FBS

Always by your side

PRODUCT DISCLOSURE STATEMENT

Margin FX Contracts and CFDs

2024, FBS Oceania

Suite 509, 99 Walker Street,

North Sydney, NSW 2060, Australia

ABN: 48 155 185 014

AFSL No: 426359

Date Revised: 26 February 2024

TABLE OF CONTENTS

Contents

1. Introduction

1.1 Important Information

This Product Disclosure Statement ("**PDS**") has been prepared and issued by Intelligent Financial Markets Pty Ltd (trading as FBS Oceania, hereinafter referred to as 'FBS Oceania', 'the Company', 'We' or 'Us'). We hold Australian Financial Services Licence No. 426359 ("**AFSL**").

This PDS provides you with key information about our financial products, being over the counter ("**OTC**") margin foreign exchange contracts ("**Margin FX Contracts**") and contracts for difference ("**CFDs**") (together, the **Products**).

FBS Oceania 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 FBS Oceania applies in respect of the services provided under our AFSL.

This PDS, the Terms and Conditions ("**T&C**") and Financial Services Guide ("**FSG**") are important documents. You should read this PDS, the T&Cs and the FSG in their entirety before making any decision to enter into a Contract with us. A copy of this PDS, the T&Cs and the FSG can be downloaded from our Website at www.fbsaustralia.com.

The information in this PDS is current as of 26 February 2024. We may issue a supplementary or replacement PDS as a result of certain changes.

1.2 General Advice Only

FBS Oceania is authorised under its AFSL to provide only general advice. FBS Oceania does not provide personal advice in any circumstances.

The information contained in this PDS does not constitute any recommendation, advice or opinion that any of our Products are appropriate for you. This PDS does not take into account your objectives, financial situation or needs. The information in this PDS is general only. You should consider our financial products and the information in this PDS having regard to your objectives, financial situation and needs, and should consult with professional advisers before entering into the financial products.

1.3 Your Suitability to Deal in the Products

If we ask you for your personal information to assess your suitability to trade our Products and 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, and the assessment is only for our 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. 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 7 for our Client Qualification Policy.

1.4 Currency of PDS

The information in this PDS is up to date at the time it was prepared and issued but is subject to change at any time. Any updates will be posted on our Website. If the new information is information that 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, you will be able to find updated information on our Website or by calling us using the contact details given in this PDS.

If you received this PDS electronically, we can provide a paper copy free of charge upon request.

1.5 Our Contact Details

Address	Suite 509, 99 Walker Street, North Sydney, NSW 2060, Australia
Email:	support@fbsaustralia.com
Phone:	within Australia 1300 735 125 outside Australia +61 2 9190 7577

1.6 Other Jurisdictions

This PDS does not constitute an offer or invitation in any place outside Australia where or to any person to whom it would be unlawful to make such an offer or invitation. The distribution of this PDS (electronically or otherwise) in any jurisdiction outside of Australia may be subject to legal restrictions. Any person who resides outside of Australia who gains access to this PDS should comply with any such restrictions. A failure to do so may constitute a violation of financial services laws. The offer to which this PDS relates is not available to investors in the United States of America or Japan.

1.7 Warning

The Products offered by us in this PDS are derivatives as defined in the Corporations Act. Derivatives 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 and needs and in relation to the impact of any gains or losses on your particular financial situation.

You may incur losses to the extent of your total exposure to us and deposits 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 T&Cs 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 T&Cs prior to entering into any transactions with us.

Please read Section 9 of this PDS carefully for more information regarding risks associated with the Products.

2. ASIC regulatory guide 227 disclosure benchmarks

ASIC has developed seven (7) disclosure benchmarks for these products, the regulatory requirements for which are contained in Regulatory Guide 227. This table sets out the benchmarks and the information that describes how we deal with the benchmarks.

Benchmarks	Benchmark met? (Y/N)	Description of Compliance
Benchmark 1: Client Qualification and Suitability Address the issuer's policy on investors' qualification for CFD trading.	Yes	We maintain and apply a written Client Qualification Policy which sets out the minimum qualification criteria that prospective retail investors will need to demonstrate before opening an Account. See Section 7.
Benchmark 2: Opening Collateral 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 AUD1,000 be accepted for opening payments made by credit cards, we accept credit card payments for more than AUD1,000 as initial funding in order to provide flexible payment options to clients. See Section 5.4.
Benchmark 3: Counterparty Risk – Hedging Addresses the issuer's practices in hedging its risk from client positions and the quality of this hedging.	Yes	We maintain and apply a written policy to manage our exposure to market risk from client positions. This includes the factors we take into account when determining if hedging counterparties are of sufficient standing and sets out the names of those hedging counterparties. Our policy, which

		notes our current approved hedging counterparties, is available upon request. See Section 9.10.
Benchmark 4: Counterparty risk – financial resources Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements.	Yes	Transactions are continually monitored by our dealing desk. We maintain and apply a written policy to ensure the ongoing maintenance of adequate financial resources and compliance with the financial requirements of our AFSL and conduct stress testing on a regular basis. Our external independent auditor conducts an audit at the conclusion of every financial year, a copy of which can be provided to you upon written request. See Section 8.9.
Benchmark 5: Client Money Addresses the issuer's policy on its use of client money.	Yes	We have awell-defined client money policy. These monies are held and used in accordance with the Australian Client Money Rules - see section 9 for more information.
Benchmark 6: Suspended or halted underlying assets Addresses the issuer's practices in relation to investor trading when trading in the underlying asset is suspended or halted.	Yes	With the exception of Margin FX Contracts where there is no suspension or halting of the Underlying Market, we do not allow new Positions to be opened in Products when the Underlying Market is halted or suspended. See section 4.12.

Benchmark 7: Margin calls Addresses the issuer's practices in the event of client Accounts entering into margin call.	Yes	We maintain and apply a clear written policy detailing our Margin practices (Refer to Section 6). This policy details how we monitor clients' Accounts to ensure you receive as much notice as possible regarding Margin Calls, our rights regarding the levying of Margin Calls and closing out of Positions when such calls are not met in a timely manner, and what factors we consider when exercising such close-out rights. Please note that all margin calls will be communicated to you via the Trading Platform. All open Positions are monitored on a real-time basis intraday, to ensure changing margin requirements are identified in a timely manner. See Section 6.

3. PRODUCT INTERVENTION ORDER – CONTRACTS FOR DIFFERENCE

In October 2020, the ASIC Corporations (Product Intervention Order – Contract for Difference) Instrument 2020/986 ("**Product Intervention Instrument**") was issued under subsection 1023D(3) of the Corporations Act. The Product Intervention Instrument imposes certain conditions on specified dealings in OTC CFDs in relation to retail clients, prohibits giving or offering specified benefits to retail clients or prospective retail clients in specified circumstances, and requires CFD issuers to take reasonable steps to notify its retail clients of the terms of the Product Intervention Instrument.

The purpose of the Product Intervention Instrument is to reduce the risk of significant detriment to retail clients result from CFDs from the four aspects summarised in the table below. Please note that the Products offered by us under this PDS are OTC CFDs to which the Product Intervention Instrument applies.

Under the Product Intervention Instrument, the following measures are mandatory on and from 29 March 2021. We will implement the following measures on and from 29 March 2021, meaning that from 29 March 2021, all your dealings with us under this PDS are subject to the following measures.

Summary of the Product Intervention Instrument	References
Leverage Ratio Limits The Product Intervention Instrument imposes specified leverage restrictions on the Initial Margins for all of our Products, including: • 30:1 for a Product referencing an exchange rate for a Major Currency Pair; • 20:1 for a Product referencing an exchange rate for a Minor Currency Pair, gold or a Major Stock Market Index; • 10:1 for a Product referencing a commodity (other than gold) or a Minor Stock Market Index; • 2:1 for a Product referencing crypto-assets; and • 5:1 for a Product referencing shares or other assets.	Sections 4.8, 4.9 and 4.11
Aggregate Margin Close-out Protection If anytime your Net Equity drops below the Aggregate Close-Out Protection Amount, one or more open Positions will be closed by us automatically, as soon as the market condition allows, until your Net Equity returns to the Aggregate Close-Out Protection Amount. The Aggregate Close-Out Projection Amount is 50% of the higher of: • The aggregate Initial Margin requirements for your open Positions; or	Section 6

• The aggregate Margin Requirements for your open Positions at the relevant time.	
Negative Balance Protection We offer Negative Balance Protection under this PDS for all Products. Under this protection, you will not lose more than the money you have in your Account.	Section 8.8
No Inducements We are prohibited from giving or offering certain inducements to retail clients and/or prospective retail clients, such as gifts, discounts, rebates, trading credits or rewards.	Section 7.6

4. Key information – questions & answers

4.1 What Do the Terms in This PDS Mean and How Do You Interpret Them?

A full list of defined terms is available in the Glossary. Please refer to section 13.

4.2 What Financial Products Do We Provide?

The Products we provide are OTC derivatives, being Margin FX Contracts and CFDs. You can find further details in Sections 4.6 and 4.9 below. All of our Products are considered as CFDs under the Product Intervention Instrument.

4.3 Who Is the Issuer of This PDS and the Products?

Intelligent Financial Markets Pty Ltd, trading as FBS Oceania, is the issuer of this PDS and the Products.

4.4 What Type of Account Can You Open?

You may trade with FBS Oceania in both live and demo environments. Aside from our Demo Account, we offer other types of accounts in a live environment from time to time.

- Standard Account;
- Cent Account; and
- Ultra Account.

We also have the following types of Demo Accounts:

- Demo Standard Account; and
- Demo Cent Account.

We may change the features of certain types of Accounts from time to time by publishing these changes on our Website. Please refer to our Website for details on the types of Accounts that you may open with us.

For most of Account types, we offer an Islamic option (also known as "swap free" option) that may be activated for our clients by contacting our support team (referred to as "Support Team" in this PDS). Please note that this option should only be used by clients who cannot use swaps due to their religious beliefs. We are entitled to make this option available, suspend this option or otherwise deal with this option at our sole discretion. For more information on the Islamic (Swap-Free) option, go to the 'Islamic' page on our Website.

If you are unsure about how the Products work, we strongly recommend that you apply for a Demo Account and trial our Trading Platform prior to opening a live Account. Our Demo Accounts simulate our live trading environment and provide you with a virtual balance to trade with. This enables you to become familiar with the Trading Platform features and helps you to assess whether or not you feel that the Products are suitable for you.

4.5 What Type of Trading Software Do We Offer?

You can trade in the Products through the trading platform known as the MT5 Trading Platform. We recommend that prior to engaging in live trading, you open a Demo Account and conduct simulated trading. This will enable you to become familiar with the attributes of the Trading Platform. We hold a MetaQuotes licence for the Trading Platform, and we also rely upon MetaQuotes to ensure the Trading Platform, along with relevant systems and procedures, are regularly updated and maintained.

The legal terms governing your Account and your dealing in the Products are set out in the T&Cs. You must read, understand and agree to the T&Cs prior to trading with us.

We will use our best efforts to make the Trading Platform available when you access it. However, we cannot give an absolute assurance or guarantee that the Trading Platform 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 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.

