



## ForexCFDs

### **Client Qualification Policy**

ForexCFDs operates a client qualification policy which is intended to ensure that applicants are adequately qualified to trade in Contracts for Difference (CFDs), and similar products such as Spread Trading, before an account is opened.

All such applicants are assessed and have to pass a qualification test before they are enabled for trading. The test is designed to assess the understanding of and experience of potential clients in trading CFDs.

The qualification test is conducted on a web page and consists of questions from the following categories:

1. Previous experience in investing in derivatives
2. Understanding of the concepts of leverage, margins and volatility
3. Understanding of the nature of CFD trading
4. Understanding of the processes and technologies used in trading
5. Preparedness to monitor and manage the risks of trading

ForexCFDs holds a database of suitable questions for each category from which the test questions are selected. ForexCFDs periodically alter the test questions.

ForexCFDs requires applicants to correctly answer certain to pass. If they pass, they are deemed sufficiently qualified to trade in CFDs and their accounts are activated and enabled for trading. If they do not pass, they are advised to open a demo account to gain a better understanding of the product in the virtual environment.

If applicants do not qualify due to lack of experience, they are directed to the demo platform where they have to place at least five opening trades before they are deemed to have sufficiently increased their experience to be reassessed with another set of ten multiple choice questions.

ForexCFDs is a trading name of Trade Nation Australia Pty Ltd, a financial services company authorised and regulated by the Australian Securities and Investments Commission, ACN 158 065 635, AFSL No. 422661.