BENEFOREX

# PRODUCT DISCLOSURE STATEMENT

# MARGIN FOREIGN EXCHANGE

You should read all sections of this Product Disclosure Statement

before making a decision to acquire this financial product.

Benefit Zone Global Limited

# 1. Important Information

## Notes and Disclaimer

Terms used in this Document have defined meanings and you should refer to 'Glossary' in section 21. Financial services are provided by Benefit Zone Global Limited ("BENEFOREX"). This Product Disclosure Statement ("PDS") has been prepared to help you decide whether Margin Foreign Exchange ("Margin FX") Contracts are appropriate for your financial objectives, situation and needs. It has not been prepared to take into consideration your current financial needs or objectives. This PDS does not constitute a recommendation, advice or opinion. It is general information only.

Margin FX products are considered speculative products which are highly leveraged and carry significantly greater risks than non-geared investments, such as shares. You should not invest in Margin FX products unless you properly understand the nature of Margin FX products, and are comfortable with the attendant risks. You should obtain financial, legal, taxation and other professional advice prior to entering into a Margin FX transaction to ensure this is appropriate for your objectives, needs and circumstances.

The taxation consequences of Margin FX transactions can be complex and will differ for each individual's financial circumstances, and your tax adviser should be consulted prior to entering into a Margin FX transaction.

BENEFOREX also recommends that you seek independent advice to ensure this is appropriate for your particular financial objectives, needs and circumstances.

This PDS has not been lodged with the Cyprus Securities and Exchange Commission (**"CySec"**) and is not required by regulations to be lodged with CySec. CySec takes no responsibility for the contents of this PDS. Where financial services are being provided from a location outside of Cyprus, the regulation only applies to the services provided to Cyprus investors only.

Nothing in this PDS should be considered as a recommendation to trade in Margin FX Contracts or trade in any particular currency in any way.

BENEFOREX does not guarantee the investment performance of Margin FX products or the investment performance of the underlying markets or instruments. Past performance is no indication or guarantee of future performance.

Use of examples in this PDS are provided for illustrative purposes only and do not necessarily reflect our actions or determinations or an investor's personal circumstances.

## How to contact us:

If you have any questions, please contact BENEFOREX as follows:

Benefit Zone Global Limited

12E, Floor 8, Witty Com Building, 1A-/1L, Tung Choi Street
Phone: 1300 858 952
Email: support@beneforex.com
Website: www.beneforex.com

## Electronic Versions of the PDS

This PDS document is available on the internet at www.beneforex.com in electronic format. Any person receiving this document electronically who requests a paper copy will be sent documentation to include account opening forms, Client Agreement Terms and Conditions along with the Financial Services Guide from Benefit Zone Global Limited.

## Updated Information

All clients shall be bound by the contents of this PDS. Information which is not materially adverse to Investors may be subject to change from time to time and will be updated on BENEFOREX's website at www.beneforex.com. If you require a paper copy of any updated information, please contact BENEFOREX. BENEFOREX may issue a supplementary or replacement PDS as a result of certain changes, which shall be available on our website or shall be distributed in electronic form as required.

## Treatment of Overseas Applicants

This PDS does not constitute an offer or invitation in any place outside Cyprus 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 Cyprus may be restricted by law and persons who come into possession of this PDS should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable law.

The offer to which this PDS relates is available to persons receiving the PDS (electronically or otherwise) in Cyprus, who provide a Cyprus address for service when making their application. Application forms which do not specify a Cyprus address for service (or which are accompanied by payment drawn from a foreign bank account) may be rejected and returned.

## Applications

If you wish to apply for a Margin FX account in paper form you must complete and return the BENEFOREX application form agreeing to be bound by the contents of this PDS, the Client Agreement Terms and Conditions and FSG. If an electronic Margin FX application is completed you will need to electronically agree that you have read and understood the Client Agreement Terms and Conditions, FSG and this PDS. When applying for a Margin FX account you agree to be bound by the contents within this PDS.

## Products covered in this PDS

This is a PDS for Derivatives and foreign exchange products provided by BENEFOREX. These are over the counter ("OTC") contracts. Foreign exchange is essentially exchanging one currency for another. The exchange rate is the price of one currency in terms of another currency such as the price of the Australian dollar ("AUD") in terms of the United States dollar ("USD"). For example, if the current exchange rate for the AUD as against the USD is AUD/USD 0.9000, this means that one AUD dollar is equal to, or can be exchanged for, 0.9000 USD or 90 US cents.

BENEFOREX products do not result in the physical delivery of the currency, including some products which are deemed to be foreign exchange contracts. All of the FX products are cash adjusted or Closed Out by the client i.e. there is not a physical exchange of one currency for another.