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

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

4.6 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 foreign exchange contract.

A foreign exchange contract involves the exchange of one currency for another. Margin FX Contracts differ from spot and forward foreign exchange trading in that they are cash settled (i.e., no physical delivery is available). You do not own or have any interest or right to that Underlying Instrument or have the ability to trade it on an exchange by entering into a Margin FX Contract. Margin FX Contracts allow the investor an opportunity to trade foreign exchange on a margined basis as opposed to paying for the full value of the currency.

In every exchange rate quotation, there are two currencies. The exchange rate is the price of one currency (the “base” currency) in terms of another currency (the “term” currency) such as the price of AUD in terms of USD. For example, if the current exchange rate for AUD as against USD is AUD/USD 0.70000, this means that AUD 1.00 is equal to, or can be exchanged for USD 0.70.

The price of our Margin FX Contracts is based on the price of one currency relative to another. Margin FX Contracts do not have an Expiry Date and will remain open until closed in accordance with the Agreements. Terminating a Margin FX Contact involves clicking and selecting “Close Order” on the Trading Platform, which generates a realised profit or loss on the transaction, which is then settled between you and us.

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 it is opened and the price of the Contract when it is closed;
- any Swap Charges or Swap Benefits relating to the Contract; and
- Commissions (if applicable).

4.7 What Is The Purpose Of Trading Margin FX Contracts?

People who trade in Margin FX Contracts may do so for a variety of reasons. Some trade for speculation, that is, with a view to profiting from fluctuations in the price or value of the Underlying Instrument. For example, some traders may be short-term investors who are looking to profit from intra-day and overnight market movements in the underlying currency pair. These traders may have no need to sell or purchase the underlying currency themselves but may instead be looking to profit from market movements in the currency concerned. Other traders may trade to hedge their exposures to the underlying currency pair. Foreign exchange exposures may arise from several different activities. Companies or individuals that are dependent on overseas trade are exposed to currency risk. This can be to purchase (or sell) physical goods and services (such as machinery) or even financial products (such as investing in securities listed on an international stock exchange).

Examples include:

- An exporter who sells its product priced in foreign currency has the risk that if the value of that foreign currency falls then the revenues in the exporter's home currency will be lower;
- An importer who buys goods priced in foreign currency has the risk that the foreign currency will appreciate thereby making the cost, in local currency terms, greater than expected;
- A person going on a holiday to another country has the risk that if that country's currency appreciates against their own, their trip will be more expensive.

In each of the above examples, the person or the company is exposed to currency risk. Currency risk is the risk that arises from international business which may be adversely affected by fluctuations in exchange rates. We offer our clients the facility to buy or sell Margin FX Contracts to manage this risk, enabling clients to protect themselves against adverse currency swings, yet secure enhanced exchange rates when offered, thereby protecting the potential profit margin made by the company during the business transaction relating to the foreign currency trade or protecting the cost of the client’s international holiday in the case of the traveller.

4.8 What is a Major Currency Pair and what is a Minor Currency Pair?

A Major Currency Pair means a pair of currencies that consists of any two of Australian dollar, British pound, Canadian dollar, euro, Japanese yen, Swiss franc and US dollar. A Minor Currency Pair means a pair of currencies that is not a major currency pair.

Under the Product Intervention Instrument, the maximum leverage we can offer for Margin FX Contracts referencing Major Currency Pairs is 30:1 and for Margin FX Contracts referencing Minor Currency Pairs is 20:1.

We provide Margin FX Contracts for a wide range of currency pairs with different leverages. Please refer to our Website for up-to-date information regarding which currency pairs are currently available and the applicable leverage/Margin information.

4.9 What Is a CFD?

A CFD is an agreement that allows you to make a profit or loss from fluctuations in the price of an Underlying Instrument. However, you do not own or have any interest or right in that Underlying Instrument or have the ability to trade it on an exchange by entering into a CFD.

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

- the difference between the price of the CFD when it is opened and the price of the CFD when it is closed;
- any Swap Charges or Swap Benefits relating to the CFD;
- any Rollover Charges or Rollover Benefits relating to the CFD;
- any Commissions charged relating to the CFD (if applicable); and
- any Corporate Action charges or benefits relating to the CFD (if applicable).

We offer a range of CFDs (the availability of which may change from time to time), including those based on the following Underlying Instruments:

- Bullion;
- Commodity;
- Equities;
- Index;
- Cryptocurrency.

Specification details of each type of CFDs we offer are provided on our Website, which is updated regularly. We recommend that you view these prior to deciding which type of CFDs you wish to deal in.

Commodity CFDs

We offer a range of CFDs in respect of Commodities. Commodity CFDs allow you to speculate on the price of a Commodity, or hedge an exposure, indirectly in Commodity markets without physically owning it.

Under the Product Intervention Instrument, the maximum leverage we can offer for a CFD referencing a Commodity (other than Gold) is 10:1, and a CFD referencing gold is 20:1.

Index CFDs

We offer CFDs in respect of a range of Indices, thereby allowing you to take positions in relation to the overall direction of a market without taking a view on a particular underlying stock or future. A short Position can be used as a rough hedge to protect a diversified share portfolio in the event of a market fall.

Our Index CFDs are valued based on the number of units per index point of the underlying index. For example, if the underlying index is 4600 then trading 10 Index CFDs with us for that underlying index would mean the face value of the Contracts is $46,000.

Please refer to Section 4.11 for further details about Major Stock Market Index and Minor Stock Market Index.

Cryptocurrency CFDs

Cryptocurrency CFDs allows you to gain exposure to price movements in cryptocurrencies. The prices of the Cryptocurrency CFDs we quote are derived from the price feeds from cryptocurrency exchanges or cryptocurrency hedge counterparties that we deal with.

Cryptocurrency CFDs are opened in the same way as other CFDs. We will quote a Bid and Ask price for a cryptocurrency rate. For example, we might quote the Cryptocurrency CFD, bitcoin (XBT) against the USD as 11,500/11,540. If you thought XBT was going to rise against the USD, you would 'buy' the CFD at 11,540. If you thought XBT was going to fall against the USD, you would 'sell' the CFD at 11,500. You can close your Position in much the same way.

Under the Product Intervention Instrument, the maximum leverage we can offer for a Cryptocurrency CFD is 2:1.

4.10 What is the Purpose of Trading CFDs?

People who trade in CFDs may do so for a variety of reasons. Some trade for speculation, that is, with a view to profiting from fluctuations in the price or value of the Underlying Instrument. For example, some traders may be short-term investors who are looking to profit from intra-day and overnight market movements in the Underlying Instrument. These traders may have no need to sell or purchase the underlying instrument themselves but may instead be looking to profit from market movements in the instrument concerned. Other traders trade CFDs to hedge their exposures to the Underlying Instruments.

4.11 What is Major Stock Market Index and what is Minor Stock Market Index?

A Major Stock Market Index means any index of:

- CAC40;
- 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.

A Minor Stock Market Index means a stock market index that is not a Major Stock Market Index.

Please note that we offer different leverage for Index CDFs referencing Major Stock Market Indices and Minor Stock Market Indices. Under the Product Intervention Instrument, the maximum leverage we can offer a CFD referencing a Major Stock Market Index is 20:1 and a CFD referencing a Minor Stock Market Index is 10:1.

Please refer to our Website for detailed leverage/Margin information.

4.12 What is a Product Issued ‘Over the Counter’?

‘Over the counter’ or ‘OTC’ means that you do not trade in financial products through an exchange or regulated market. Rather, it is a bilateral transaction between you and us. This means you can only enter into Contracts with us with your Account. You do not have the protections normally associated with trading on a regulated market. It is not possible to close a Product by giving instructions to another provider, broker or Australian Financial Services licensee.

Further, unlike direct investments made by trading in an exchange, OTC derivatives are not standardised. You must read this PDS, the T&Cs and the specifications of each Contract prior to entering into any transaction with us.

4.13 What Charges are Payable when Dealing in our Products?

The common fees and charges are set out in Section 11.

4.14 Where can you find Information about Opening Hours?

The opening hours of our Trading Platform are set out on our Website and Trading Platform. You can view live prices and place live Orders during the opening hours. You may still access the Trading Platform and view your Account, market information, research and our other services outside of these opening hours. However, there will not be any live prices or trading. We will provide services to you outside of these hours at our sole discretion. Opening hours of our Products may vary within these times. Please check our Trading Platform for further information on opening hours for each Contract.

Opening hours of the Products may vary within the opening hours of our Trading Platform. Please note that quotes for a Product can only be given, and Contracts carried out, during the open market hours of the relevant Underlying Markets or exchanges, and the opening hours of the Trading Platform. Please refer to our Website and Trading Platform for further information. If you have any questions, please contact us.

4.15 What order types does FBS Oceania Offer?

FBS Oceania offers different types of Orders through the Trading Platform. You will be able to find information about Orders that apply to you on the Trading Platform when you log in. You should note that the Stop Loss Orders and Limit Orders are non-guaranteed Orders.

The price at which we accept an Order to trade will generally be based on filling the full volume of the Order in one Contract where possible. Partially filled Orders will be filled as soon as the opportunity arises. 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 are being traded and the pricing model you have selected. For some Contracts that you choose to trade, there may be a minimum trade value or other restrictions (e.g., pricing) that relate to a particular market.

FBS Oceania has complete discretion on whether to accept and execute any Order requested. If an Event of Default specified in the T&Cs occurs, we may impose a limit on the number of open pending Orders of each Account to prevent the degradation of the Trading Platform performance of all other clients. The limit is currently set at 400 Orders, but we reserve the right to change this limit.

You should discuss the operation of these Order types with one of our representatives, try them via the Demo Accounts, and read the user guide available on the Trading Platform. You should also refer to our T&Cs with respect to the operation of these order types.

Below is a high-level summary of the key categories of Orders we provide:

Market Orders
A Market Order is an Order to buy or sell at the current market price as soon as possible, i.e. if the market is closed, the Order may not be entered into until the Underlying Market re-opens.
Stop Loss Orders
A Stop Loss Order is an Order placed to limit the loss on an open Position and allows you to specify a price at which you wish to close out or open a Contract. Stop Loss Orders must be placed a minimum distance from our current bid and offer prices. The minimum distance for each Stop Loss Order will be available on the file titled “Contract Specification/Stop Level” on the Trading Platform. A Stop Loss Order can be seen as a “resting” Market Order. The Order will become active when the price specified as the strike price in the Stop Loss Order is reached in the market, and the Stop Loss Order will then be converted into a Market Order when the strike price is equal to last traded price in the Underlying Market.

We will execute a Stop Loss Order once the following conditions are met:

- The offer price has reached the strike price in the case of a buy Order or the Bid Price has reached the strike price in the case of a sell Order; and
- The relevant Underlying Market has traded at or through the level at which the Order is placed, in sufficient size that we could have replicated the Order.

We note that Stop Loss 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 Stop Loss Order and FBS Oceania has absolute discretion in determining whether to accept a Stop Loss Order. A Stop Loss Order is triggered automatically when the stop loss price is reached. Once the stop loss price is reached, the Stop Loss Order becomes a Market Order to buy or sell (depending on your instructions). Due to market volatility and liquidity, if it is not possible to fill your Stop Loss Order at the price you requested, we will fill the Stop Loss Order at the nearest available price.

