement at close of the Position, denominated in a currency other than the Base Currency, all Margins, profits, losses, commissions and fees in relation to the Position are calculated at the close time, using the currency in which the Contract is denominated with reference to the Prices we quote including the currency exchange rates where applicable.

Therefore the difference between the Position open Price we quote and the Position close Price we quote, inclusive of the listed factors in this section, determines the Profit or Loss on the settled Contract.

If your Deposit Currency differs from your Account Base Currency, the relative movement of the value of the two currencies represents Foreign Exchange Risk if you intend to redeem the balance held in your Account back to the originating Deposit Currency bank account that differs. The Foreign Exchange Risk in this circumstance can be both beneficial or detrimental depending on the relative value and direction of the exchanges of money.

## **7.8 LOSS CAUSED BY SPREAD**

With the difference between the buying or selling price, the relevant price must move favourably before you can break even. In other words, even if the price does not move at all and you close out your Position, you will make a loss to the extent of our Spread and commission, where applicable, and any other charges you may have incurred to us.

Furthermore, the Spread may be larger at the time you close out the Position than it was at the time you opened it due to Trading Conditions having been altered.

You should also note that a "Spread Position", that is, the holding of a bought Position for one specified time and a sold Position for another specified time, is not necessarily less risky than a single "long" (bought) or "short" (sold) Position.

## **7.9 GAPPING RISK**

The term 'gapping' refers to a situation where a Contract opens at a much higher or lower price than the previous close. In currency trading 'gapping' frequently occurs when the currency opens for trading after a weekend. When 'gapping' occurs, you may not be able to exit an existing Position at the price you have specified. Instead, your Order may be filled at the next best price that may be better or worse in the case of an Ordinary Stop Loss such as found on the MT4 platform.

Our ability to close out a Position depends on the market for the Underlying Instrument.

Stop Loss Orders (and other Order types) might not always be filled. Stop Loss Orders might not limit your losses to the amount specified in the Order, since they cannot guarantee that the price requested and the execution price will be the same.

You should consider placing Stop Loss Orders or other Orders that might limit your losses, but also closely monitor your Account and the relevant market in case the Stop Loss Order is not fully filled or not filled at all and you need to take further action to limit your loss. Please refer to section 3.14 for detailed information on Stop Loss Orders.

#### **7.10 EXECUTION RISK - SLIPPAGE**

We aim to provide the best possible execution from our systems and fill Orders at the requested rate. However, there may be times where some price 'slippage' may occur, this generally occurs during significant news events or due to an increase in volatility or volume, or other adverse market conditions.

Execution is also subject to available liquidity in the Underlying Instrument. Your Orders may not be filled due to the Underlying Instrument price moving significantly or liquidity exhausted, in which case your Order will be filled at the next available price we quote.

For the benefit of our clients, we treat slippage in the same way that they would be treated if trading an Exchange-traded product, in that we slip our clients to a better price we quote if the market from which we obtain prices has moved in their favour – similarly, a worse price we quote, if the market price quoted, has moved against them. When executing our clients' transactions, our execution will reflect both positive and negative price movements in the Underlying Instrument.

#### **7.11 EXECUTION RISK - DELAYS IN EXECUTION**

A delay in execution may occur for various reasons, such as technical issues with your internet connection to our servers, which may result in hanging Orders. A disturbance in the connection path can sometimes interrupt the signal, and disable the Trading Platform, causing delays in transmission of data between your Trading Platform and our servers.

#### **7.12 EXECUTION RISK - HANGING ORDERS**

During periods of high volume, hanging Orders may occur. This is where an Order sits in the "orders" window after it has been executed. Generally, the Order has been executed, but it is simply taking a few moments for it to be confirmed. During periods of heavy trading volume, it is possible that a queue of Orders will form. That increase in incoming Orders may sometimes create conditions where there is a delay in confirming certain Orders.

#### **7.13 LIQUIDITY**

Liquidity risk typically occurs in volatile markets or in circumstances where there is a major news announcement. When there is a lack of liquidity in the Underlying Instrument, you may not be able to enter or exit a Position at your requested price or have the whole of



your Position filled, filled at the requested price, or filled at all. Thin or unavailable liquidity may also result in the suspension or discontinuation of any or all Contracts quoted by us.

#### **7.14 EA AUTOMATED TRADING STRATEGIES – APPLICABLE TO MT4 TRADING PLATFORM**

The use of automated trading strategies Expert Advisors on the Trading Platforms is of high risk and may lead to significant financial loss. Sirius has no control over the logic or code used by such systems to determine Orders to trade. Sirius does not accept or bear any liability whatsoever in relation to the operation of Expert Advisors or other trading strategies on the Trading Platforms.

#### **7.15 COUNTERPARTY RISK – BENCHMARK 3 HEDGING**

Credit risk refers to the risk that our hedging counterparty fails to perform its obligations which results in financial loss. We have put in place a risk management framework which is intended to manage the credit risk and market risk and to protect us and our clients from sudden changes in the liquidity, credit quality or solvency of our hedging counterparties.

Within our risk management framework, we have assessed the market risk and credit risk arising from entering into transactions hedging counterparties and applied controls to mitigate those risks. Those controls include but are not limited to:

- the enforcement of leverage limits based on your Account and types of Products you trade;
- the enforcement of market risk limits on our net exposure and daily loss limits; and
- the selection and maintenance of one or more hedge counterparty relationships.

You can request from us a copy of our policy on the activities we undertake to mitigate our credit and market risk referred to in this section.

Our selection of hedging counterparties is based on the following factors:

- the counterparty's reputation;
- the regulatory status of the counterparty, including whether the counterparty is financially strong, well capitalised and have the financial resources to offer the requisite margin and leverage products;
- the services provided; and
- the strength of operational controls and systems (including accounting and reporting supported by systems along with interface and internal control).

Our current Hedging Counterparty Policy, which notes our current approved hedging counterparties, is available on our website:

[www.forexcfds.com.au/legal-documents-download/](http://www.forexcfds.com.au/legal-documents-download/)

### 7.16 COUNTERPARTY RISK – BENCHMARK 3 FINANCIAL RESOURCES

As an issuer of OTC derivative products, we must comply with the financial requirements imposed under our AFSL as set out in ASIC Regulatory Guide 166 and other regulatory financial obligations.

