ASIC Benchmarks: Disclosures to tell you

ASIC has released a Regulatory Guide (RG) *227: Over-the-counter contracts for difference: Improving disclosure for retail investors,* which requires CFD providers to disclose whether they comply with seven benchmarks on an 'if not, why not' basis. The table below gives a snapshot of ForexCFDs' compliance to these benchmarks:

BENCHMARK	YES	NO	DISCLOSURE
Client Qualification	✔		CFD trading is not suitable for all investors because of the significant risks involved. ForexCFDs has a written client qualification policy which requires all new clients to be assessed and show reasonable experience and knowledge of CFDs prior to being enabled to trade. See section 8.3 of our PDS.
Opening Collateral		✔	ForexCFDs accepts cash equivalents and credit cards for opening collateral on CFD positions and payments of fees, but not securities or real property. ASIC recommend that an issuer should accept no more than $1000 via credit card to fund the Account when an Account is established. We recommend the same but do not enforce the benchmark. See section 12.1 of our PDS.
Counterparty Risk – Hedging	✔		ForexCFDs has a written policy which outlines how we manage our exposure to market risk from clients' positions and identifies Hedging counterparties. See section 7.1 of our PDS.
Counterparty Risk – Financial Resources	✔		ForexCFDs has a written policy which outlines how we comply with our financial obligations and how we ensure we have sufficient financial resources to meet our liabilities. See section 7.2 of our PDS.
Client Money	✔		ForexCFDs has a written client money policy which outlines how we treat client money. See section 15 of our PDS. ForexCFDs does **not** use your money to fund any company position or to meet the Margin requirements of another client.
Suspended or Halted Underlying Assets	✔		ForexCFDs suspends trade on CFDs if the Underlying asset, from which the CFD is derived, is suspended or halted. See section 9.7 of our PDS.
Margin Calls	✔		Trading in CFDs involves the risk of losing substantially more than the initial investment. ForexCFDs has a written Margin Call policy which outlines how we mitigate against client debt. See sections 11.1 and 11.2 of our PDS.