The Stop Loss Order could be activated by a short-term fluctuation in the markets, or in a fast-moving market, the price at which the trade is executed could be much different from the Stop Loss Order price. This is known as “gapping” and is due to market movements during the time it takes to open or close Contracts.

As the markets are constantly moving, you can place a Stop Loss Order on all open Positions. Whilst this allows you to control potential losses should the market move against you, in most circumstances, Stop Loss Orders may not always limit your losses the way you anticipate. There are no guarantees in relation to Stop Loss Orders, and due to the speed at which prices can move, they may be executed at a different price (known as slippage) or not at all.

There are no additional fees or charges associated with the placement of Stop Loss Orders (only the disclosed commission regarding the executed transaction if the order is triggered).

You acknowledge and agree that under the T&Cs we may impose a Stop Loss Order on one or more of your Contracts.

Example of a Stop Loss Order

Adam believes the EURO will strengthen against the USD. He therefore buys one lot (goes long), of EUR/USD at the price of 1.3000. Adam places a Stop Loss Order at price of 1.2970. If EURO had weakened against the USD instead of strengthening, Adam would have made a loss on his Position. EUR/USD drops to the price of 1.2950.

Loss when the Stop Loss Order is triggered at 1.2970	= USD(100,000 x (1.3000-1.2970)) = USD300.00
Loss if Adam did not put a Stop Loss Order	= USD(100,000 x (1.3000-1.2950) = USD500.00
Loss if the Stop Loss Order is triggered and the Position is closed at 1.2960 due tomarket gap	= USD(100,000 x (1.3000-1.2960) = USD400.00

Limit Orders
A Limit Order may be used by you to either open or close a Contract at a predetermined price that is more favourable to you than the current market price. We will execute your Limit Order when: • for a buy-limit order: the Ask Price has reached the Order price; or • for a sell-limit order: the Bid Price has reached the Order price. Once the Limit Order price is reached, the Limit Order becomes a Market Order. Similar to Stop Loss Orders, Limit Orders are not guaranteed, and the execution of such Orders will depend on market volatility and liquidity. ***<u>Example of a Limit Order</u>*** If you want to speculate that the price of gold will decrease after hitting three-month peak price, instead of waiting for the market to reach this price, you place a sell Limit Order at USD 1,300.00. This Order will trigger a sell trade once the market price reaches USD 1,300.00 or higher, e.g. Where the price of gold changes from USD 1,299.50 to USD 1,300.50 (without hitting USD1,300.00 in between), the sell trade will be triggered due to the price movement and you will receive a fill price of USD 1,300.50 instead of USD 1,300.00.

4.16 What is the Minimum Trading Size, the Maximum Trading and the Minimum Balance to open an Account?

The size of your Position must exceed the relevant Minimum Trading Size and must not exceed the relevant Maximum Trading Size, each as specified on our Website from time to time for the type of Position. The minimum balance to open an Account is set out on our Website and may be varied at our discretion.

When trading in Products, you may deposit an amount of fund that suits you and which is in line with the amount you are willing to risk, noting that the risk on trading the Products is not limited to the capital you provide to us.

4.17 How do you deal in Products with Us?

FBS Oceania only accepts dealing instructions via:

- the Trading Platform;
- phone calls; and

any other means if we expressly agree with you in advance. The preferred method of giving us dealing instructions is via the Trading Platform. We do not accept dealing instructions through any other means, such as emails or online messenger unless we have previously agreed with you to do so in advance.

Regardless of whether you give us dealing instructions over the phone or via the Trading Platform, you are required to access the Trading Platform on a regular basis to confirm that your instructions have, in fact, been received by us, reconfirm all Orders that you place with us, review any confirmation we provide, to ensure its or their accuracy and monitor your Margin obligations. Any discrepancies identified must be reported to us immediately.

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.

4.18 What are Margin and Margin Calls?

To place a trade that creates an open Position/Contract you are required to pay us, or have in your Account, the Margin for that trade as calculated by us ("**Initial Margin**"). In addition to the Initial Margin, you have a continuing obligation in relation to Margin in respect of all open Positions on your Account, known as the **Variation 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 Requirements may also be affected by fluctuations in the relevant foreign exchange rate.

A Margin Call is a call on you to top up the amount of money you have in your Account as Margin. You can monitor your Margin Requirements using the Trading Platform or otherwise by contacting us. If you do not meet a Margin Call in a timely manner or within the time frame specified in the Margin Call, some or all of your open Contracts will be reduced or closed out by us without further reference to you in accordance with the T&Cs. A Margin Call will not be considered to have been met unless and until cleared funds have been received in the nominated account and we have updated the Trading Platform.

Please refer to Section 6 for further details.

4.19 Do you receive Interest on Moneys held in your Account or pay Interest on Moneys you owe to us?

We do not pay or charge interest on credit balance or debit balance on your Account. We offer Negative Balance Protection to our clients. Please refer to Section 0 for more information about Negative Balance Protection.

4.20 What happens if you hold a Position Overnight?

When you hold a Position or Positions overnight in a Product (other than an Excepted Contract), they will be rolled to the next Business Day, which will result in you paying a Swap Charge or receiving a Swap Benefit. No Swap Charge is paid, or Swap Benefit is received in the case of Excepted Contracts, but there will be a Rollover Charge or Rollover Benefit. For further information, please refer to Section 11.3.

4.21 What are the risks of Trading our Products?

Our Products (being Margin FX Contracts and CFDs) are OTC derivative products that are complex, highly leveraged, and carry significantly greater risk than non-geared investments. You may lose substantially and may incur losses to the extent of your total exposure to and all funds deposited with us. Please refer to Section 9 for a detailed description of the key risks involved in trading our Products. You should obtain your own independent financial, legal, taxation and other professional advice as to whether our Products are an appropriate investment for you.

4.22 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 12. 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 Contract and CFD transactions and products on your particular financial situation.

4.23 What if you Default in your Obligations?

We have extensive powers under the T&Cs 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.

4.24 How do you Learn to use the Trading Platform and how to deal with you?

Our Trading Platform contains an extensive user guide, which is accessible from the 'Help' menu. We also provide free practice Accounts, also known as Demo Accounts and other educational materials on our Website.

4.25 What if you need Further Information?

You can contact us by our contact details listed out in Section 1.5 for further information.

5. How to trade?

5.1 Your Account

Before you begin dealing in the Products, you should read the contents of this PDS, the T&Cs and the FSG and decide whether the Products are suitable for you.

To establish an Account, you will need to complete an online Application Form which accompanies the online access to our T&Cs. You may also request a hard copy of the Application Form by contacting us directly. By submitting the completed Application Form, you agree to the T&Cs. We may reject your Account application in our sole discretion.

We will ask you questions via a quiz that help us assess your suitability to trade the Products. If we decide that you do not have the relevant experience, we may recommend that you open a Demo Account prior to opening a live Account. Please refer to Section 7 for our Client Qualification Policy.

This PDS summarises many important elements of the T&Cs. However, it is not a comprehensive description of the T&Cs and you must read the T&Cs in its entirety. You should also consider seeking legal advice before entering into any transaction, as the T&Cs contains important legal provisions that affect your dealings with us.

If we accept your application, your Account will be established. Your Account covers all of the Products which you apply for in your Application Form and which we agree to provide to you.

5.2 Opening a Demo Account

If you are unsure about how the Products work, we strongly encourage that you apply for a Demo Account and trial our Trading Platform prior to opening a Live Account.

Our Demo Accounts mirror our Live Trading Platform and provide you with a virtual balance to trade with. This enables you to become familiar with the Trading Platform features and whether or not you feel that the Products are suitable for you.

5.3 Base Currency

The Base Currency of your Account will be in Australian dollars (AUD) unless we agree with you otherwise. Moneys received by us from you in a different currency to AUD will be converted back to the Base Currency at the exchange rate set by us.

All the financial information within your Account is displayed in the Base Currency. When you deal in a Product that is denominated in a currency other than your Base Currency, all financing adjustments are made by us in that currency and then converted to your Base Currency at our current exchange rate.

5.4 Funding of your Account

Deposit of funds is available after you have opened an Account. The full list of current payment systems that can be used for deposit is available on our Website or obtained by contacting us. To make a payment into your Account, you may make an electronic or telegraphic transfer, a credit card payment or otherwise through any other means agreed by us.

If an account was funded via debit or credit card, a card copy is required to process a withdrawal. The copy must contain the first 6 digits and the last 4 digits of the card number, cardholder's name, expiry date and cardholder's signature.

When transferring funds to FBS Oceania, you must ensure that the funds are appropriately referenced with your Account number to enable us to easily identify your funds and apply them to your Account promptly. All payments made to FBS Oceania must be free of any withholding tax or deduction.

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. The full list of current payment systems that can be used for withdrawal is available on our Website.

FBS Oceania does not accept funds transferred from third parties, so it is your obligation to ensure that all funds transferred to us are from a bank account in a name that matches your Application Form (Questionnaire). We may, in our absolute discretion, without creating an obligation to do so, return any funds transfer or cheque received from a third party back to the bank account from which it was transferred.

FBS Oceania will not accept any liability or responsibility for any losses that you may suffer as a result of, or arising out of, or in connection with, us returning any transfer of moneys or cheque from a third party, including any losses incurred by you because you are subsequently in default of your obligations under the T&Cs.

BENCHMARK 2 – OPENING COLLATERAL

We only accept monies from bank transfers or payment gateway providers as opening collateral for funding of your Account. FBS Oceania does not accept cash in hand or physical cash deposits into any of our bank accounts due to risks associated with money laundering.

We do not encourage the use of borrowed funds to purchase 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.

5.5 Opening and Closing of a Contract

The particular terms of each Contract are agreed upon between you and FBS Oceania before entering into a Contract. Prior to you entering into a Contract with us, FBS Oceania will require you to have sufficient funds in your Account to satisfy the Initial Margin requirements for the relevant number of Contracts. The payments you make to us are either held for Margin or withdrawn to pay the amounts for realised /unrealised losses or any fees and charges which you may owe.

A Contract is opened by either buying (going long) or selling (going short) a Contract:

- You go ‘long’ when you buy a Contract in the expectation that the price of the Underlying Instrument to which the Contract relates will increase. This would have the effect that the value of the Contract would increase; and

- You go ‘short’ when you sell a Contract in the expectation that the price of the Underlying Instrument to which the Contract relates will decrease. This would have the effect that the value of the Contract would decline.

A Contract is open until it is closed, and the amount of profit or loss to you can then be calculated. In order to close a Position, you need to click the ‘close’ button on the Trading Platform. The closure of a Contract will generally result in a profit or loss being realised in your Account. If you close a Position, any related Orders you have placed against that Position will be cancelled. However, please note that we may not be able to allow you to close a Contract at a particular time and/or at a particular price, for example, without limitation, due to gapping or illiquidity.