We monitor our exposure on a daily basis using software tools and prepare detailed financial reports to ensure applicable financial requirements are met. We also:

- perform daily reconciliation of Client Monies as required by section 2.2.1 of the *ASIC Client Money Reporting Rules 2017*;
- perform a monthly reconciliation of Client Monies and report to ASIC as required by section 2.2.2 of the *ASIC Client Money Reporting Rules 2017*; and
- Monitor the net tangible assets (NTA) calculation, ensuring that we meet and exceed the minimum NTA requirement set by ASIC at all times.;
- The latest results of our financial audit are available for inspection upon request at the registered office of Sirius free of charge. If you have any questions, please contact a Sirius representative or via our email: [compliance@siriusau.com](mailto:compliance@siriusau.com)

### 7.17 REGULATORY CHANGES

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

Further, you may incur losses that are caused by matters outside the control of us. For example, actions taken by a regulatory authority exercising its powers during a market emergency may ultimately result in losses to you because of the effect of those actions on the Underlying Instrument and so, will affect the terms of your Positions, Contracts and/or Accounts (with or without any decision by us).

A regulatory authority can, in extreme situations, suspend trading in Underlying Markets we price, or alter the price, at which a Position is settled, which might lead to changes to the pricing quotes for the Underlying Instrument for open Positions, or your Contracts.

### 7.18 SYSTEMS RISK

There are operational risks associated with any trading platform and any disruption to our Trading Platform may mean that you will be unable to trade in the Product with us when desired. Accordingly, you may suffer a loss as a result caused by a delay in our operational processes such as communications, computers, computer networks, software or external events that cause delays in the execution and settlement of a transaction.

We do not warrant that the Trading Platform will always be available or accessible when the exchanges on which the Underlying Instruments in respect of which you have traded or wish to trade are open and we reserve the right to remove altogether or reduce the Trading Platform service at any time for any purpose, without thereby incurring any liability

to you. We do not warrant that the Trading Platform or any component of the Trading Platform or any services performed in respect of our Trading Platform will meet the requirements of any user, or that the operation of the Trading Platform will be uninterrupted or error-free, or that any services performed in respect of the Trading Platform will be uninterrupted or error-free. We have no liability to you for any loss, damage or cost which you may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of internet service providers or other system errors. You acknowledge that access to the Trading Platform may be limited or unavailable due to such system errors, and that we reserve the right upon notice to suspend access to Trading Platform for this reason. We do not accept any liability in respect of any delays, inaccuracies, errors or omissions in any data provided to you in connection with a Trading Platform. We have no liability to you in the event that any viruses, worms, software bombs or similar items are introduced via the Trading Platform or any software provided by us to you in order to enable you to use the Trading Platform, so long as we have taken reasonable steps to prevent any such introduction.

#### **7.19 CHANGES IN MARGIN PERCENTAGE**

We may under clause 10.5 of the Client Agreement exercise our right to alter the Initial Margin Requirement Percentage and/or the Continuing Margin Requirement Percentage in relation to any of our Products at any time at our discretion, to an amount lower than the maximum set by regulation. This change will affect your Margin Requirement if exercised.

You should refer to Section 4.7 of this PDS for further information.

#### **7.20 NOT A REGULATED MARKET**

Our Products are OTC derivatives and are not covered by the rules for Exchange-traded products. For example, trading on the ASX is governed by rules applicable to brokers and generally has the benefit of a guarantee system known as the National Guarantee Fund which provides protection from fraud or misconduct by brokers in connection with certain ASX trades. The ASX rules and the National Guarantee Fund do not apply to trading in the Products offered by Sirius.

OTC derivatives by their nature may not at times be liquid investments in themselves. If you want to exit a position, you rely on our ability to close out at the time you wish, which might not match the liquidity or market price of the Underlying Instrument.

You can reduce your risk by carefully reading this PDS, the Client Agreement and taking independent advice on the legal and financial aspects relevant to you.

#### **7.21 ERROR AND PRICING**

Sirius may void from the outset any Contract containing or based on a platform error or

any manifest error or a price, or series of prices, which are subsequently determined to be unrepresentative of the actual market valuation of the Underlying Instrument. This is exercised in our discretion, so you have risk of a Contract later being cancelled, whether or not you were aware that there was an error in the pricing which we later decide has occurred. In the absence of our fraud or willful default, we will not be liable to you for any loss, cost, claim, demand or expense following any such cancellation. If we will make the decision to cancel contracts, it will be transparent, honest and fair to you, in a timely manner.

We consider this to be a low risk, since it does not occur often, but it can occur. You can manage this risk by monitoring the available Prices quoted and your Account.

## 8. HOLDING YOUR MONEY – BENCHMARK 5 CLIENT MONEY

### 8.1 TRUST ACCOUNT

We handle all Client Money we receive in accordance with and subject to the Client Agreement and the following applicable laws (**Australian Client Money Rules**):

- Part 7.8 of Division 2 of the Corporations Act;
- the relevant regulations in the Corporations Regulations 2001;
- *ASIC Regulatory Guide 212: Client money relating to dealing in OTC derivatives*; and
- *ASIC Client Money Reporting Rules 2017*.

Client Money will be paid into a trust account maintained by us with an authorised deposit-taking institution (ADI). We will not be liable for the insolvency or any act or omission of any ADI holding the trust account. Your moneys may be co-mingled into one or more pooled trust accounts with other clients' moneys.

We do not use Client Money for the purpose of meeting obligations incurred by us when hedging with our counterparties. Any obligations incurred by us in connection with such transactions are funded by us from our own money. Client Money can only be used or withdrawn in circumstances that are authorised by the Australian Client Money Rules, for example, to make a payment in accordance with the client's written direction.

We may invest any of your money held in any segregated trust account in the kinds of investments as permitted by the Australian Client Money Rules and you irrevocably and unconditionally authorise us to undertake any such investment.

We are solely entitled to any interest or earnings derived from your moneys being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules with such interest or earnings being payable to us from the relevant segregated trust account or investment account, as the case requires as and when we determine.

## 8.2 PROTECTION AFFORDED BY THE AUSTRALIAN CLIENT MONEY RULES

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

Furthermore, the Australian Client Money Rules provide that in the event that we cease to be licensed (including because our Australian Financial Services Licence has been suspended or cancelled), become insolvent or cease to carry on some or all of the activities authorised by our AFSL, Client Money held by us or an investment of Client Money, will be dealt with as follows:

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

These rules override anything to the contrary in the Australian *Bankruptcy Act 1966*, in the *Corporations Act* or other law, or in the Client Agreement.