**Warning** Margin FX products are considered speculative products which are highly leveraged and carry significantly greater risks than non- geared investments, such as shares. You should not invest in Margin FX products unless you properly understand the nature of Margin FX products, and are comfortable with the attendant risks. You should obtain financial, legal, taxation and other professional advice prior to entering into a Margin FX transaction to ensure this is appropriate for your objectives, needs and circumstances.

# Table of Contents

# 2. Terms and Conditions

Information provided to you in our FSG and PDS is important and is binding on you. Additional legal terms governing our relationship are detailed in the Client Agreement. If you are applying online you must complete the application in its entirety and then electronically submit the application to BENEFOREX for processing. If you complete a hardcopy application you must complete the application in its entirety, sign and return the application form via email fax or by post, and then have your Account approved by BENEFOREX. BENEFOREX reserves the right to refuse to open a Margin FX Account for any person.

BENEFOREX does not guarantee the performance, return of capital from, or any particular rate of return, of a Margin FX product or transaction. Clients may lose more than the amount of funds in their Margin FX Account, and should only invest risk capital (that is, capital you can afford to lose). Please note that the historical financial performance of any Margin FX or underlying instrument/market is no guarantee or indicator of future performance.

Please note that the examples provided in this PDS are only provided for illustrative purposes only and do not necessarily reflect current or future market or product movements, the values that BENEFOREX will apply to a trade, nor how such trades impact your personal circumstances. The figures used in the examples do not necessarily reflect your personal circumstances and do not restrict in any manner the way in which BENEFOREX may exercise its powers or discretions. Those examples do not constitute general or personal financial product advice to any person reading this PDS.

BENEFOREX accepts Margin FX transaction order instructions primarily via the electronic trading platform and will also accept order instructions via telephone.

You are required to access the electronic trading platform on a daily basis to confirm that any order instructions have in fact been received by us, reconfirm all orders that you place with us, review order confirmations we provide, to ensure their accuracy and monitor your Margin obligations. Any order discrepancies identified must be reported to us immediately.

BENEFOREX will provide all clients, via the electronic trading platform or the website, with access to both daily and historical account statements allowing you to check your open positions, Margin requirements and cash balances, and trading confirmations. Should you have any queries relating to your statements we encourage you to contact us.

# 3. Advice

BENEFOREX is authorised to buy and sell Margin FX Contracts and to give advice in relation thereto. We only provide you with general advice, which does not take into account your particular needs, objectives and circumstances. No personal advice will be provided to any client under any circumstances.

This PDS does not take into account your investment objectives, financial situation or needs. Accordingly, nothing in this PDS should be construed as a recommendation by us or any other person to invest in Margin FX Contracts, a currency or any other financial product. You are responsible for the selection of the Currency Pair for any Margin FX Contract you transact with us. We make no representation about the performance of any currency. The performance of the Margin FX Contract will depend on the investment decisions made by you.

# 4. Summary Table

This is a summary only of the key features and characteristics involved in dealing in our Margin FX Contracts. In addition to this summary, you should ensure you have read and understood the contents of this PDS, the Client Agreement and our Financial Services Guide (FSG).

| Issue | Summary |
|---|---|
| Who is the issuer of this PDS and the Margin FX Contracts? | BENEFOREX is both the issuer of this PDS and the provider of Margin FX Contracts. |