For Excepted CFDs, once a Contract hits its Expiry Date, it will be automatically ‘rolled’ over to a new Contract. Before the applicable Expiry Dates, you may give instructions to request to close, or we can exercise our rights to close as set out in the T&Cs.

5.6 Dealing in the Products

Quotes for prices for dealing in Products are indicative only and so are subject to the actual available price at the time of execution of your Order.

A quote given to you by us is not an offer to contract. 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. 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 to 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 phone or email. If you do not, the transaction recorded by us will be deemed to have been agreed by you.

While FBS Oceania may endeavour to execute your Order, there is no assurance that the Order will be able to be executed at the price of your Order. Quotes will be given and Contracts made during the open market hours of the Underlying Markets. The open hours of the Underlying Markets may be available on our Trading Platform and Website. Such hours may change according to the relevant Underlying Market’s changes or at our discretion and the information on our Trading Platform or our Website may not be up-to-date.

You should be aware that the market prices and other market data that you view through our Trading Platform, our Website or other facilities that you arrange yourself may not be current or may not exactly correspond with the prices for the products offered by us.

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

You should note that FBS Oceania is not obliged to accept your Orders. Typically, this would occur should you exceed the limits imposed on your Account by us or where there are insufficient funds in your Account to meet your Margin obligations.

5.7 Pricing and Spread

FBS Oceania quotes a lower price and a higher price at which you can place your Order. This is referred to as the Spread. The higher quoted price is the indication of the price you can buy a Contract. The lower quoted price is the indication of the price at which you can 'sell' a Contract (that is, close out an Open Contract). Spread means the difference between the Bid Price and the Ask Price.

The calculation of the price for a Contract, at the time the Contract is opened or closed, will be based on market prices available at the time and the expected level of interest rates, implied volatilities and other market conditions during the life of the Contract and is based on a complex arithmetic calculation.

FBS Oceania sets the Bid/Ask Prices, so these prices may not be the same as those quoted in the relevant Underlying Market. The Spread is incorporated into the price of the Contract quoted to you and is not an additional fee or charge payable by you. The spreads we quote are generally wider than the spreads available in the Underlying Market or quoted by our liquidity providers. The additional spread represents our mark up.

When your Order is executed, for you to break even or before you can realise a profit, putting aside for the sake of simple illustration any fees or charges, the price at which you exit your position needs to have moved in your favour to at least equal to the original bid or Ask Price that you started the position (depending on whether you went long or short).

In addition, the available pricing may be limited by tick sizes, minimum steps, depending on the general market rules for trading the Underlying Instrument or FBS Oceania's hedging counterparties, so, depending on the Product you choose, your Order to exit your Contract might have to be in minimum increments of pricing before it can be accepted and executed. That could affect your net profit or loss.

5.8 Pricing Model

FBS Oceania offers prices for the Products based on its market-making pricing model. Although the prices of the Products on the Trading Platform are competitive, you should be aware that FBS Oceania is acting as principal to you and so is responsible for setting the prices of opening and closing Contracts and FBS Oceania does not act as your agent to find you the best prices.

5.9 Confirmations of Contracts

If you transact in the Products, the confirmation of the Contract may be obtained only by accessing the daily statement online, which you can print for records. It is your obligation to review the confirmation of Contracts immediately to ensure their accuracy and to report any discrepancies within 24 hours.

5.10 Benchmark 6 – Suspended or Halted Underlying Instruments

FBS Oceania may at any time in its discretion and without prior notice impose limits on particular Products. Ordinarily, we would only do this if the market for the particular Underlying Instrument has become illiquid or its trading status has been suspended or there is some significant disruption to the markets, including trading facilities.

We will halt 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.

6. Margins and margin calls

6.1 Key Features of Margining

FBS Oceania applies the following main principles in relation to our Margin practices:

- You must provide Initial Margin before issuance of any Products and you are liable to meet all Margin Calls;
- When you have open Contracts, you are obliged to maintain at all times the Total Margin Requirements for all of your open Contracts;
- The Margin Call obligation is in addition to your obligation to maintain the Total Margin Requirements for your Account. There is no limit as to when you need to meet your Margin calls, how often or the amount of the Margin Calls;
- The timing and amount of each Margin Call will depend on movements in the market price of the open Positions and the changes to your Net Equity and funds available for Margin.
- You have an obligation to meet the Margin Call even if we cannot successfully contact you. We are not obliged to notify you about your obligation under Margin Calls, though we may do so by email, phone call or otherwise, as a courtesy; and

- If you do not maintain the required Margin at all times or you do not pay the required Margin Call by the required time, we may at our reasonable discretion, reduce your exposure by closing out one or more or all of your open Positions with us without notice to you and you remain liable to pay us any remaining shortfall.

6.2 Initial Margin

Upon placing a trade that creates an open Contract 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:

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

If there are not sufficient funds in your Account for a Contract to be opened (due to its Initial Margin requirement), then your Order will not be executed. Once a Contract is opened, your Account will be adjusted, often continuously and quickly, for the applicable Total Margin Requirements according to market movements. Please refer to Section 0 for Variation Margin.

Margin Requirements (and the associated Margin Percentage) vary with each Product within the leverage restrictions imposed under the Product Intervention Instrument, and a list of the requirements is set out on the Trading Platform. These may change regularly.

6.3 Variation Margin

Owing to the volatility of the market, the amount of required Margin may change after a Contract has been opened, requiring a further payment for Margin known as the Variation Margin. Margin amounts are calculated by us to cover potential movement in the market at any time but will change when the market changes (and might be insufficient coverage). If you have Contracts denominated in a currency other than the Base Currency, any fluctuations in the exchange rate adverse to your Contract can lead to automatic adjustments to your required Margin, so you need to monitor your Contracts very carefully.

6.4 Net Equity and Total Margin Requirement

Your Net Equity and your Total Margin Requirement are constantly calculated in line with movements in prices for the Products during the opening hours of our Trading Platform, and these amounts are displayed on the Trading Platform. 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 include:

- closing or reducing one or more of your open Contract(s) in order to reduce your Total Margin Requirements; and/or

- depositing additional funds into your Account in order to satisfy the Total Margin Requirement.

If you choose to deposit additional funds into your Account, these additional funds must be cleared funds before they will be treated as having satisfied your obligations. Please refer to our Website or the Trading Platform for the Margin Requirement for each Product.

6.5 Benchmark 7 – Margin Calls

In normal circumstances, we will endeavour to notify you of a Margin Call via an alert within the Trading Platform. This serves as notice that your Contracts are at risk of being closed out. While we will do our best to get in touch with you when your Account is approaching or has reached a Margin Call, we cannot guarantee that this will happen in every case. Market movements may be too great, and your Account may have reached a Stop-Out Level (or certain Contracts have already reached any applicable Product-specific close-out level) before the Margin Call is made.

You are responsible for meeting all Margin Calls and monitoring your open Contracts. You are required to log-in to the system regularly when you have open Contracts to ensure you receive notification of any such Margin Calls. Please note that if you do not check the Trading Platform for Margin Call notifications and hence do not meet them in a timely manner, Contracts will be closed out by us without further reference to you, in accordance with the Agreements. In rare circumstances, the markets could move against your Position giving us no time to make a Margin Call on you to request additional funds to protect your positions.

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 towards the Margin Requirement for another Contract.

A Margin Call will not be considered to have been met by cash UNLESS AND UNTIL sufficient funds have been received by us in the nominated account AND we have updated the Trading Platform. It is your responsibility to pay your Margin on time and in cleared funds, so please keep in mind the possibility of delays in the banking and payments systems. If your payment is not credited by us by the time you are required to have the necessary Margin, you could automatically and quickly lose some or all your Contracts (and suffer further losses because of having to meet a shortfall). You should maintain a prudent level of funds in your Account and make payments in sufficient time to be credited to your Account.

Any losses resulting from us closing your Contracts will be debited to your Account and may require you to provide additional funds to FBS Oceania.

Margin Level and Margin Call Level

Margin Level is calculated as the percentage of Net Equity to Total Margin Requirements. Margin Call Level is a specific Margin Level at which FBS Oceania will issue a Margin Call to you. For example, if the applicable Margin Call Level is 120%, it means that a Margin Call will be triggered once the Margin Level falls below 120%, i.e. when your Net Equity to Total Margin Requirements is less than 120%.

You may find out the applicable Margin Call Level through the client portal on our Website or by contacting us via phone. FBS Oceania has the right to change the applicable Margin Call Levels at any time.

6.6 Stop Out Level, Aggregate Margin Close-Out Protection and Our Right

Stop Out Level

Stop Out Level is a specific Margin Level at which FBS Oceania is entitled to close all or some of the open Contracts without notice to you. The Stop Out Level applicable is 50%. This means that FBS Oceania is entitled to close all or some of your Contracts without notice when the Margin Level falls below 50%.

You should note that the Stop Out Level is the default and minimum Stop Out Level as set out in the Aggregate Margin Close-Out Protection provisions below.

Aggregate Margin Close-Out Protection

The default and minimum Stop Out Level is the Aggregate Close-Out Protection Amount which is defined as the greater of:

- 50% of the aggregate Initial Margin required for all open Contracts; and
- 50% of the aggregate current Margin requirements for all open Contracts.

If at any time your Net Equity is less than the Aggregate Close-Out Protection Amount, we will and are required to, as soon as market conditions allow, terminate one or more of your open Contracts until your Net Equity is restored to or above the Aggregate Close-Out Protection Amount or all your open Contracts have been terminated.

Our Rights

We may exercise our rights (or obligations) to close out your open Contracts at our sole discretion with little or no notice to you. Any losses resulting from closing out your Open Contracts will be debited to your Account and you may be required to provide additional funds to us to cover any shortfall. 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.

You may find out the applicable Stop Out Level on our Website or by contacting us via phone. FBS Oceania has the right to change the applicable Stop Out Levels above the Aggregate Close- Out Protection Amount at any time without notice to you.

6.7 Changing Margin Percentage, Margin Call Level and Stop Out Level

We may vary the Margin Percentage, Margin Call Level and Stop Out Level at any time at our discretion. Without limitation, we may vary the Margin Percentage, Margin Call Level and Stop Out Level in response to or in anticipation of 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, Margin Call Level and Stop Out Level.

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

6.8 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 Positions;
- the volatility of any relevant Underlying Instrument;
- the volatility of the relevant market;
- the volatility of the markets generally;
- any applicable exchange rate risk; and

- the time it will take for you to remit sufficient cleared funds to us.

7. Becoming a client – benchmark 1 client qualification

7.1 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.

7.2 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 our 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 sole 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.

7.3 Client Qualification Test (Quiz)

Before you can start trading with us, you will be required to complete the Profile Verification process. As one of the steps, you will have to take an online Client Qualification Test ("**Quiz**" on our Website), which consists of a series of questions designed to assess your knowledge, experience and understanding of Margin FX Contracts and CFDs, which may include but not limited to:

- leverage, margins and volatility;
- key features of Margin FX Contracts and CFDs;
- 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 twice every twenty (24) hours.

Other options to demonstrate suitability

FBS Oceania allows you to start trading with us without completing the Client Qualification Test ("**Quiz**") when you provide us with any of the following:

- a copy of the previous trading statement demonstrating that you traded at minimum ten (10) lots with another licensed broker in the last twelve (12) months; or
- a completion certificate that shows your completion of an approved training course for trading.