## 8.3 WARNING ABOUT TRUST ACCOUNTS

It is important to note that our holding of your moneys in one or more pooled trust accounts may not afford you absolute protection.

The purpose of trust accounts is to segregate the Client Money, including your moneys, from our own funds. However, an individual's Client Money is co-mingled into one or more trust accounts. Furthermore, trust accounts may not protect your moneys from a deficit in the trust accounts.

Should there be a deficit in the trust accounts and in the event that we become insolvent before the topping up of the trust accounts in deficit, you will be an unsecured creditor in relation to the balance of the moneys owing to you, and you will not have recourse to any underlying assets in the event of our insolvency.

## 8.4 WHAT IS AN UNSECURED CREDITOR?

In the event that you become an unsecured creditor of us, 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 debts 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.

## 9. FEES, COSTS AND CHARGES

### 9.1 GENERAL

Whilst we endeavour to include all fees and charges in the Spread quoted, in some circumstances you may incur additional fees and charges.

The fees and charges when dealing in our Product may incorporate any or all of the following:

- A low spread plus an accompanying commission per round turn lot traded
- Swap or financing charge
- Currency Conversion Fees;
- Corporate Action charges; and
- Administration Fees; and

The fees and charges may change from time to time and will be reflected in this PDS or on our Website as required.

### 9.2 SWAP AND FINANCING

When you hold a Position or Positions overnight in a Margin FX Contract or CFD they will be rolled to the next Business Day, which may result in you paying a Swap or Financing Charge or receiving a Swap or Financing Benefit. The amount is determined by us and depends on factors including our Overnight Swap Rate and Overnight Financing Rate, being the prices at which you receive or pay interest on Margin FX Contract or CFD Positions that remain open overnight. This is a varying rate dependent upon the applicable rate in the relevant markets, the duration of the rollover period, the size of the Contract and our markup that is applied at our discretion.

The details of any Overnight Commissions payable are available on the Website, and you should check any of such details before entering into a Contract with us.

Details can be found here: [www.forexcfds.com.au/swaps-and-financing-charges/](http://www.forexcfds.com.au/swaps-and-financing-charges/)

In the event that there are insufficient funds in your Account, any amount due to us because of the Overnight Commission Charges becomes a debt due and owing by you to us, subject to Negative Balance Protection from 29 March 2021.

#### **Examples:**

*Long Margin FX Contracts*

If you are long on a Margin FX Contract where the bought currency interest rates are higher than the sold currency interest rates you will receive interest at the Overnight Swap 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. On the other hand, if you are long on a Margin FX Contract where the bought currency interest rates are lower than the sold currency interest rates then you will pay interest at the Overnight Swap Rate if you hold the Position overnight and do not close it before the settlement time. This is because you are holding the lower yielding currency.

#### *Long Bullion CFDs*

If you have a long USD/short Bullion Position and interest rates in the USA are higher than the Overnight Financing Rate you will receive an Overnight Financing Benefit at the Overnight financing 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.

#### *Short Margin FX Contracts*

If you are short on a Margin FX Contract where the sold currency interest rates are higher than the bought currency interest rates you will pay interest at the Overnight Swap Rate if you hold the Position overnight and do not close it before the settlement time. This is because you are holding the lower yielding currency. On the other hand, if you are short on a Margin FX Contract where the sold currency interest rates are lower than the bought currency interest rates then you will receive interest at the Overnight Swap 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.

#### *Short Bullion CFDs*

If you have a short US dollar/long Bullion Position and interest rates in the USA are higher than the bullion Overnight Financing Rate you will pay an Overnight Financing Charge at the relevant Overnight Financing Rate if you hold the Position overnight and do not close it before settlement time. This is because you are holding the lower yielding asset.

### **9.3 CORPORATE ACTION CHARGES AND CORPORATE ACTION BENEFITS**

#### **Equity CFD Corporate Actions**

When a Corporate Action or an Insolvency Event occurs in relation to any Underlying Instrument and/or its issuer we may, acting in a commercially reasonable manner, make adjustments to your open Positions, Stop Loss Orders, Limit Orders to reflect those actions and to put you in a position as close as possible to that of a direct holder of the Underlying Instrument.

Corporate Action charges and Corporate Action benefits will be debited or credited to the account as a cash posting.

The actions we may include, but are not limited to:

- changing Margin Requirement and/or Margin Percentage both in relation to

open Contracts and new Contracts;

- making a reasonable and fair retrospective adjustment to the opening price of an open Position, to reflect the impact of the relevant action or event;
- opening and/or closing one or more open Positions on your Account;
- cancelling any Stop Loss Orders and Limit Orders;
- suspending or modifying the application of any part of this PDS;
- crediting or debiting sums to your Account as appropriate; and
- taking all such other action, as we reasonably consider appropriate to reflect the effect of the relevant action or event.

#### 9.4 ALL CONTRACTS DURATION TO EXPIRY

All contracts on the SmartCharts 2 and MT4 Platform are continuous, rolling spot contracts.

#### 9.5 CONVERSION FEES

Profits or losses accumulated in your Account in currencies other than the Base Currency nominated by you will be converted to the nominated Base Currency, but at Spreads that may be wider than those shown on the Trading Platform.

#### 9.6 ADMINISTRATION CHARGES

We reserve the right to charge the following additional fees (all GST inclusive) subject to a written 30 day notice provided to you in advance. Where the fee is a reduction, waived or otherwise advantageous to you, from an established, published rate, we may choose to apply sooner.

| Services  | Fees  |
|---|---|
| Credit cards  | Applicable bank charges only  |
| Deposit – Electronic funds transfer or telegraphic transfer   | AUD 0   |
| Deposit – Other funding methods   | AUD 0   |
| Withdrawal – complementary to Australian bank AUD account to Australian bank AUD account domestic in Australia. | AUD 0, however, a corresponding bank may charge a fee for the transfer where international. |
| Outbound International Bank Wire Transfer   | AUD 20 per transfer   |



|                                       |   |
|---------------------------------------|---|
| Transcript of telephone conversations | Upon application  |
| Audit certificates                    | Upon application  |
| Debt Collection                       | First call AUD\$25.00, second call AUD\$50.00, referral to agency AUD\$150.00 |
| Other – Returned cheque fee           | Upon application  |

### 9.7 NEGATIVE BALANCE PROTECTION

From 29 March 2021, Sirius offers Negative Balance Protection on both Smart Charts 2 and the MT4 Trading Platforms. With Negative Balance Protection, the most you can lose is the entirety of your deposited funds with us per account, at the time the negative balance is incurred.