| | |
|---|---|
| What is a foreign exchange transaction? | Foreign exchange is about exchanging one currency for another. In a foreign exchange transaction one currency can be bought or sold in exchange for another currency. |
| What financial products do we provide? | Margin FX Contracts. |
| What are Margin FX Contracts? | A Margin FX Contract is an agreement under which you may make a profit or incur a loss arising from fluctuations in the price of the contract. The prices of our Margin FX Contracts are based on the price of an underlying currency. However, you do not own that Underlying Instrument or trade it on an exchange by owning a Margin FX Contract. By entering into a Margin FX Contract,<br>you are either entitled to be paid an amount of money or required to pay an amount of, money depending on movements in the price of the contract. The amount of any profit or loss made on a Margin FX Contract will be the net of:<br>- the difference between the price of the contract when the position is opened and the price of the contract when the position is closed;<br>- any Margin adjustments in respect of the contract;<br>- any Swap Charges and Swap Benefits relating to the contract.<br>The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as interest on debit balances. |
| What is a Position? | A Position is a Margin FX Contract entered into by you under the Client Agreement. |
| A Margin FX Contract is issued “over the counter”. What does this mean? | Over the counter (“OTC”) means that you do not trade in Margin FX Contracts through an exchange or market; rather, it is a transaction between you and us. This means you can only<br>enter into contracts in relation to our products with us. You do not have the protections normally associated with trading on a regulated market. It is not possible to close a Margin FX Contract by giving instructions to another provider, broker or Cyprus financial services licensee. |
| What charges are payable when dealing in Margin FX Contracts? | The common fees and charges you will incur when dealing in Margin FX Contracts may incorporate any or all of the following:<br>· Payment of Margins;<br>· Margin adjustments;<br>· Swap Charges and Credits at the applicable Swap Rates;<br>· Interest charges applied to debit balances in your Account;<br>· Administration charges; and In addition, we will apply a bid / offer spread in respect of financial products, which will also affect the profits or losses you make when dealing with these contracts. |
| How do I open an Account? | Read this PDS, the Client Agreement and our FSG, and then complete an application form. You may obtain these documents by:<br>· telephoning us 1300 858 952<br>· going to our website at www.beneforex.com |
| What is the minimum balance to open an account? | USD$100 or equivalent. Unless otherwise specified, all dollar amounts referred to in this PDS are denominated in US Dollars. |
| How do you deal in Margin Contracts with us? | You may place orders to deal in Margin Contracts in two ways:<br>- by telephoning on 1300 858 952<br>- using our Trading Platform through a computer connected to the internet or your mobile telephone.<br>We will not accept orders or instructions from you through any other means, such as email,<br>unless we have previously agreed with you to do so. It is possible for a third party to place orders on your behalf provided that a written Power of Attorney or authority has been received and accepted by us. |
| What is BENEFOREX Social Trading? | BENEFOREX Social Trading is a social trading network site provided separately by BENEFOREX, which<br>enables members to interact, observe and copy other traders with the provision of real-time performance and analysis. |
| What are “long” and “short” positions? | You go “long” when you buy a Margin FX Contract or place an order to open a Position in the expectation that the price of the Underlying Instrument will increase, which would have the effect that the Position’s price will increase. You go “short” when you sell a Margin FX Contract or place an order to open a Position in the expectation that the price of the Underlying Instrument will decline, which would have the effect that the Position price will decline. If this occurs, because you have sold a Margin FX Contract (rather than bought a Margin FX Contract), you would make a profit if you closed the position at this point, subject to our fees and charges. |

| | |
|---|---|
| What are "long" and "short" positions? | You go "long" when you buy a Margin FX Contract or place an order to open a Position in the expectation that the price of the Underlying Instrument will increase, which would have the effect that the Position's price will increase. You go "short" when you sell a Margin FX Contract or place an order to open a Position in the expectation that the price of the Underlying Instrument will decline, which would have the effect that the Position price will decline. If this occurs, because you have sold a Margin FX Contract (rather than bought a Margin FX Contract), you would make a profit if you closed the position at this point, subject to our fees and charges. |
| How do I close-out a position? | You close a Position in a Margin FX Contract by you taking an equal and opposite Position with us either by single Position Closing or opposite Position Closing. |
| How do we deal with your money? | Money which you deposit with us will be regulated in accordance with the requirements of the CySec. |
| What is my "Total Equity"? | Your "Total Equity" is the aggregate of:<br>· the current cash balance in your Account; and<br>· your current unrealised profits and losses. |
| What is my "Free Equity"? | Your "Free Equity" is your Total Equity less your current Total Margin Requirement. The Free Equity is the amount that you may withdraw from your Account or use to cover additional Margin requirements. |
| What is Margin? | Margin is initially the amount that you must have in your Account to enter into a Margin FX Contract with us. The level of Margin required to open and maintain these contracts is called the "Initial Margin Requirement". The sum of your Margin requirements for all of your open Positions is called the "Total Margin Requirement". Margin requirements will fluctuate with the value of the Underlying Instrument on which the contract is based. Further, where you deal in a contract that is denominated in a currency other than the Base Currency of your Account, your Margin requirement may also be affected by fluctuations in the relevant foreign exchange rate. |
| What is a Margin Call by us? | A Margin Call is a demand for additional funds to be deposited into your Account to meet your Total Margin Requirement because of adverse price movements on your open Positions. |
| How are payments made in and out of my Account? | You may deposit funds by credit card, electronic transfer, Neteller or by Skrill. All funds must be Cleared Funds in your Account before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in Margin FX Contracts. |
| Do I receive interest on moneys held in my Account or pay interest on moneys I owe to you? | You may be required to pay a Financing or Swap Charge on long Positions that remain open overnight. However, you should note that on occasions when you have long Positions in Margin FX Contracts you may in fact receive Swap Benefits. |
| Do I pay any Financing or Swap Charges? | If you have a Swap Free Account, then you will not pay a Financing or Swap Charge but you will have to pay an administration fee.<br>You may receive a Financing Benefit or Swap Benefit on short Positions that remain open overnight. However, you should note that on occasions when you have short Positions in Margin FX Contracts you may in fact pay Swap Charges. |
| Do I receive any Financing or Swap Benefits? | If you have a Swap Free Account, then you will not receive a Financing or Swap Benefit. |
| What are the key benefits? | Some of the key benefits for each type of Margin FX Contracts offered by us in this PDS are set out in Section 6. |
| What are the risks of Margin FX Contracts? | Margin Contracts are Derivative products that are speculative, highly leveraged, and carry significantly greater risk than non-geared investments such as shares. You may incur losses to the extent of your total exposure to us and any additional fees and charges that apply. These losses may be far greater than the money that you have deposited into your Account or are required to deposit to satisfy Margin requirements. You should obtain your own independent financial, legal, taxation and other professional advice as to whether Margin FX Contracts are an appropriate investment for you. |
| What procedures are in place to deal with your complaints? | We provide a complaints handling and dispute resolution process for our clients. If you wish to make a complaint, please see section 18. |
| What are the taxation implications | The taxation consequences of Margin FX transactions depend on your personal circumstances. Some general taxation consequences are set out in Section 15. The taxation consequences can be complex and will differ for each individual's financial circumstances. We recommend that you obtain |