We have sole discretion in assessing and determining whether any documents you provide are sufficient to demonstrate your suitability to trade our Products.

7.4 Client Onboarding Process

We check the minimum qualification criteria as part of our client on-boarding process through the FBS Oceania Application Form (known as "Questionnaire") and our Client Qualification Test ("**Quiz**"). 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 and CFDs.

7.5 Written Records

We document our assessment process and retain this information as records.

7.6 Prohibition on Providing Inducements

We are prohibited from giving or offering a gift, discount, rebate, trading credit or reward to a retail client or a prospective retail client as an inducement to open or fund an Account to trade our Products.

This requirement will also apply to any persons or entities that assist you to open an Account or trade with us if they are captured under sections 5(2), 5(3) and 5(4) of the Product Intervention Instrument. The offering or provision of prohibited inducements by these persons or entities are without knowledge and agreement by us and we ask any retail clients or prospective retail clients to report these instances to us immediately.

8. Key benefits of the products

The use of our Products can provide a number of benefits, which must, of course, be weighed up against the risks of using them.

8.1 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 movements in your favour. Hedging is a risk management strategy employed to offset losses in investments by taking an opposite position in a related asset. The reduction in risk provided by hedging also typically results in a reduction in potential profits.

8.2 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.

8.3 Leverage

Our Products are leveraged trading instruments and enable you to outlay a relatively small amount (in the form of Margin) to secure 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.

8.4 Trade in Small Amounts

FBS Oceania allows you to make transactions in small amounts. You can start using our services even with an opening balance as little as AUD 1,000. When trading our Products, you may deposit the sum that suits you, or the amount which is in line with the amount you are willing to risk.

8.5 Access to the Underlying Markets at any time when they are open

The Products enable you to take a Position with exposure to a particular Underlying Instrument without needing to buy or sell the actual full value of the Underlying Instrument.

FBS Oceania provides you with access to an advanced and multi-levelled system that gives you an opportunity to react quickly to breaking news that is affecting the Underlying Markets. It should be noted, however, that trading in various markets is restricted to hours where Underlying Markets and the Trading Platform are both open.

8.6 Protect from Market Movement

The Trading Platform provided by FBS Oceania enables you to trade in the Products over the internet. The Trading Platform allows you to buy and sell various financial products to protect yourself against adverse market swings.

FBS Oceania also offers different types of Orders that enable you to manage volatility. You may manage downside risk by the use of Stop Loss Orders if the market rate reaches a particular level. In addition, you may use Limit Orders, which allow you the opportunity to benefit from favourable upside market movements.

8.7 Real-Time Streaming Quotes

The Trading Platform uses the latest highly sophisticated technologies in order to offer you up-to-the-minute quotes. You may check your Account and Positions in real-time and you may do so 24 hours a day (in most circumstances) on any global market which is open for trading and make a trade based on real-time information. We believe it is highly important for you to be able to control your funds whenever you wish and base your deals on real-time information.

8.8 Negative Balance Protection

We provide Negative Balance Protection for your Accounts. This means that at all times, your maximum potential loss would be limited to the balance on your Accounts. The terms on which we offer Negative Balance Protection are set out in the T&Cs in detail.

If you choose to deposit funds with us, including additional funds in response to a Margin Call or otherwise, then these amounts will be included as part of your Account balance, and the risk of potential loss will be all your Account balance at the time including these additional amounts. On the other hand, if you receive a Margin Call and choose not to deposit additional funds to satisfy the Margin Call, then your Account balance will not include the amount you would have needed to deposit with us to satisfy your Margin Requirements. However, in such instances, we may exercise our rights to close any or all of your open Contracts.

Please note that our Negative Balance Protection is offered on a net Accounts basis, meaning that if you have several Accounts (or sub-Accounts) with us, then the Negative Balance Protection will be netted across all of your Accounts. In other words, despite that one or more of your Accounts may go into negative, the Negative Account Protection will not be triggered until and unless your overall Net Equity across all Accounts drops to zero.

9. Key risks of the products

9.1 Introduction

You should carefully consider whether dealing in our Products is appropriate for you in 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 derivatives that are speculative, leveraged and carry a significantly greater risk than non-geared investments.

9.2 We Act As Principal And Product Issuer

We are a market maker and, accordingly, we will act as a principal, not as an agent, in respect of all transactions with you under this PDS.

Protections normally associated with dealings on licensed markets are not available when trading in our Products. For example, trading on the Australian Stock Exchange ("**ASX**") generally has the benefit of a guarantee system known as the National Guarantee Fund, which provides protection from fraud or misconduct by brokers in connection with certain ASX trades. Such guarantee funds do not apply to our Products.

9.3 Derivative Risk Generally

Our Products are OTC derivative products. Trading in these Products may result in you sustaining a total loss of the amount that you deposit with us. You should not risk capital more than you can afford to lose.

Under certain market conditions, it could become difficult or impossible for you to manage the risk of any open Contracts by entering into opposite Contracts or closing out existing Contracts. Also, under certain market conditions the prices of Contracts may not maintain their usual relationship with the market of the Underlying Instruments.

Please note that a high degree of leverage is obtainable in trading the Products despite the leverage restrictions under the Product Intervention Instrument. The use of leverage can work against you as well as in favour of you. As a result of high volatility, low liquidity or gapping in the underlying market, you may receive re-quotes, slippage or Hanging Orders. Hanging Orders are often already executed but sitting in the terminal window until they can be confirmed.

The prices of our Products will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and their prevailing psychological characteristics of the foreign exchange currency markets.

There is no clearing house for the Products, and the performance of a Contract is not 'guaranteed' by an Exchange or clearing house.

9.4 Leverage and Loss of Monies

All of our Products are leveraged with relatively low Margin Requirements. This means that a slight price fluctuation in the Underlying Instrument to which a Product is referrable can result in proportionately much larger movements in the value of your investment leading to significant losses as well as gains. Price fluctuations may be as a result of uncontrollable events or changes in a variety of conditions as described below in Counterparty Risk. You must be aware that the high degree of leverage can work against you as well as for you, and the potential losses may be far greater than the money you deposit into your Account.

You could be required to provide further funds to sustain your open Contracts. The prices of the Products may be volatile and fluctuate rapidly over wide ranges. The leveraged nature of the Products means that your Margin Requirements may change rapidly. You must monitor your open Contracts regularly.

Below is a hypothetical example of how leverage (gearing) magnifies losses/profits (without taking into account of any fees or charges):

	Trading directly in Commodities	Trading Commodity CFDs
Initial outlay	$10,000	$10,000 (Initial Margin)
Reference to commodities purchased	1,000	10,000
Initial price	$10.00	$10.00
Value	$10,000.00	$100,000.00
Leverage	None.	10%
When the commodity price falls to $8.75	Commodities now worth $8,750.00 Loss of $1,250.00 or -12.5%	Commodity CFD now worth $87,500.00 Loss of $12,500.00 or -125% on original outlay of $10,000
When commodity price rises to $11.00	Commodities now worth $11,000.00	Commodity CFD now worth $110,000.00
	Profit of $1,000.00 or + 10%	Profit of $10,000.00 or + 100%

9.5 Risks Resulting from Failure to provide the Required Margin

You must at all times maintain sufficient funds in your Account to satisfy the Total Margin Requirements. You should be aware there is a high risk of Margin Requirements changing, and at times very rapidly. Failure to meet those Margin Requirements may result in:

- some or all of your open Positions being closed or liquidated by us; and

- you being prevented from opening new Positions or extending existing Positions.

Further, any additional funds must become cleared before they will be taken as satisfying your Margin Requirement. Your Position may be liquidated before you have an opportunity to deposit additional funds and before any additional funds that you deposit have had the opportunity to become cleared funds.

9.6 Market Risks

This is the risk that the markets move in a direction not anticipated. External market forces can cause markets and prices to change quickly, such forces include changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the marketplace. As the price of your Position is based on an Underlying Instrument, these factors may affect your Position and our ability to execute, settle or close out Positions on your behalf.

There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged. You can reduce your risk by understanding the market relevant to the Products, monitoring your Positions carefully and closing your open Positions before unacceptable losses arise. Derivative markets are volatile. Our Products are OTC derivative instruments and can be highly volatile. When you enter into a Product you are not trading in (and do not own or have any rights to) the Underlying Instrument. Under certain market conditions, the price of contracts may not maintain the usual relationship with the Underlying Markets because of unforeseeable events or changes in conditions, none of which can be controlled by you.

9.7 Dealing may be affected by factors in the Underlying Market

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

Sometimes markets move so quickly that gapping occurs. Gapping is the exposure to loss from the 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 Product and may mean that you are unable to close out your Position or open a new Position at the price you requested or may have liked to request.

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 request. This may lead to reduced profits and high losses.

We have the right to close your open Position, limit the size of your open Position or refuse requests to establish new Positions, by giving you notice orally or in writing. You should refer to the T&Cs.

9.8 Your Account will be maintained in the base currency that you have nominated

When you deal in a Product whose settlement currency is denominated in a currency other than the Base Currency, all Margins, profits, losses, Swap Charges and Benefits, Rollover Charges and Benefits, Commissions, and Corporate Actions in relation to that Product are calculated using the currency in which the product is settled and is then converted to your Base Currency.

Accordingly, your profits or losses may be affected by fluctuations in the relevant Underlying Market price between the time the order is placed and the time the Position is closed, liquidated or offset. Upon closing a Position that is denominated in a currency other than the Base Currency of your Account, you will be able to request that the foreign currency balance be converted to the Base Currency of your Account. Any conversion will be at the exchange rate quoted by us and subject to the Conversion Fee. Until the foreign currency balance is converted to the Base Currency, fluctuations in the relevant foreign exchange rate may affect the unrealised profit or loss made on the Position.

9.9 Loss caused by Spread

Because of the difference between the buying and selling price of a Product, 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 any other charges you have incurred with us.

Furthermore, the spread may be larger at the time you close out the Position than it was at the time you opened it.

9.10 Counterparty Risk

Trading in the Products involves counterparty risk. First, there is a risk to you that FBS Oceania, as an issuer of the Products, and therefore, your counterparty to the Products, may default on our obligations to you under the Products.

The obligations of us to make payments in respect of the Contracts are unsecured obligations of FBS Oceania, which means that you are subject to our credit risk. If we were to become insolvent, we may be unable to meet our obligations to you.

There is also a risk that parties, such as our hedging counterparties may not be able to meet their contractual obligations to FBS Oceania. This means that FBS Oceania could be exposed to the insolvency of its hedging counterparties or other defaults by our hedging counterparties.

Benchmark 3 – Hedging

Credit risk refers to the risk that the hedging counterparty to us fails to perform its obligations, which results in financial loss. We have put in place a risk management framework that 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.

You will be dealing in the Products with FBS Oceania as a counterparty to every Contract. You will have exposure to us in relation to each Contract. You will be reliant on our ability to meet our counterparty obligations to you to settle the relevant Contract. If we default on our obligations, you may become an unsecured creditor in an administration or liquidation and will not have recourse to any Underlying Instruments in the event of our insolvency.