In the event a negative balance is incurred, your account balance with Sirius will be zeroed with any negative balance showing as a Negative Balance Offset.

Should you redeposit, the Negative Balance amount incurred is not an amount owing, due or deductible, from any further deposits by you into the account.

### 9.8 INTEREST IN CLIENT MONEY ACCOUNTS

We are solely entitled to any interest or earnings derived from your moneys, if any, being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules with such interest or earnings being payable to us from the relevant segregated trust account or investment account, as the case requires as and when we determine.

## 10. TAXATION IMPLICATIONS

This section contains general information about the Australian taxation implications for Australian residents dealing in the Products, and is based on Australian taxation laws as at the date of the PDS. The information is general information only, available to all local traders, and does not take into account your objectives, financial situation or needs.

Australian residents and non-Australian residents should seek professional taxation advice that is based on their individual circumstances and in the case of non-residents the taxation laws of both Australia and their country of taxation before trading in the Products.

### 10.1 TAXATION RULING: CONTRACTS FOR DIFFERENCE

The approach of the Commissioner of Taxation to the income tax and capital gains tax consequences of dealing in financial CFDs (including Margin FX Contracts), is reflected in

Taxation Ruling 2005/15. We set out a summary of that ruling below.

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

It is the Commissioner's view that any gain a taxpayer makes from dealing in a CFD will be assessable income under section 6-5 of the Income Tax Assessment Act 1997 (ITAA 1997), while any loss it makes from dealing in CFD will be an allowable deduction under section 8-1 of ITAA 1997 provided that:

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

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

A gain or a loss from a CFD entered into for the purposes of recreation by gambling, will not be assessable under either section 6-5 or 15-15 of ITAA 1997, or deductible under section 8-1 or 25-40 of that Act.

The Commissioner is also of the view that a capital gain or a capital loss from a CFD entered into for the purpose of recreation by gambling will be disregarded under paragraph 118-37 (1)(c) of ITAA 1997.

## **10.2 ADDITIONAL MATTERS NOT COVERED BY RULING**

The following matters are also relevant when dealing in CFDs.

### **CAPITAL GAINS TAX**

A CFD is a CGT asset under section 108-5 of ITAA 1997. On the maturity or closing-out of a CFD, CGT Event C2 happens (section 104-25 of 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 15-15 of ITAA 1997, a capital gain arising from the event is reduced (section 118-20 of ITAA 1997). To the extent that a loss made from dealing in a CFD is deductible under sections 8-1 or 25-40 of ITAA 1997, the reduced cost base of the asset is reduced, thereby reducing the amount of the capital loss (subsection 110-55(4) of ITAA 1997).

Finally, in calculating any capital gain or loss, a taxpayer is entitled to take into account the cost of acquiring, holding and disposing of the CFD.

### **INTEREST**

Any interest received in relation to a CFD is assessable income.

### **INTEREST ON DEBIT BALANCES**

Any interest on the debit balance of an investor's account is deductible.

**INTEREST PAID OR RECEIVED DUE TO HOLDING A CFD**

Interest that is paid or received due to holding a CFD forms part of any net gain or loss that a taxpayer makes when dealing in CFDs.

**10.3 TAXATION OF FINANCIAL ARRANGEMENTS**

The Tax Laws Amendment (Taxation of Financial Arrangements) Act (the Legislation). This Legislation provides a framework for the taxation of gains and losses from certain financial arrangements. Gains from the financial arrangements are assessable and losses are deductible.

The Legislation generally applies to all "financial arrangements" as defined in subdivision 230-A or included by the additional operation of subdivision 230-J. However, certain financial arrangements, as detailed below are effectively subject to an exemption under subdivision 230-H.

Division 230 of the Legislation provides a range of elective methods for determining gains and losses; namely the fair value method, the retranslation method, the hedging method and the financial reports method. Where these selective methods are not, or cannot be made, the appropriate treatment is either the accruals or realisation method.

Relevantly, the Legislation does not apply to:

- financial arrangements of individuals;
- financial arrangements of superannuation funds (regulated and self-managed), approved deposit funds, pooled superannuation funds or managed investment schemes for the purposes of the Corporations Act where the entity's assets value is less than AUD\$1 million;
- financial arrangements of authorised deposit-taking institutions, securitisation vehicles and financial sector entities with an aggregated annual turnover less than AUD\$20 million per year; or
- financial arrangements of other entities:
  - with an aggregated annual turnover of less than AUD\$100 million – where the value of the entity's financial assets are less than AUD\$100 million; and
  - where the value of the entity's assets is less than AUD\$300 million;

except where the taxpayer elects to have division 30 of the Legislation apply to all of its financial arrangements. It will be appreciated that the Legislation will have limited application to investors in CFDs. However, there may be special circumstances where it may be beneficial for you to elect to apply division 30 to your financial arrangements.

You should, therefore, seek independent tax advice on how the Legislation will apply to you.

#### 10.4 GOODS AND SERVICES TAX (GST) RULING

The Commissioner has also released a determination relating to the GST implications of trading in CFDs: GST Determination GSTD 2005/3.

The Commissioner has stated that the costs incurred in having a CFD Position open, such as commissions (on both opening and closing), dividend and corporate event adjustments, Daily Funding Charges and Margins are all considered financial supplies under the A New Tax System (Goods and Services Tax) Act 1999 (**the GST Act**). Consequently, they are input taxed and no GST is payable on their supply. GST may apply to certain fees and costs charged. You should obtain your own advice as to whether an input tax credit is available to you for such fees and charges as it will depend on your personal circumstances.

### 11. CHANGING YOUR MIND – COOLING OFF PROVISIONS

There are no cooling-off arrangements for our Products. This means that you do not have the right to return the Product, nor request a refund of the money paid to acquire the Product. You are bound by the terms when you enter into a Contract.

### 12. OUR RIGHTS AND POWERS

#### 12.1 EVENTS OF DEFAULT

We have extensive powers under the Client Agreement to take action where there is an Event of Default (as described in clause 15.1 of the Client Agreement). These include, among others:

- where you fail to provide to us any Margin or other sum due under the Client Agreement in respect of any Product;
- the Margin held by us of any open Contracts, falls below the Total Margin Requirements;
- where an Insolvency Event occurs in relation to you;
- where at any time or for any period deemed reasonable by us you are not contactable;
- you do not respond to any notice or correspondence from us.