| | |
|---|---|
| of entering into Margin FX Contracts? | independent taxation and accounting advice in relation to the impact of foreign exchange transactions and products on your particular financial situation. |
| What are our trading and office hours? | Trading Hours<br>Trading hours for Margin Contracts will depend on the relevant Underlying Instrument Market's hours of operation, and are set out on our website.<br>Office Hours<br>Our office hours are Monday to Friday, 9.30 am to 6.30 pm GMT+8, subject to public holidays. |
| What if I need further information? | You should speak to your financial advisor, or, alternatively, you can contact us by:<br>· telephone: 1300 858 952<br>· email: support@beneforex.com<br>· internet: www.beneforex.com |
| What additional fees and charges are payable in respect of a Margin FX Contract? | Whilst we endeavour to include all fees and charges in the spread quoted, in some circumstances you may incur fees and charges which are set out in this PDS. See section 14. |

# 5. Key Features of the BENEFOREX Margin FX Contracts

## Margin FX Contracts

Margin FX transactions are over-the-counter ("OTC") Derivatives. "Foreign exchange" generally refers to trading in foreign exchange products (currency) in the spot (cash) markets. Margin foreign exchange products can be differentiated from foreign currency as they 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 other words, investors are required to lodge funds as security (initial Margins) and to cover all net debit adverse market movement (variation margins) i.e. positions are monitored on a mark-to-market basis to account for any market movements. When clients are making a loss to an extent that they no longer meet the Margin requirements they are required to "top up" their accounts or to "close out" their Position. Foreign exchange is essentially about exchanging one currency for another at an agreed rate.

Accordingly, 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 the AUD in terms of the USD.

Margin FX Contracts allow you to gain exposure to movements in currency rates. When opening a Margin FX Contract, BENEFOREX will quote a bid and offer price for an exchange rate. For example, we might quote the AUD against the USD as 0.8999/0.9001. If you thought the AUD was going to rise against the USD you would 'buy' the Margin FX Contract at 0.9001. If you thought the AUD was going to fall against the USD you would 'sell' the Margin FX Contract at 0.8999. You can close your Position in the same way.

Margin FX Contracts do not require the physical exchange of one currency for another. Margin FX Contracts will always be cash settled and the Margin FX Account either credited or debited according to the profit or loss of the trade.

Margin FX Contracts provide an alternative short to medium term trading strategy giving you many of the benefits of trading foreign exchange without having to physically hold the currencies. Investors who trade in Margin FX Contracts do so for a variety of reasons, two of which are:

1. speculation - an attempt to profit from fluctuations in the price of the Base Currency against the Term Currency;
2. hedging - an attempt to counteract the risk of currencies moving against you.

BENEFOREX only offer Spot Margin FX Contracts. A Spot Margin FX Contract is an agreement under which you will either buy or sell a Margin FX Contract at a fixed price where the Value date (being the date that both parties agree to exchange payments) is within two business days after the date of opening the Margin FX Contract.

How Margin FX Contracts work is illustrated in examples in section 8. While holding a position overnight, unless you hold a Swap Free Account, your account is debited or credited using the applicable overnight Tom-Next rate (Swap Charge or Swap Credit). If you hold a Swap Free Account then your account will be charged an administration fee.