We enter into OTC derivative transactions as a principal with other counterparties to hedge the market risk arising from our transactions with you (and our other clients). We do not use monies received from you for Margin and settlements to such providers.

We are also exposed to the financial risks of the financial institutions with which we hold Client Money (e.g. Margin) and with which we enter into hedging or offsetting transactions to manage our exposure to you. Accordingly, you are indirectly exposed to the financial risks of our counterparties as well as the financial institutions with which we hold Client Money. If the financial condition of us or the assets of our counterparties or the parties with which we hold Client Money deteriorate, then you could suffer loss because the return of the Client Money could become difficult.

Within our risk management framework, we have assessed the market risk and counterparty risks arising from entering into transactions with you (and our other clients) and hedging counterparties and applied controls to mitigate those risks. Those controls include:

- 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 hedging counterparty relationships.
- Our selection of hedging counterparties is based on the following factors:
- the counterparty’s reputation;
- the regulatory status of the counterparty;
- the services provided; and
- the strength of operational controls and systems.

Our current Hedging Counterparties Policy, which notes our current approved hedging counterparties, is available on our Website.

Benchmark 4 – Financial resources

As an issuer of OTC derivative products with regards to the Products, FBS Oceania must comply with the financial requirements imposed under our AFSL as set out in ASIC Regulatory Guide 166 and other regulatory financial obligations. The goal of these requirements is to ensure that we meet the minimum level of financial resources required by law to conduct business and meet any liabilities as and when they may arise.

FBS Oceania monitors our exposure on a daily basis using real-time software tools and prepares detailed financial reports on a monthly basis 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 monthly reconciliation of Client Monies and report to ASIC as required by section 2.2.2 of the ASIC Client Money Reporting Rules 2017;
- perform a daily net tangible assets (NTA) calculation, ensuring that we meet the minimum NTA requirement set by ASIC; and
- perform quarterly stress testing, ensuring that in the event of significant adverse market movements, we would have sufficient liquid resources to meet our obligations to you and our other clients without needing to have recourse to Client Money to do so.

The latest results of our financial audit are available for inspection upon request at our registered office.

9.11 Regulatory Changes

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

9.12 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 a 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 Platforms or any component of any Trading Platforms or any services performed in respect of any such Trading Platforms will meet the requirements of any user, or that the operation of the Trading Platforms will be uninterrupted or error-free, or that any services performed in respect of the Trading Platforms 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 Trading Platforms may be limited or unavailable due to such system errors and that we reserve the right to suspend access to Trading Platforms 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.

9.13 Execution Risk

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

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

For the benefit of our clients, we treat slippage in the same way that they would be treated in the exchange-traded products in that we slip our clients to a better price if the interbank market from which we obtain prices has moved in your favour, and similarly a worse price if the market has moved against you. When executing our clients' transactions, our execution will reflect both positive and negative price movements in the Underlying Instrument.

Execution delays may occur for a number of reasons such as technical issues with your internet connection to our servers. Connection strength may vary depending on the kind of device used. Interruptions may cause a delay in the transmission of data between our servers to the Trading Platform.

9.14 Auto Liquidation Risk

FBS Oceania may, without prior notice to you, liquidate some or all your open Positions if your Account balance reaches or falls below the Stop Out Level applicable to your Account and in circumstances where the Aggregate Margin Close-out Protection is triggered. This can generate fees and realised losses in your Account.

FBS Oceania does not assure you that we will act on this right, at any time or in respect of all or any of your open Positions. You should not rely on this right to manage your risk and your obligation to maintain funds to meet your Margin Requirement.

The more basic risks to you are that you fail to manage your own Account by maintaining adequate Margin Requirement, you fail to monitor your open Positions, you (wrongly) rely on us liquidating your open Contracts or you fail to manage your open Positions before the Account balance reaches or falls below the Stop Out Level applicable to your Account.

You can manage the risk of us liquidating some or all your open Positions, or the risk of you wrongly relying on FBS Oceania to do this, by carefully monitoring your open Positions, placing and maintaining prudent Orders (including Stop Loss Orders), if such exist at the time you opened your Position and managing your open Positions before the Account balance reaches or falls below the Stop Out Level applicable to your Account.

9.15 Risks Associated with our power on Default, Indemnities and Limitations on Liability

If you fail to pay amounts due to us or fail to perform any obligation under your Contracts, FBS Oceania has extensive powers under the T&Cs to take steps to protect its position.

For example, FBS Oceania has the power to close out Positions (and is required to do so when the Aggregate Margin Close-Out Protection is triggered), to decide whether to accept Orders or to execute them and to determine the rates of interest we charge. Additionally, under the T&Cs, you agree to indemnify us for our losses and liabilities, including, for example, in default scenarios.

Although these powers, limits on the liability of FBS Oceania and the indemnities you give to FBS Oceania are extensive and potentially expose you to significant risks, FBS Oceania must comply with our obligations as a financial services licensee to act efficiently, honestly and fairly. You should read the T&Cs carefully to understand these matters.

9.16 Changes in Margin Percentage

We may, under the T&Cs, exercise our right to alter the Margin Percentage in relation to any of our Products at any time at our discretion. This change will affect your Margin Requirement. You should also refer to Section 6 for further information on Margin.

9.17 Key Risks with Cryptocurrency CFDs

Cryptocurrency CFDs offered by us can expose you to fast and large changes to the value of your Contract and to your Account, potentially triggering the need for more fund, including at short or no notice. Cryptocurrency CFDs have other risks, such as possible delays in closing out due to underlying illiquidity, or volatility or early close out due to up to the underlying cryptocurrency.

The global market for cryptocurrencies is largely unregulated. This affects the pricing, liquidity, integrity of the markets and any Exchange used for dealing in the cryptocurrencies, which are the Underlying Instruments. Exchanges offering pricing for cryptocurrencies have little or no regulation or protections for users of them. Exchanges may be partly centralised, decentralised or some other combination of order book facilities. These factors affect the pricing, liquidity and cost of transactions in cryptocurrencies, which can correspondingly affect the pricing of our Cryptocurrency CFDs.

Cryptocurrencies rely on a number of key factors that are not present in other Underlying Instruments and Underlying Markets, such as technology inherent in the software for the cryptocurrency, nodes and mining of cryptocurrencies. These are technical features that are outside the scope of this PDS so you should be familiar with the key features of cryptocurrencies before dealing in a Cryptocurrency CFD in relation to them. None of these are regulated or backed by any government or voluntary institution, so there are additional risks inherent in cryptocurrencies, and their predictability is much more uncertain. Cryptocurrencies have experienced a range of issues, such as forking or delays in transactions, which can affect the pricing of our Cryptocurrency CFDs.

It is possible that some cryptocurrencies may become worthless, leading to your Cryptocurrency

CFDs becoming worthless.

Here is more information about those risks that may arise due to the features of our CFDs. Please note that this PDS does not disclose all of the risks of cryptocurrencies.

FBS Oceania does not own or control the underlying software protocols which govern the operation of cryptocurrencies available as Underlying Instruments for our Cryptocurrency CFDs for trading in our Trading Platform. In general, the underlying protocols are open source and anyone can use, copy, modify, and distribute them. There is no guarantee of their functionality, security, or availability. The underlying protocols are subject to sudden changes in operating rules (forks) and other events and transformations. Such forks, transformations and other events may materially affect the value, function or even the name of the cryptocurrency.

FBS Oceania may, in its sole discretion:

- temporarily suspend access to certain or all Cryptocurrency CFDs;
- decide not to support (or to cease supporting) the forked protocol entirely or the cryptocurrency resulting from such event; or
- delay offering Cryptocurrency CFDs, which means you would not be able to close out any open Positions.

In our sole discretion, we may decide (but for the avoidance of any doubt, we are not obliged to do so) to adjust your Account in respect of a fork or other event depending on the circumstances of each event attributable to any specific cryptocurrency. FBS Oceania assumes absolutely no responsibility whatsoever in respect of an unsupported branch of a forked protocol or the cryptocurrency resulting from such event.

If at any time any of the cryptocurrencies that is an Underlying Instrument for your CFD is delisted or we no longer support the cryptocurrencies for any reason, then the applicable CFD may be immediately closed. If FBS Oceania is notified that a cryptocurrency which is the Underlying Instrument for your CFD which you hold in your Account is likely to be delisted or removed or cancelled from any of the Exchanges (some of them or all) and FBS Oceania believes that it (or its hedge counterparty) will not be able to trade in such cryptocurrencies, or if there is another significant disruption to a market for a cryptocurrency or the cryptocurrency itself is subject to a significant disruption, then FBS Oceania may exercise its discretions to adjust the pricing or to terminate our Cryptocurrency CFD. It will do so in accordance with its obligations and duties, acting reasonably for the market as a whole, without having to consider any particular client.

Under certain market conditions, you may find it difficult or impossible to liquidate an open Position for a Cryptocurrency CFD. This can occur, for example, when the market reaches a daily price fluctuation limit (‘limit move’) or if there is insufficient liquidity in the market.

Our Cryptocurrency CFDs should be seen as an extremely high-risk investment. You should never invest funds that you cannot afford to lose.

Given the foregoing, cryptocurrencies are not appropriate for all investors. You should not deal in these CFDs unless you have the necessary knowledge and expertise and you understand these products’ characteristics and your exposure to risk. You should also be satisfied that the product is suitable for you in light of your circumstances and financial position.

The risk of loss in trading our Cryptocurrency CFDs can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. You should be aware that you may sustain a total loss of the funds in your Account. If the market moves against your position, you may be called upon by us to provide a substantial amount of additional Margin on short notice in order to maintain your position. If you do not provide the required Margin within the time required by us, your Position may be liquidated at a loss.

FBS Oceania currently does not allow trading in our Cryptocurrency CFDs over the weekend. Please refer to our Trading Platform for the relevant opening hours. Given that cryptocurrency Exchanges might operate over weekends, there can be a significant difference between close and open prices of our Cryptocurrency CFDs. All such factors may result in you either not completing an Order on a specific trading day or completing an Order on a substantially less favourable price. You can manage these risks by only investing in our Cryptocurrency CFD if you are experienced in the cryptocurrency, you manage your exposure by limiting your exposure, placing appropriate orders and carefully and frequently monitoring your open Positions.

Since your Margin Requirements for our Cryptocurrency CFDs may be large and may be increased over the weekend, you can help to manage your risks by carefully considering the amount of Margin you have in your Account, the risks of all of your open Positions and your capacity to trade or to provide more Margin immediately, even outside of banking payment hours.

10. Holding your money – benchmark 5 client money

10.1 Trust Account

We handle all Client Money we receive in accordance with and subject to the T&Cs 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.

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.

10.2 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 AFSL 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 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 the 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 T&Cs.

10.3 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.

10.4 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 ableto 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.

11. Fees, costs and charges

11.1 General

Whilst we endeavour to include all fees and charges in the spread quoted, in some circumstances you may incur fees and charges. The fees and charges when dealing in our Products may incorporate any or all of the following:

- Swap Charges;
- Rollover Charges;
- Commissions;
- Conversion Fees;
- Corporate Action charges;
- Administration charges.