Our powers (as described in clause 15.2 of the Client Agreement) enable us to, among other things, close out all or any of your Contracts, immediately require payment of any amount you owe us and terminate the Client Agreement.

#### 12.2 ADDITIONAL RIGHTS

We may also close your Account on fourteen (14) days' notice in certain circumstances (as described in clause 15.3 of the Client Agreement). If we rely on those rights, your Account will be suspended during the fourteen (14) day notice period and you will not be able to

place trades other than those to close existing open Positions. If you have not closed all the open Positions within the fourteen (14) days' notice period, we may take any action referred to in clause 15.2 of the Client Agreement. The relevant circumstances are:

- any litigation is commenced involving you and us in an adversarial position to each other and, in view of the subject matter of or any issues in dispute in relation to that litigation, we reasonably decide that it cannot continue to deal with you while the litigation is pending;
- where you have acted in an abusive or threatening manner toward our staff;
- where we believe that you are unable to manage the risks that arise from your trades; and
- Where we reasonably believe you provided verbal instructions, then failed to confirm those instructions, within the time requested by us.

If at any time when the Stop Out Levels are reached, whilst it is not an Event of Default, we may (but are not obliged to), close some or all of your open Positions at our absolute discretion.

We may amend or replace the Client Agreement, by giving written notice of the changes. We will only make changes for good reason, including:

- making the provisions clearer or clarifying ambiguities;
- reflecting legitimate increases or reductions in the cost of providing services to you;
- rectifying any mistakes that may be discovered;
- reflecting any changes in the Applicable Laws, codes of practice or decisions by a court, ombudsman, regulator or similar body;
- reflecting changes in market conditions;
- reflecting changes to the URL locations of Trading Conditions information; and
- reflecting changes in the way we do business.

We may also terminate the Client Agreement and close your Account and/or any Position at any time by giving you written notice.

### **12.3 FORCE MAJEURE EVENTS**

If we determine that a Force Majeure Event exists, then we may, at our sole discretion, take any one or more of the steps outlined in clause 27.3 of the Client Agreement. These steps include altering the Margin Percentage, amending or varying the Client Agreement and any transaction in so far as it is impractical or impossible for us to comply with our

obligations to you and closing any or all open Contracts or Positions as we deem to be appropriate in the circumstances.

#### 12.4 MATERIAL ERRORS

It is possible that errors, omissions or misquotes (**Material Error**) may occur in relation to Products, which by fault of either of us, or any third party, is materially incorrect when taking into account market conditions and quotes in Underlying Instruments which prevailed at the time. A Material Error may include an incorrect price, date, time or other characteristic of our Products or any error or lack of clarity of any information. Any verbal instructions provided that are not confirmed on request, within the time frame requested will also be considered a Material Error, if we so deem.

If a trade is based on a Material Error, we reserve the right without your consent to:

- amend the terms and conditions of the Contract to reflect what we consider to have been the fair price at the time the Contract was entered into and there had been no Material Error;
- close the trade and any open Contracts resulting from it;
- void the Contract from the outset; or
- refrain from taking action to amend or void the Contract.

We will exercise our right in relation to Material Errors in good faith and as soon as reasonably practicable after we become aware of the Material Error. In the absence of fraud on our part, we are not liable to you for any loss, cost, claim, demand or expense that you incur or suffer (including loss of profits or indirect or consequential losses), arising from or connected with the Material Error including where the Material Error arising from an information service on which we rely.

We may, without notice, adjust your Account or require that any moneys paid to you in relation to the Contract the subject of the Material Error be repaid to us as a debt due payable to us, on demand where an adjustment is required after a withdrawal has occurred in some circumstances, such as manipulation or fraud.

#### 12.5 MANIPULATION

If we believe that you have manipulated our prices, execution processes or Trading Platform, we may, in our sole and absolute discretion, without notice to you, take actions set out in clause 9.7 of the Client Agreement, including:

- enforce the trade(s) against you if it is a trade(s) which results in you owing money to us, based on a manipulation or a fraud falling outside the scope of Negative balance Protection.
- treat some of or all your trades as void from the outset if they are trades which result in us owing money to you, unless you produce conclusive evidence (within thirty (30) days of us giving you notice) that you have not committed any breach or warranty,

misrepresentation or undertaking in the Client Agreement; and

- take such other action including refusing to deal and closing your account.

### **13. CLIENT AGREEMENT**

This PDS summarises many important elements of the Client Agreement. However, it is not a comprehensive description of the terms and conditions of the Client Agreement and you must read the Client Agreement in its entirety. You should consider seeking legal advice before entering into any transaction, as the terms and conditions contained in the Client Agreement are important and affect your dealings with us.

### **14. OUR DISCRETIONS**

Under the Client Agreement, we may exercise a variety of discretions. In exercising such discretions, we will act in accordance with the following:

- we will have due regard to our commercial objectives, which include;
  - maintaining our reputation as a product issuer;
  - responding to the market forces;
  - managing all forms of risks, including, but not limited to operational risk and market risk;
- complying with our legal obligations as a holder of our AFSL;
- we will act when necessary to protect our Position in relation to the trade or event; and
- we will take into account the circumstances existing at the time and required by the relevant provision.

### **15. SUPERANNUATION FUNDS**

Complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities. They include those contained in the Superannuation Industry Supervision Act 1993, the regulations made under that Act, and circulars issued by past and present regulators of superannuation funds, namely the Insurance and Superannuation Commission, the Australian Prudential Regulation Authority and the ATO.

Complying superannuation funds must seek advice from their financial and legal advisers in relation to our Products.

Some of the issues that should be considered by a trustee of a complying superannuation fund before entering into our financial products include:

- prohibitions on borrowing and charging assets and whether dealing in financial products would breach those borrowing and charging prohibitions;

- the dealing in financial products in the context of a complying superannuation fund's investment strategy, together with the fiduciary duties and other obligations owed by trustees of those funds;
- the necessity for trustees of a complying superannuation fund to be familiar with the risk involved in dealing in financial products and the need to have in place adequate risk management procedures to manage the risks associated in dealing in those products; and
- the consequences of including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to have complying status.