The Margin FX contract is a contract between you and BENEFOREX, which means both parties act as principals to the transaction and have a direct credit exposure to each other. You do not trade through an exchange and are not afforded the protections normally associated with exchange-traded Derivatives, such as guarantee arrangements

## How is the Exchange Rate Calculated?

BENEFOREX cannot predict future exchange rates and our quotations are not a forecast of where we believe a FX rate will be at a future date. The decision to transact at a particular exchange rate will generally be the client's decision. However, for example, BENEFOREX, may close out a client's open position if the client fails to meet their Margin requirements. In this situation, the decision to transact at a particular exchange rate would be at BENEFOREX's discretion. The price to be paid or received for FX products offered by BENEFOREX, at the time the product is purchased or sold, will be based on the price BENEFOREX is quoted from its hedging counterparties which is a complex calculation based on estimates of market prices and the expected level of interest rates, implied volatilities and other market conditions during the life of the FX product.

## Calculating Profit and Loss

The profit or loss from a transaction is calculated by keeping the units of one of the currencies constant (the "Base Currency") and determining the difference in the number of units of the other currency (the "Term Currency"). The profit or loss will be expressed in the units of the currency which is not kept constant.

## Leveraging

With a Margin FX Contract, you are only required to provide a Margin in order to secure an exposure to the Base Currency the subject of the Margin FX Contract. You are not required to provide the amount of the Term Currency to which the Margin FX Contract relates. Below is an example of how leveraging can work for you (assuming the Margin FX Contract is not rolled over to a new Value date). It compares a Long Margin FX Contract for the purchase of US $100,000 dollars with Japanese yen (JPY) with the actual purchase of US dollars for Japanese yen through a foreign exchange dealer:

| | **Long Margin FX Contract** | **Physical FX Dealer Trade** |
|---|---|---|
| Amount of USD (Base Currency) | 100,000 | 100,000 |
| Buy Price in terms of JPY (Term Currency) | 84.5 JPY | 84.5 JPY |
| Margin required (assumed to be 1% / Purchase price payable) | 84,500 JPY | 8,450,000 JPY |
| Total Outlay | 84,500 JPY | 8,450,000 JPY |
| Sell Price | 84.53 JPY | 84.53 JPY |
| Gross profit/(loss) | 3,000 JPY | 3,000 JPY |
| Goods & Service Tax | - | - |
| Net profit/(loss) | 3,000 JPY | 3,000 JPY |
| Return on Investment | 3.550% | 0.036% |

*Leveraging has the effect of magnifying any profits but also magnifies any losses and consequently carries great risk as set out in section 7. The above example is for illustrative purposes only. It assumes the Margin FX Contract was opened and closed out on the same day and, therefore, does not show the effect of a mark to market payment or a Swap Charge. The example does not take into account the effect of spread or the currency conversion calculation fee.*

## Islamic (Swap Free) Accounts

The BENEFOREX Swap Free Account is designed specifically for, and available only to, clients who cannot receive or pay swaps or rollover interest on overnight positions for religious reasons. Instead of being credited or debited with a Swap Credit or Swap Charge when holding a position overnight, a Swap Free Account will be charged an administration fee – see the table of administration charges which is published in the section on our website (www.beneforex.com), and which is available on request at no charge. We reserve the right to change the table of administration charges from time to time. Apart from this difference, Swap Free Accounts have exactly the same trading conditions and terms as our regular Margin FX Account.

If you would like to open a Swap Free Account you must open a Margin FX Account and then make a request for your account to be converted into a Swap Free Account. Such requests must be made by completing and submitting the 'Islamic (Swap Free) Account Request Form', which is accessible on our website at (https://www.beneforex.com). We will evaluate your request and provide you with an email confirmation as to whether the request is accepted or not. If accepted, all subsequent trading accounts opened by you with us will be automatically occur on a 'swap free' basis without any further action by you.

*Terms of use*

Swap Free Accounts are to be used in good faith and, clients may not use the Swap Free Account to make profits from not paying swap charges. We will not pay any Swap Credit amounts that have been lost as a result of converting your Margin FX Account(s) into one or more Swap Free Accounts for the period during which your Margin FX Account(s) have been converted into one or more Swap Free Accounts.

Our Swap Free Accounts are available only to those clients who cannot use ‘swaps’ owing to their religious beliefs. We therefore reserve the right to revoke an account's 'swap free' status at any time and for any reason. If we decide that a Swap Free Account is being abused for any reason, including through fraud, manipulation, cash-back arbitrage, carry trades, or other forms of deceitful or fraudulent activity, than we reserve the right to take any of the following action:

a) with immediate effect, revoking the 'swap free' status of all live trading accounts that are under suspicion;
b) correction and recovery of accrued swaps and related accrued interest expenses and/or costs pertaining to and all of the client’s Swap Free Accounts for the period which the accounts were converted into Swap Free Accounts;
c) termination of the client agreement; and/or
d) with immediate effect, nullifying all trades carried out on client’s trading accounts and, cancelling any profits earned or losses incurred on such client’s trading accounts.