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

11.2 Commissions

There may be Commissions payable on trades executed in some of our Products. Such Commissions for both opening and closing will be charged upon opening of the Contract. The details of any Commissions payable are available on the Trading Platform and our Website, and you should check those details before entering into a Contract with us.

11.3 Swap Charges and Swap Benefits

When you hold a Position or Positions overnight in a Product (other than an Excepted Contract) they will be rolled to the next Trading Day, which will result in you paying a Swap Charge or receiving a Swap Benefit. The amount is determined by us and depends on factors including our Swap Rate, being the rate at which you receive or pay interest on Positions that remain open overnight.

Swap Rates for our Products are determined using the tom-next (tomorrow to next day) rate and plus a markup in the Underlying Market for the Underlying Instruments. Swaps are charged or credited to each individual Positions, even if you have opposing Positions in the same Product.

Most liquidity providers around the world (including global banks, financial institutions, prime brokers, and other market participants) are closed for trading on Saturdays and Sundays. Therefore, the overnight interest of foreign exchange transactions is not calculated on these two (2) days however, most liquidity providers still calculate the holding cost for these two days. For this reason, the foreign exchange market will calculate the 3-day swap for the position overnight on a particular weekday (such as Wednesdays or Fridays), so the interest for holding the Position overnight on that weekday is generally three times that of the overnight position on other weekdays. If you hold a Margin FX Contracts or Index, Equity or Commodity CFDs at the close of the Trading Day on a Wednesday, the Swap Charge or Swap Benefit is multiplied by three (3) times.

We may need to vary the Trading Day in which a 3-day Swap is charged or credited in accordance with any changes to settlement terms, public holidays or market closures. Swap is also charged or credited on public holidays in advance. Generally speaking, when a national holiday is encountered, swap fees will be calculated in advance. Please refer to our Website for detailed information on applicable Swap Rates for specific Products.

No Swap Charges or Swap Benefits is paid or received if you open and close a Position in the same trading day. No Swap Charge or Swap Benefit will be paid or received in the case of Excepted Contracts.

Swap Charges and Swap Benefits due will be accrued in the swap value field of the open trade Position. We may in our absolute discretion adjust the Swap Rate applicable to your Positions depending on your trading volume, Account balance and market conditions. We reserve the right to change the Swap Rate applicable. In the event thereof, you will receive proper notification of such change, and a revised PDS if required.

Example - 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 would typically receive interest at the 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 would typically pay interest at the 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.

If you are short on a Margin FX Contract where the sold currency interest rates are higher than the bought currency interest rates, you would typically pay interest at the 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 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.

In circumstances where the two interest rates are near parity, almost equal to each other, a Swap

Charge may be imposed for both long and short open Positions.

Example - Bullion CFDs

If you have a long US dollar/short Bullion Position and interest rates in the United States of America are higher than the Bullion Swap Rate, you would typically receive a Swap Benefit at the Bullion Swap Rate if you hold the Position overnight and do not close it before Close of Business. This is because you are holding the higher yielding asset.

If you have a short US dollar/long Bullion Position and interest rates in the USA are higher than the Bullion Swap Rate, you would typically pay a Swap Charge at the relevant Swap Rate if you hold the Position overnight and do not close it before Close of Business. This is because you are holding the lower yielding asset.

In circumstances where the two interest rates are near parity, almost equal to each other, a Swap Charge may be imposed for both long and short open Positions.

Example - Cash Equity Index CFD

The AU200 index CFD is currently trading at a price of 6255 and you expect that the index will rise during the week, so you buy one CFD of AU200 at 6255.

One day later the AU200 index has risen to a price of 6285 and you close the CFD to take your profits by selling AU200 at 6285.

Your Swap Charge and profit from this trade is calculated as:

- the Swaps Charge assuming AU200 closed the first day at 6260:
- Benchmark interest rate of 1.5% + 2.5% = 4.0% (The benchmark interest rate is provided by our Liquidity Providers)
- Swaps Charge: [6260 * (0.04/365)] * 10 = $6.86
- the difference between the price at which you bought the CFD and the price at which you sold the CFD: 6255 – 6285 = 30 points
- With the fixed value per point of one CFD being $10, this equates to 30 * $10 = $300 Profit on this transaction: 300 – 6.86 = $293.14

11.4 Rollover Charge or Rollover Benefit

A rollover will arise in an Excepted Contract when the underlying front-month futures Contract is approaching the Expiry Date and we change our pricing feed. When the new price feed takes effect, you will immediately create a gain or loss in your open trade equity. This profit or loss will depend on your Contract size and direction and the price differential of the expiring contract and the new Contract on which the price will be now based. You will be credited or debited with a Rollover Charge or Rollover Benefit that will fully offset the effect of the abovementioned profit or loss. For example, if you have made a profit on the change to the new Contract Price feed, you will receive a Rollover Charge, which will offset the gain.

Rollover Charges and Rollover Benefits due will be incurred at the time when the rollover occurs and you will immediately receive a gain or loss in the relevant Contract. In order to minimise the bid/offer Spread we will typically switch from using the front month to the next serial contract one (1) to four (4) trading days prior to the Underlying Instrument's last trading day when liquidity can be limited.

Please note that CFDs where the Underlying Instrument is a Commodity future or other futures product which will NOT be subject to automatic rollover, are NOT Excepted Contracts and will not be subject to Rollover Charges or Rollover Benefits. This type of CFD will be subject to Swap Charges and Swap Benefits.

11.5 Corporate Action Charges and Corporate Action Benefits

Equity and Index 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 and 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 noting that you may not get all the benefits such as tax benefits, credits or deferrals. We are entitled not to provide you with the full benefit of a Corporate Action where we do not receive the benefit of a Corporate Action from our hedging counterparty. Corporate Action charges and Corporate Action benefits will be accrued in the swap value field of the open Contract.

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

- changing Margin Requirement including 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.

Index CFD dividends

When an individual stock, which is a constituent of a cash stock index, goes ex-dividend, this will have a weighted effect on the Index. We will credit long Positions and debit short Positions with a cash adjustment on the ex-dividend date.

We calculate the rate to be applied at our absolute discretion. The rate that we will calculate will reflect Underlying Market conditions.

11.6 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.

11.7 Administration Charges

We reserve the right to charge the following additional fees:

Administration service	Fee
Receipts	Refer to the Website
Withdrawals	Refer to the Website
Other	
Duplicated statements by post	AUD 5.00 per page + AUD 20.00 postage
Transcripts of telephone conversations	Upon application

All charges are inclusive of GST (where applicable).

11.8 Interest In Client Money Accounts

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.

12. Taxation implications

This section contains general information about the Australian taxation implications for Australian residents dealing in any Products, and is based on Australian taxation laws as of the date of this PDS. It is general information only 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 any Products.

12.1 Taxation Ruling: Contracts For Difference

The approach of the Commissioner of Taxation (the Commissioner) to the income tax and capital gains tax consequences of dealing in financial contracts for difference, such as CFDs, is reflected in

Taxation Ruling TR 2005/15. We set out a summary of that ruling below, which may also be relevant to the income tax treatment of Margin FX Contracts.

A copy of Taxation Ruling TR 2005/15 is available at 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.

12.2 Additional Matters Not Covered by the Ruling

The following matters are also relevant when dealing in CFDs.

12.2.1 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.

12.2.2 Interest

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

12.2.3 Interest on Debit Balances

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

12.2.4 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.

12.3 The Income Tax Treatment of Margin FX Contracts

It is significant that Income Tax Ruling 2005/15 did not refer specifically to Margin FX Contracts.

Margin FX Contracts take the same legal form as currency CFDs. It should, therefore, be reasonably expected that the taxation implications of dealing in both instruments will be identical and will be treated accordingly by the Commissioner. However, it may well be that he will adopt the view that currency CFDs fall under Division 775 of ITAA 1997, because not only is the physical currency caught, but also a right to receive foreign currency, with an extended definition which would appear to include cash-settled margin foreign exchange contracts. It should, however, be noted that the tax treatment would appear to be the same whether a Margin FX Contract falls for treatment under the above Ruling or under Division 775; that is they are treated on a revenue account.

It is problematic whether the entry into a Margin FX Contract could ever be regarded as an exercise in recreation by gambling.

12.4 Taxation of Financial Arrangements

The Tax Laws Amendment (Taxation of Financial Arrangements) Act (the 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 2001 where the value of the entity's assets is less than $1 million;

- Financial arrangements of authorised deposit-taking institutions, securitisation vehicles and financial sector entities with an aggregated annual turnover of less than $20 million per year; or
- Financial arrangements of other entities:
- with an aggregated annual turnover of less than $100 million – where the value of the entity's financial assets are less than $100 million; and
- where the value of the entity's assets is less than $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 and Margin FX Contracts. 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.

12.5 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 to you and 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.

13. General information

13.1 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.

13.2 Our Discretions

FBS Oceania has discretions under the T&Cs, which can affect your Account and Contracts. You do not have any power to direct how we exercise our discretions.

When exercising our discretions, we will comply with our legal obligations as the holder of our

AFSL. We will have regard to our policies and to managing all risks (including but not limited to financial, credit and legal risks) for ourselves and all our clients, our obligations to our counterparties, market conditions and our reputation.

We will try to act reasonably in exercising our discretions, but we are not obliged to act in your best interests or to avoid or minimise a loss in your Account, or avoid causing you fees on Contracts.

Our significant discretions are:

- whether to accept your Order (including to Close out a Position) or to amend it;
- any risk limits or other limits or filters we impose on your Account or your trading;
- determining Margin Requirements, especially the amount of Initial Margin, and any grace time to meet any changed Margin Requirement;
- determining values of Underlying Instruments (for opening and closing Positions and for determining Variation Margin);
- setting Bid Prices and Ask Prices; and
- Closing your Positions and setting the price for closing.
- You should consider the significant risks that arise from FBS Oceania exercising its discretions.

Our other discretions include:

- setting our fees and interest rates;
- adjusting your Positions for adjustments made in the market to the Underlying Instrument;
- adjusting, closing out or cancelling Contracts or Orders due to applying our compliance or operational policies;
- setting foreign currency exchange conversion rates;
- opening and closing your Account; and
- interpretation, variation and application of our policies.

Please note that while we have discretions, the trading conditions typically are set or applied for automatic outcomes, such as closing out all of your open Positions once a Stop Out Level is reached.

13.3 Ethical Considerations

The Products do not have a managed investment component. Labour standards or environmental, social or ethical considerations are not taken into account by us when making, holding, varying or closing out our Contracts.

13.4 Anti-Money Laundering Legislation

We are subject to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1) (“**AML/CTF Laws**”), which can affect our Contracts with you. In order to establish your Account, we need to collect personal information from you or from businesses or government agencies that you authorise.

Once your Account is opened, we may disclose your personal information or stop transactions on your Account if required under the AML/CTF Laws, or under our AML/CTF procedures, without liability to you for any loss that arises due to that occurring.

13.5 Our Insurance

FBS Oceania has a comprehensive insurance policy in place to cover a variety of different scenarios, some of 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, FBS Oceania may not be able to make the payments it owes to you.