## 16. COMPLAINTS AND DISPUTE RESOLUTION

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to our Compliance Officer [compliance@siriusau.com](mailto:compliance@siriusau.com) (in writing by email, facsimile or letter) at the address provided at section 1.6 in this PDS. Your email, fax or letter should specify the nature of your complaint and all relevant details, as well as your desired outcome and how this may occur. We will investigate your complaint and provide you with our decision and the reasons on which it is based, or reasons for any delay, in writing.

If your complaint is not resolved to your satisfaction within 45 days, you have the right to lodge a complaint with the Australian Financial Complaints Authority (**AFCA**), an approved external dispute resolution scheme, of which we are a member using the contact details below.

Please note that AFCA requires you to complain to us first [compliance@siriusau.com](mailto:compliance@siriusau.com) and we will commence the Internal Dispute Resolution process to resolve your complaint.

You can contact AFCA by any of the means listed below:

In writing to:            Australian Financial Complaints Authority  
   GPO Box 3 Melbourne VIC 3001

Telephone:                Free call 1800 931 678

Email:                        [info@afca.org.au](mailto:info@afca.org.au)

Website:                    [www.afca.org.au](http://www.afca.org.au)

## 17. PRIVACY POLICY

Depending on the type of service being sought, we may ask you to provide certain personal information, either in writing or verbally. As a financial service provider, we have an obligation under the AML/CTF Act to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as a passport and drivers' licence, and we



will retain copies of this information. This information will be kept strictly confidential and is used for the primary purpose of providing our services to you.

Your privacy is important to us and we are committed to compliance with the *Privacy Act 1988 (Cth)* and the Australian Privacy Principles. We will not share your information with a third party unless you provide us with written permission to do so, or unless required to do so in accordance with the law.

You can obtain a copy of our Privacy Statement from our Website. You have the right to obtain a copy of any personal information that we hold about you and update or correct such information.

## **18. OUR INSURANCE**

We have a comprehensive insurance policy in place to cover a variety of different scenarios, some which may assist in the repayment of deficits arising from dealing in hedge counterparties, or if there is fraudulent activity by one of our Employees, Directors or Authorised Representatives, that results in your money being used in fraudulent activities. If the insurance policy is insufficient, or the insurer fails to perform its obligations, we may not be able to make the payments the entity owes to you.

## **19. ENVIRONMENTAL SOCIAL AND ETHICAL CONSIDERATIONS**

Sirius does not specifically take labour standards or environmental, social or ethical considerations into account in the selection, retention or realisation of CFDs.

## **20. INTERPRETATION AND GLOSSARY**

### **20.1 INTERPRETATION**

- The defined terms used in the PDS are capitalised and set out in this section.
- If there is any conflict between the terms of the PDS and any Applicable Law, the Applicable Law (to the extent it cannot be excluded or modified by this PDS or the Client Agreement) will prevail.
- In the PDS any reference to a person includes bodies corporate, unincorporated associations, partnerships, or individuals.
- In the PDS, all references to times of the day are to the time in Sydney, New South Wales, Australia, unless otherwise specified.
- Headings and examples in the PDS are for reference only and do not affect the construction of the PDS.
- In the PDS 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).

## **20.2 DEFINITIONS**

The terms and expressions in the PDS, unless the context otherwise requires, have the following meanings:

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| <b>ACCOUNT</b>          | means the account you have with us.   |
| <b>ADI</b>              | means an Authorised Deposit-Taking Institution.   |
| <b>AFCA</b>             | means the Australian Financial Complaints Authority   |
| <b>AFSL</b>             | means the Australian Financial Service Licence held by Sirius Financial Markets Pty Ltd (AFSL No: 439907).  |
| <b>AGREEMENTS</b>       | Means the Financial Services Guide (FSG), this Product Disclosure Statement (PDS), the Client Agreement (CA), the Application Form (AF) and any information on our Website or Trading Platform, as amended, varied, or replaced from time to time, which together govern our relationship with you.   |
| <b>AML/CTF LAWS</b>     | means the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth) and all regulations, rules and instruments made under that Act.   |
| <b>APPLICABLE LAWS</b>  | means all: <ul style="list-style-type: none"> <li>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, the Agreements and the transactions contemplated by the Agreements;</li> <li>b) applicable Australian Law; and</li> <li>c) applicable 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, Position or Contract and any exercise by such exchange, clearing house or other organisation or market of any power or authority conferred on it.</li> </ul> |
| <b>APPLICATION FORM</b> | means the application form and account opening documentation, including documentation required to be returned for the purposes of complying with the AML/CTF Laws, completed by you and submitted to us.  |
| <b>ASIC</b>             | means the Australian Securities and Investments Commission.   |
| <b>ASSOCIATE</b>        | means: <ul style="list-style-type: none"> <li>a) a person who is an officer, employee, agent, representative or associate of a party;</li> <li>b) a Related Body Corporate of a party; and</li> <li>c) a person who is an officer, employee, agent, representative or associate of a Related Body Corporate of a party.</li> </ul>  |

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| <b>AUD or \$</b>                     | means Australian dollars.  |
| <b>AUSTRALIAN CLIENT MONEY RULES</b> | means the provisions, as modified by ASIC from time to time, in Part 7.8 of the Corporations Act, the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with Client Moneys and property, and any other laws and regulations listed in section 8.1 of the PDS.   |
| <b>AUSTRALIAN LAW</b>                | means all laws, procedures, standards and codes of practice that apply in relation to the parties, the Client Agreement and the transactions contemplated by the Client Agreement (CA), including the <i>Corporations Act 2001</i> (Cth), the <i>Australian Securities and Investment Commission Act 2001</i> (Cth), ASIC Regulatory Guides and the <i>Privacy Act 1998</i> (Cth). |
| <b>AUTHORISED PERSON</b>             | means you and/or any person authorised by you, to operate your Account or to give instructions to us, under the Client Agreement.  |
| <b>BASE CURRENCY</b>                 | means the currency as agreed under clause 8.5 of the Client Agreement;   |
| <b>BID PRICE</b>                     | The current market price quoted by us, is made up of a level at which you can Sell and a level at which you can Buy. The level at which you can sell is equal to or usually the lower of the two prices and is called the Bid Price.   |
| <b>BULLION</b>                       | means gold, silver, , platinum, or other precious metal  |
| <b>BUSINESS DAY</b>                  | means any day other than a Saturday, Sunday or Public Holiday on which banks are open for business in Sydney, New South Wales, Australia.  |
| <b>CFD</b>                           | means a contract for difference that we offer to our clients from time to time under this Product Disclosure Statement (PDS) and the terms of the Client Agreement (CA).   |
| <b>CGT</b>                           | means Australian Capital Gain Tax.   |
| <b>COMMODITY</b>                     | means Crude Oil, Natural Gas, Bullion ,or such other commodities as published though our Trading Platform and/or Product Schedule.   |
| <b>CLIENT MONEY</b>                  | means the moneys our clients have deposited with us and held by us under the Australian Client Money Rules.  |
| <b>CONTRACT</b>                      | means any contract, whether oral or written, including any derivative; margin fx; future; contract for difference; or other transaction relating to such financial products entered into by us with you. Contract is also referred to as Position in the Agreements.   |
| <b>CONTRACT PRICE</b>                | means the price we offer you to trade in our Products from time to time and which is calculated by us according to the Client Agreement (CA).  |
| <b>CONTRACT</b>                      | means in relation to a Contract, the number of Contract Units as the case  |