# 6. Benefits of trading BENEFOREX Contracts

Margin FX Contracts can provide important risk management tools for those who manage foreign currency exposures. BENEFOREX offers its clients the ability to buy and sell foreign currency using Margin FX Contracts. This enables clients to protect themselves against adverse currency market swings. The significant benefits of using Margin FX Contracts offered by BENEFOREX as a risk management tool are to protect your exchange rate and provide cash flow certainty. These and other benefits are as follows:

## Protect an Exchange Rate

BENEFOREX provides an online trading platform, enabling clients to trade in OTC Derivatives such as Margin FX Contracts over the internet. This facility provides clients with direct access to our system to enable them to buy and sell currency rates to protect themselves against adverse market swings. BENEFOREX also offers clients a way of managing volatility by using stop loss orders that enable clients to protect themselves against adverse market swings yet secure enhanced market rates when offered. Clients can eliminate downside risk by the use of Stop Orders if the exchange rate reaches a particular level. In addition, clients may also use Limit Orders which allow clients the opportunity to benefit from favourable upside market movements.

Limit Orders can be used by you to place instructions with us to open or close out a Margin FX Contract where the relevant Base Currency (against the Term Currency) reaches a specified price or better.

Stop Orders can be used by you to place instructions with us to open or close out a Margin FX Contract if the price of a Base Currency (against the Term Currency) reaches a pre-determined level. Stop Orders are often used to attempt to limit the amount which can be lost on a Margin FX Contract.

**Please note:** Limit Orders and Stop Orders are not guaranteed and the execution of such orders will depend on market volatility and liquidity.

### Trade in small amounts

The BENEFOREX system enables you to make transactions in small amounts. You can start using BENEFOREX even with an opening balance as little as AUD $500. When trading in a Margin FX Contract offered by BENEFOREX you may deposit the sum that suits you, or the amount which is in line with the amount you are willing to risk. With BENEFOREX you are in full control of your funds. BENEFOREX allows trading with as little as $2 Margin requirements.

### Access to true 24 hour markets

When using BENEFOREX you gain access to a trading system which is active and provides you with the opportunity to trade 24 hours a day, 5 days per week on any global FX market which is open for trading. This gives you a unique opportunity to react instantly to breaking news that is affecting the markets. It should be noted however, that trading in the various currency crosses may be restricted to hours where liquidity is available for any given currency cross.

## 7. Risks of trading Margin FX Contracts

This section does not detail ALL risks applicable to Margin FX Contracts but rather seeks to highlight the key significant risks involved in trading in Margin FX Contracts.

Trading in Margin FX Contracts carries a high level of risk and returns are volatile. BENEFOREX recommends that you obtain independent professional advice and carefully consider whether Margin FX Contracts are appropriate for you in light of your financial needs and circumstances. Trading in Margin FX Contracts should not be undertaken unless you understand and are comfortable with the risks of geared investments.

### Derivatives Risk

- The risk of loss in trading Derivatives can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. In considering whether to trade you should be aware of the following:
- You could sustain a total loss greater than the amount that you deposit with BENEFOREX to establish or maintain a contract.
- If the Derivatives market moves against your position, you may be required to immediately deposit additional funds as additional Margin in order to maintain your position i.e. to “top up” your Account. Those additional funds may be substantial. If you fail to provide those additional funds, BENEFOREX may close out your open Positions. You will also be liable for any shortfall resulting from that closure.
- Under certain market conditions, it could become difficult or impossible for you to manage the risk of open Positions by entering into opposite positions in another contract or close out existing Positions.
- Under certain market conditions the prices of contracts may not maintain their usual relationship with the underlying foreign currency market.
- The Margin FX contracts offered by BENEFOREX involve risk. However, the placing of Contingent Orders such as a Stop Order will potentially limit your loss. A Stop Order will be executed at or near the exchange rate requested by the client but is not guaranteed at the exact level. Accordingly, Stop Orders may not limit your losses to the exact amounts specified. A contract of this nature will be executed as soon as the exchange rate is identical to the order given by you. Stop Orders are offered at the discretion of BENEFOREX makes no guarantee that these orders will be available at all times or at all price levels.

### Leverage

A high degree of leverage is obtainable in trading Margin FX contracts because of the small Margin requirements which can work against you as well as for you. The use of leverage can lead to large losses as well as large gains. The impact of leverage is that even a slight fluctuation in the market could mean substantial gains when these fluctuations are in your favour, but that could also mean considerable losses if the fluctuations are to your detriment.