13.6 Superannuation Funds

Complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities. These are 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 Australian Taxation Office.

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.

13.7 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 (in writing by email to support@fbsaustralia.com or by letter to our contact address set out in section 1.5).

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 30 days, you have the right to lodge a complaint with:

Australian Financial Complaints Authority (AFCA)

In writing to:	Australian Financial Complaints Authority
	GPO Box 3, Melbourne VIC 3001
Phone:	Free call 1800 931 678
Website:	www.afca.org.au
Email:	info@afca.org.au

AFCA is a free service. AFCA will facilitate discussions and negotiations between the parties. At this stage the issues that are in dispute will be identified. If the dispute cannot be resolved through discussion, AFCA may facilitate conciliation between the parties. The conciliator will attempt to assist the parties to settle the dispute and agree on the terms of such settlement. If conciliation does not facilitate settlement of the dispute, AFCA will appoint an independent AFCA Decision Maker to make a decision taking into account relevant law, fairness and reasonableness. As a member of AFCA, any decision by the adjudicator is binding on Prospero if accepted by the client.

You may also lodge a complaint with the Australian Securities and Investments Commission ("**ASIC**") Infoline on 1300 300 630.

13.8 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 or driver license, 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 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 Policy 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.

14. Interpretation and definitions

14.1 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 T&Cs) will prevail.
- In the PDS any reference to a person includes bodies corporate, unincorporated associations, partnerships and 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).

14.2 Definitions

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

ACCOUNT	means the account you have with us;
ADI	means an Authorised Deposit-Taking Institution;
AFCA	means the Australian Financial Complaints Authority;
AFSL	means the Australian Financial Services Licence held by Intelligent Financial Markets Pty Ltd (AFSL No: 426359);

AGREEMENTS	means this PDS, the T&Cs, the Application Form (Questionnaire), the Financial Service Guide, 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.
AGGREGATE CLOSE-OUT PROTECTION AMOUNT	has the meaning given to it in section 7.6
AML/CTF LAWS	means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and all regulations, rules and instruments made under that Act;
APPLICABLE LAWS	means all: (a) applicable provisions of laws and regulations, including all relevant rules of government agencies, exchanges, trade and clearing associations and self-regulatory organisations, that apply to the parties, the Agreements and the transactions contemplated by the Agreements; (b) applicable Australian Law; and (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 or Contract and any exercise by such exchange, clearing house or other organisation or market of any power or authority conferred on it.
APPLICATION FORM (QUESTIONNAIRE)	means the application form and account opening documentation, including documentation required to be returned for the purposes of complying with the AML/CTF Act, completed by you and submitted to us;

ASIC	means the Australian Securities and Investments Commission;
AUD OR $	means Australian dollars;
AUSTRALIAN CLIENT MONEY RULES	means the provisions, as modified by ASIC from time to time, in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with Client Moneys and property, and any other laws and regulations listed in section 0 of this PDS;
AUSTRALIAN LAW	means all laws, procedures, standards and codes of practice that apply in relation to the parties, the T&Cs and the transactions contemplated by the T&Cs, including the Corporations Act, the Australian Securities and Investment Commission Act 2001 (Cth), ASIC Policy and the Privacy Act 1998 (Cth);
AUTHORISED PERSON	means you and/or any person authorised by you to give instructions to us under the T&Cs;

BASE CURRENCY	means Australian Dollars or another currency declared by FBS Oceania to be the Base currency for a particular transaction or Account type, or as otherwise agreed by FBS Oceania with you.
BULLION	means gold, silver, palladium, or platinum;
BUSINESS DAY	means any day other than a Saturday, Sunday or public holiday on which banks are open for business in Sydney, New South Wales,Australia;
CFD	means a contract for difference, which is a contract between you and us under which you may make a profit or incur a loss arising from fluctuations in the price of the underlying instrument. It is defined as a Contract in the T&Cs;
CGT	means capital gain tax;
COMMISSION	means the fee paid to us for initiating a Contract;
COMMODITY	means oil, gas or such other commodity as referred to in our Trading Platform or Website;
CLIENT MONEY	means the moneys our clients have deposited with us and held by us under the Australian Client Money Rules.
CONFIRMATION	means a message available on the Trading Platform to confirm the execution of your Order.
CONTRACT	means any contract, whether oral or written, including any derivative, option, future, contract for difference or other transaction relating to such financial products entered into

	by us with you. Contract is also referred to as Position in the Agreements;
CONTRACT PRICE	means the price we offer you to trade in our financial products from time to time and which is calculated by us according to the T&Cs;
CONTRACT QUANTITY	means in relation to a Contract, the number of Contract Units as the case may be, traded by you as stated in the Confirmation;
CONTRACT UNIT	means relevant unit for the type of Position you wish to trade with us in accordance with the terms of the T&Cs;
CONTRACT VALUE	means the total value of the Position as calculated by us in accordance with the T&Cs.
CORPORATE ACTION	means the occurrence of any of the following in relation to the issuer of any relevant Underlying Instrument: • any rights, scrip, bonus, capitalisation or other issue or offer of shares/equities of whatsoever nature or the issue of any warrants, options or the like giving the rights to subscribe for shares/equity; • any acquisition or cancellation of own shares/equities by the issuer; • any reduction, subdivision, consolidation or reclassification of share/equity capital; • any distribution of cash or shares, including any payment of dividend; • a take-over or merger offer; • any amalgamation or reconstruction affecting the shares/equities concerned; and/or • any other event which has a diluting or concentrating effect on the market value of the share/equity which is

an Underlying Instrument.

CORPORATIONS ACT	means the Corporations Act 2001 (Cth);
CRYPTOCURRENCY CFDS	means Bitcoin, Litecoin or any other crypto currency on which a CFD is based and offered by FBS Oceania;
EVENT OF DEFAULT	means an event described in clause 15.1 of the T&Cs;
EXCEPTED CONTRACTS	means a CFD where the Underlying Instrument is a Commodity future or other future product which will be automatically rolled over to a new Contract upon the Expiry Date. For the avoidance of doubt, CFDs where the Underlying Instrument is Commodity future or other future product which will NOT be subject to automatic rollover, are not Excepted Contracts.
EXPIRY DATE	means the day on which the Contract expires.
FSG	means our relevant Financial Services Guide, including any supplementary and replacement financial services guide;
HANGING ORDER	has the meaning referred to in section 8 under the section titled ‘Execution Risk’.
LIMIT ORDER	has the meaning referred to in section 3.11;

INDEX	means the market index on which a CFD is based;
INITIAL MARGIN	has the meaning referred to in section 5.2;
MAJOR CURRENCY PAIR	has the meaning referred to in Section 4.8.
MAJOR STOCK MARKET INDEX	has the meaning referred to in Section 4.11.
MARGIN	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 T&Cs;
MARGIN CALL	means a call on you normally made via the Trading Platform, requesting you to top up the amount of money you have in your Account is Margin;
MARGIN CALL LEVEL	means a particular Margin Level at or below which the Trading Platform will trigger a Margin Call automatically. Please refer to Section 5.5 for further information.
MARGIN LEVEL	means the percentage of Net Equity to Total Margin Requirements.
MARGIN FX CONTRACT	means a contract between you and us under which you may make a profit or incur a loss arising from fluctuations in the price of the underlying currencies. It is defined as a Contract in the T&Cs;

MARGIN PERCENTAGE	means such percentage as specified by us, and as amended by us in accordance with the T&Cs from time to time;
MARGIN REQUIREMENT	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;
MARKET ORDER	means an order placed to buy or sell a Margin FX Contract CFD at the current price on our Trading Platform or as advised to you;
MAXIMUM TRADING SIZE	means such maximum Contract Quantity or Contract Value as we may specify through our Trading Platform or Product Schedule from time to time for any type of Product;
MINIMUM TRADING SIZE	means such minimum Contract Quantity or Contract Value as we may specify on our Website from time to time for any type of Product;
MINOR CURRENCY PAIR	has the meaning referred to in Section 4.8.
MINOR STOCK MARKET INDEX	has the meaning referred to in Section 4.11.
NET EQUITY	means the aggregate of the current cash balance in your Account, adding all your realised and unrealised profits and losses, and deducting applicable charges and fees payable to us. The term Net Equity under this PDS has the same meaning as given to it in the Product Intervention Instrument.

ORDER	means an offer made by you under the Agreements;
OTC	means Over the Counter;
PDS	means this Product Disclosure Statement, including any supplementary and replacement Product Disclosure Statement;
POSITION	means the long or short Position you have taken with us. Position has the same meaning as Contract in this PDS;
PRODUCTS	means any of the Margin FX Contracts or CFDs we offer at any given time;
PRODUCT SCHEDULE	means the list of available Products offered by us and the associated details, which is available on the Website;
RELATED ENTITY	is as defined in the Corporations Act 2001 (Cth) as varied from time to time;
RELATED BODY CORPORATE	has the meaning given in the Corporations Act as varied from time to time, with any necessary modifications for companies incorporated outside Australia;
ROLLOVER BENEFIT	means a benefit you may receive on Excepted CFDs held overnight and which is described in the T&Cs.
ROLLOVER CHARGE	means a charge you may have to pay where you have a Excepted Contracts held overnight and which is described in the T&Cs.

SPREAD	means the difference in the bid and offer prices of a Product quoted from time to time by us and, where appropriate, expressed as a percentage of the relevant price;
STOP LOSS ORDER	has the meaning referred to in section 3.11;
STOP OUT LEVEL	Means the Margin Level at which FBS Oceania has the ability to close all or some of your existing Contracts;
SWAP BENEFIT	means a benefit you may receive on a Position held overnight in a Position and which is described in the T&Cs;
SWAP CHARGE	means a charge you may have to pay on a Position held overnight in a Product and which is described in the T&Cs;
SWAP RATE	means the rate determined by us from time to time having regard to, among things, market rates and Financing Rates;
TOTAL MARGIN REQUIREMENT	means the sum of your Margin Requirements for all of your open Positions;
TRADING DAY	means Monday to Friday (Trading Platform Time) including public holidays during which our Trading Platform is open for trading. A Trading Day starts at 00:00 and ends at 24:00 of the Trading Platform Time.
TRADING PLATFORM	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;
TRADING PLATFORM TIME	means the time zone our Trading Platform is set in. This may change from time to time and is generally GMT+2 or GMT+3. Please refer to our Website for the time zone of our Trading Platform Time.
UNDERLYING INSTRUMENT	means the instrument which we list as being available to underlie an Order or Contract. An Underlying Instrument could be currency, an Index, Commodity, futures contract, or other instrument or asset or factor the reference to which the value of a Product is determined.
UNDERLYING MARKET	means the market in which the Underlying Instrument is traded;
USD	means the lawful currency of the United States of America.
VARIATION MARGIN	has the meaning referred to in Section 6.3;
WE/ US/ OUR / FBS OCEANIA	means Intelligent Financial Markets Pty Ltd (ACN 155 185 014);
WEBSITE	means any page hosted by the web domain name www.fbsaustralia.com and includes the Trading Platform and client portal.