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| <b>QUANTITY</b>            | may be, traded by you as stated in the Confirmation.   |
| <b>CONTRACT UNIT</b>       | means relevant unit for the type of Position you wish to trade with us in accordance with the terms of the Client Agreement (CA).  |
| <b>CONTRACT VALUE</b>      | means the total value of the Position as calculated by us in accordance with the terms of the Client Agreement (CA).   |
| <b>CORPORATE ACTION</b>    | <p>means the occurrence of any of the following in relation to the issuer of any relevant Underlying Instrument:</p> <ul style="list-style-type: none"> <li>a) any rights, scrip, bonus, capitalisation or other issue or offer of shares or equities of whatsoever nature, or the issue of any warrants, options or the like giving the rights to subscribe for shares or equity;</li> <li>b) any acquisition or cancellation of own shares or equities by the issuer;</li> <li>c) any reduction, subdivision, consolidation or reclassification of share capital or equity capital;</li> <li>d) any distribution of cash or shares, including any payment of dividend;</li> <li>e) a take-over or merger offer;</li> <li>f) any amalgamation or reconstruction affecting the shares/equities concerned; and/or</li> <li>g) any other event which has a diluting or concentrating effect on the market value of the share or equity which is an Underlying Instrument.</li> </ul> |
| <b>CORPORATIONS ACT</b>    | means the Australian <i>Corporations Act 2001</i> (Cth).   |
| <b>EST</b>                 | Means United States Eastern Standard Time (may be colloquially referred to as New York Time)   |
| <b>EQUITY</b>              | Means a single stock or sharemarket selection forming the Underlying Instrument on which a CFD is based.   |
| <b>EVENT OF DEFAULT</b>    | means an event described in clause 15.1 of the Client Agreement.   |
| <b>EXPIRY DATE</b>         | means the day on which a Margin FX Contract or CFD Contract or Position expires.   |
| <b>FORCE MAJEURE EVENT</b> | has the meaning given to it in clause 27.1 of the Client Agreement (CA).   |
| <b>FSG</b>                 | means our relevant Financial Services Guide, including any supplementary and replacement Financial Services Guide;   |
| <b>FUTURES BASED</b>       | Means a CFD where the Underlying Instrument is a Commodity Future or   |

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| <b>COMMODITY CFD</b>    | Future product   |
| <b>GMT</b>              | means Greenwich Mean Time (may be colloquially referred to as London Time except during periods London time is British Summer Time)  |
| <b>INDEX / INDICE</b>   | means the Sharemarket or other market index on which a CFD is based.   |
| <b>INITIAL MARGIN</b>   | has the meaning referred to in Section 4.2 of this PDS.  |
| <b>INSOLVENCY EVENT</b> | <p>means any of the following:</p> <ul style="list-style-type: none"> <li>A) an order is made that a corporate client be wound up;</li> <li>B) an application is made to a court for an order: <ul style="list-style-type: none"> <li>i. that a corporate client be wound up;</li> <li>ii. appointing a liquidator or provisional liquidator for a corporate client;</li> </ul> </li> <li>C) a liquidator, provisional liquidator or controller is appointed to a corporate client;</li> <li>D) a resolution is passed to appoint an administrator to a corporate client;</li> <li>E) you enter into a deed of company arrangement or propose a reorganization, moratorium or other administration involving all or any of your creditors;</li> <li>F) a corporate client is dissolved or wound up in any other way;</li> <li>G) you are or state that you are unable to pay your debts as and when they fall due;</li> <li>H) you are or state that you are insolvent;</li> <li>I) you seek or obtain protection from any of your creditors under any legislation;</li> <li>J) you become insolvent or commit an act of bankruptcy or your estate comes within the law dealing with bankrupts;</li> <li>K) a bankruptcy petition is presented in respect of you 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;</li> <li>L) if execution is levied against your business or your property and is not removed, released, lifted, discharged or discontinued within 28 days;</li> <li>M) you seek a moratorium or propose any arrangement or compromise with your creditors;</li> <li>N) any other event having substantially the same legal effect as the events specified in paragraphs ((a) to (n) above;</li> <li>O) any security created by any mortgagee or charge becomes enforceable against you and the mortgagee or chargee takes steps to enforce the security or charge;</li> </ul> |