Below is an example of how leveraging can work against you (assuming the Margin FX Contract is not rolled over to a new Value date). It compares a Long Margin FX Contract for the purchase of US $100,000 dollars with Japanese yen (JPY) with the actual purchase of US dollars for Japanese yen through a foreign exchange dealer:

| | **Long Margin FX Contract** | **Physical FX Dealer Trade** |
|---|---|---|

| | | |
|---|---|---|
| Amount of USD (Base Currency) | 100,000 | 100,000 |
| Buy Price in terms of JPY (Term Currency) | 84.5 JPY | 84.5 JPY |
| Margin required (assumed to be 1% / Purchase price payable) | 84,500 JPY | 8,450,000 JPY |
| Total Outlay | 84,500 JPY | 8,450,000 JPY |
| Sell Price | 84.53 JPY | 84.53 JPY |
| Gross profit/(loss) | 3,000 JPY | 3,000 JPY |
| Goods & Service Tax | - | - |
| Net profit/(loss) | 3,000 JPY | 3,000 JPY |
| Return on Investment | 3.550% | 0.036% |

*The above example is for illustrative purposes only. It assumes the Margin FX Contract was opened and closed out on the same day and, therefore, does not show the effect of a mark to market payment or a Swap Charge. The example does not take into account the effect of spread or the currency conversion calculation fee.*

## BENEFOREX Risk/ Counterparty Risk

As BENEFOREX is the market maker i.e. the issuer of the Margin FX products described in this PDS, BENEFOREX is the counterparty to every contract. You will have an exposure to us in relation to each contract as is common to all OTC financial market products. You are therefore exposed to the financial and business risks, including credit risk, associated in dealing with BENEFOREX and reliant on BENEFOREX's ability to meet its counterparty obligations to you to settle the relevant contract. Our ability to fulfill our obligations is linked to our financial wellbeing, which is commonly referred to as credit or counterparty risk. You must make your own assessment of our ability to meet our obligations. BENEFOREX has not been rated by an external credit rating agency. If we were to become insolvent, we may be unable to meet our obligations to you. BENEFOREX may become unable to operate its Margin FX market as a result of a regulatory impediment (for example BENEFOREX ceasing to hold CySEC or because CySEC imposes a stop order on the PDS issued by BENEFOREX).

BENEFOREX enters into arrangements with third party execution and clearing providers for the facilitation of transactions and settlements, and avails monies received for Margin Calls and settlements to such providers for this purpose. Accordingly, clients are indirectly exposed to the financial risks of our counterparties and organisations with which BENEFOREX holds client funds. If the financial condition of BENEFOREX or assets of our counterparties or the parties with which we hold client assets deteriorate, then clients could suffer loss because the return of the client capital could become difficult.

You are reliant on BENEFOREX's ability to meet its counterparty obligations to you to settle the relevant contract. BENEFOREX may choose to limit this exposure by entering into opposite transactions as principal in the wholesale market in relation to its exposures with clients. In addition, BENEFOREX must comply with the financial requirements imposed under CySec.

Please contact us in writing at the address/email provided herein, should you wish to obtain a free-of-charge copy of our latest audited financial statements which may assist in your assessment of credit risk.

## Market Volatility

Foreign exchange currency markets are subject to many influences which may result in rapid currency fluctuations and reflect unforeseen events or changes in conditions with the inevitable consequence being market volatility.

Given the potential levels of volatility in the foreign exchange markets, it is therefore recommended that you closely monitor your positions with BENEFOREX at all times. Foreign exchange currency markets are highly volatile and are very difficult to predict. Due to such volatility, in addition to the spread that BENEFOREX adds to all calculations and quotes, no such Margin FX contract offered by BENEFOREX, or any other financial services provider, may be considered as a safe trade.

All Derivatives involve risk and there is no trading strategy that can eliminate it. You could lose all of the initial Margin that you deposit to establish or maintain a Margin FX Position. In cases where you are speculating we suggest that you do not risk more capital than you can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.

## Foreign Exchange Risk

Your profits and losses may be affected by fluctuations in the relevant foreign exchange rate between the time the order is placed and the time the Margin FX Contract is closed out. For example, what may appear as a profit from the Margin FX Contract may actually constitute a loss in the chosen Base Currency due to currency fluctuations. Until the foreign currency balance is converted to the Base Currency, fluctuations in the relevant foreign exchange rate may affect the Unrealised Profit/Loss made on the Margin FX Contract. Foreign currency markets can change rapidly. Exchange rates depend on a number of factors including, for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended. There is always operational risk associated with the currency conversion calculation process that is undertaken for Margin FX Contracts. For example, disruptions in our operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a transaction.

## Clients' Money

Your funds are held in our client trust account and are comingled with the funds of all of our other clients. Subject to the Cyprus regulations, your funds kept in our client trust account can be used for the purposes of covering payments for other clients and meeting our Margin requirements with our OTC Derivatives Providers. This means that you may potentially suffer losses as a result of default by another client where money from the client trust accounts is applied to cover that client's payment obligations. Moreover, you may not receive all the money held by us on your behalf in the client trust account if there is a deficit in the client trust account and we become insolvent or are otherwise unable to pay the deficiency.