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|                             | <p>P) any indebtedness of you or any of your Related Corporations becomes immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity by reason of your default or the default of any of your subsidiaries, or you or any of your subsidiaries fail to discharge any indebtedness on its due date;</p> <p>Q) you fail fully to comply with any obligations under the Client Agreement (CA) or any ancillary Contract you are bound;</p> <p>R) any of the representations or warranties given by you are, or become, untrue;</p> <p>we consider it necessary for our own protection or the protection of our Associates;</p> |
| <b>LIMIT ORDER</b>          | has the meaning referred to in Section 3.14  |
| <b>MARGIN</b>               | means the amount that you must pay to us and have in your Account to enter into, or maintain, a Position with us in accordance with the Client Agreement (CA).   |
| <b>MARGIN CALL</b>          | means a request to you, to top up the amount of money you have in your Account as Margin.  |
| <b>MARGIN CALL LEVEL</b>    | means a particular Margin Level at or below which the Trading Platform will trigger a Margin Call automatically.   |
| <b>MARGIN LEVEL</b>         | means the percentage of Total Equity to Total Margin Requirements.   |
| <b>MARGIN PERCENTAGE</b>    | means such percentage as specified by us, and as amended by us in accordance with clause 10.4 in the Client Agreement (CA), from time to time.   |
| <b>MARGIN REQUIREMENT</b>   | means the amount of money you are required to pay to us and deposit with us, for entering into a trade and/or maintaining an open Position.  |
| <b>MARKET ORDER</b>         | means an order placed to Buy or Sell a Contract at the current price quoted by us, on our Trading Platform, or as otherwise advised to you.  |
| <b>MATERIAL ERROR</b>       | means errors, omissions, misquotes, or non-confirmed instructions where requested, that may occur in relation to Products.   |
| <b>MAXIMUM TRADING SIZE</b> | means such maximum Contract Quantity or maximum Contract Value as we may specify through our Trading Platform or Product Schedule from time to time for any type of Product.   |
| <b>MINIMUM TRADING SIZE</b> | means such minimum Contract Quantity or minimum Contract Value as we may specify on our Website from time to time for any type of Product.   |
| <b>NEXT SERIAL FUTURES</b>  | means a Contract definition of the same type as the Futures contract, and or Futures contract Duration, which is the Underlying Instrument of the  |

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| <b>CONTRACTS</b>                    | relevant CFD, but with the Expiry Date being the Next occurring Expiry Date;   |
| <b>OFFER PRICE</b>                  | The current market price quoted by us, made up of a level at which a Contract purchaser can Sell and a level at which a Contract purchaser can Buy. The Offer Price is the price at which the Contract purchaser can Buy at.   |
| <b>ORDER</b>                        | means an offer made by you under the Agreements.   |
| <b>ORDER TICKET</b>                 | An Order Ticket means the Order information including Product, Volume, Order Type, Take Profit and Stop Loss values. May also include functionality to increase or decrease leverage to an amount below your account leverage.                                       |
| <b>OTC</b>                          | means Over-The-Counter.  |
| <b>OVERNIGHT COMMISSION</b>         | means either an Overnight Commission Charge or Overnight Commission Benefit.   |
| <b>OVERNIGHT COMMISSION BENEFIT</b> | means a benefit you may receive on a Position held overnight in a Position (other than an Futures Based CFD) and which is described section <b>Error! Reference source not found.</b> of the PDS.  |
| <b>OVERNIGHT COMMISSION CHARGE</b>  | means a charge you may have to pay on a Position held overnight in a Product (other than an Futures Based CFD) and which is described section <b>Error! Reference source not found.</b> of the PDS.  |
| <b>OVERNIGHT COMMISSION RATE</b>    | also termed the Overnight Swap Rate or Overnight Financing Rate means the rate determined by us from time to time having regard to, among things, market rates and financing rates, which is described section <b>Error! Reference source not found.</b> of the PDS. |
| <b>PDS</b>                          | means this Product Disclosure Statement, including any supplementary and replacement Product Disclosure Statement.   |
| <b>PROFIT OR LOSS (PnL)</b>         | means realised or unrealised, profit or loss including all relevant credits or debits applied  |
| <b>POSITION</b>                     | means the long or short Position you have taken with us. Position has the same meaning as Contract in this PDS.  |
| <b>PRODUCTS</b>                     | means any of the Margin FX Contracts and/or CFDs listed in the Product Schedule at any given time, offered by us;  |
| <b>PRODUCT SCHEDULE</b>             | means the list of available Products offered by us and the associated details, partly available on the Trading Platform, with the complete list available on the Website.  |
| <b>RELATED BODY</b>                 | has the meaning given in the <i>Corporations Act 2001</i> (Cth), with any  |



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| <b>CORPORATE</b>                | necessary modifications for companies incorporated outside Australia.  |
| <b>ROLLOVER BENEFIT</b>         | means a benefit you may receive on Futures Based CFDs held overnight and which is described in clause 13.2 of the Client Agreement (CA).   |
| <b>ROLLOVER CHARGE</b>          | means a charge you may have to pay where you have a Futures Based CFD held overnight and which is described in clause 13.2 of the Client Agreement (CA).   |
| <b>SPREAD</b>                   | means the difference in the bid and offer prices of a Product quoted by us, from time to time, where appropriate, expressed as a percentage of the relevant price.   |
| <b>STOP LOSS ORDER</b>          | has the meaning referred to in clause 3.14   |
| <b>STOP OUT LEVEL</b>           | means the Margin Level at which Sirius will close all or some of your open Contracts, depending on the Trading Platform as described in section of this PDS..  |
| <b>TRADE TICKET</b>             | A trade ticket means the Order information including Product, Volume, Order Type, Take Profit and Stop Loss values. May also include functionality to increase or decrease leverage to an amount below your account leverage.  |
| <b>TOTAL EQUITY</b>             | means the aggregate of the current cash balance in your Account, taking into account all your realised profits and losses, Overnight Commission Charges, Rollover Charges, Administration Charges and your unrealised profits and losses.  |
| <b>TOTAL MARGIN REQUIREMENT</b> | means the sum of your Margin Requirements for all of your open Positions.  |
| <b>TRADING PLATFORM</b>         | means the trading platform we make available to you by which you may trade with us online in our Products. This includes any electronic service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing system and relevant software provided by us to enable you to use an electronic trading service. |
| <b>UNDERLYING INSTRUMENT</b>    | means the instrument which we list as being available to underlie an Order, Contractor Position. An Underlying Instrument could be Bullion, a Currency, a Currency pair, a Commodity, an Equity, a listed ETF, a Futures contract, an Indice, an index, a sharemarket index, a Stock, or other instrument or asset or factor the reference to which the value of a Product is determined as quoted by us.  |
| <b>UNDERLYING MARKET</b>        | means the market in which the Underlying Instrument is traded.   |

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| <b>USA</b>              | means the United States of America.   |
| <b>USD</b>              | means the lawful currency of the United States of America, the United States Dollar.  |
| <b>VARIATION MARGIN</b> | Has the meaning given to it in section 4.5  |
| <b>WE/ US/ OUR</b>      | means Sirius Financial Markets Pty Ltd (ACN 142 189 384), trading as ForexCFDs.   |
| <b>WEBSITE</b>          | means any page hosted by the web domain name <a href="http://www.ForexCFDs.com.au">www.ForexCFDs.com.au</a> and includes the client portal. |
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