## Margins

Each open Margin FX Contract will require you to maintain a certain amount of Margin with us. In the case of a Margin FX Contract, the Margin is calculated as a percentage of the Contract Value of the Margin FX Contract at any time.

Please note that if the price of the Base Currency moves against you, you may be required, at short notice, to deposit with us additional cash in order to maintain your Margin FX Contract. Due to the volatile nature of the global foreign exchange market, the time in which you are required to deposit additional cash may vary significantly. Due to the highly volatile nature of foreign exchange markets, we cannot give you definite timeframes for you to meet your Margin requirements. In some circumstances, we may need to close out your open Margin FX Contracts immediately if you fail to meet Margin requirements in order to minimise our risk exposure. Under the Client Agreement, a failure to meet our Margin requirements is an event of default and we have the right to immediately close out your Margin FX Contracts. You must regularly monitor your own Margin requirements.

In order to manage the risk that you would not have sufficient funds in your account to maintain your Margin FX Contract positions open, we may take the following measures:

- If the Margin required to maintain your Margin FX Contract positions open takes up 100% of the funds shown in your Margin FX Account, you are regarded as being on Margin Call;
- If the funds available in your Margin FX account only covers 80% or less of the Margin requirements for your open Margin FX Contracts, you will receive a visual message automatically on the BENEFOREX Trader platform for you to consider taking appropriate action which can include depositing further funds or reducing exposure; and
- If the funds available in your Margin FX account only covers 50% of the Margin requirements for your open Margin FX Contracts, your worst offending Margin FX Contract (i.e. the contract with the largest Margin requirements) will be automatically closed out.

However, irrespective of the steps we take, it is your responsibility to ensure that you have paid to us sufficient funds in order to satisfy our Margin requirements. If you fail to have sufficient Margin at any time, your Margin FX Contract may be closed out by us, without notice, at a loss to you and you may be charged default interest. We have sole discretion to determine how much Margin is required.

*Example – Closing out Margin FX Contracts as a result of breach of Margin requirements:*
*This example assumes that the applicable Margin Percentage rate is 1% of the Contract Value of your open Margin FX Contracts. See section 13 on how Margin requirements are determined.*

*The Margin FX account balance is USD$1,500.*

*The client buys (long) 1 Standard Lot of AUD/USD (100,000) at 0.9040 and the Margin requirement is USD $1,000. The Margin Percentage currently held is 150% (Margin FX account balance/Margin x 100) i.e. the client has 1.5 times the Margin requirement.*

*AUD/USD falls to 0.8994, the Margin FX Account balance becomes USD$988.55 whilst the margin requirement is still USD$1,000. The client's Margin FX account balance is calculated by deducting the loss of USD $460 or AUD $511.45 from $1,500. The Margin Percentage is now 98.85% and is deemed to be in Margin Call as the Margin FX account balance covers less than 100% of Margin requirement.*

*AUD/USD continues to fall and reaches 0.8976. The Margin FX account balance is now $786.99 and Margin Percentage is now 78.70%. As the Account is below 80% the client will see a visual reminder on the trading platform.*

*AUD/USD falls further and reaches 0.8949. The Margin FX account balance falls to $483.13 and Margin Percentage is now 48.31%. As the Account is below 50% Margin coverage, the position will be closed out at the first available opportunity.*

*If the client has a number of open Margin FX Contracts and the Margin Percentage is below 50%, the Margin FX Contract with the largest Margin requirement will be automatically closed first. Other Margin FX Contracts in order of the largest Margin requirement will also be closed until the Margin Percentage is restored above 50%.*

Our Margin requirements are subject to change on our ongoing assessment of our risk of loss from a failure to recover losses. If we change our Margin requirements, we will contact you directly via email or by calling you.

## Stop Orders and Limit Orders are not guaranteed

The placing of a Stop Order can potentially limit your loss, however, we do not guarantee that a Stop Order will do so. Similarly, a Limit Order can maximise your profit but there is also no guarantee of this. This is because, for example, foreign exchange markets can be volatile and unforeseeable events can occur which mean that it is possible that Stop Orders and Limit Orders may not be accepted, or may be accepted at a price different to that specified by you. You should anticipate being stopped out at or limited at a price worse than the price you set. You may suffer losses as a result.

## Interest, Swap Charges and Swap Credits

Financing costs, Swap Charges, Swap Credits and administration fees (in the case of Swap Free Accounts) can impact on the overall return of a Margin FX Contract. Please see to section 14 for an explanation of Swap Charges and Swap Credits.

## Gapping

In fast moving or illiquid markets "gapping" may occur. Gapping occurs when market prices do not follow a "smooth" or continuous trend and are typically caused by external factors such as world, political, economic and corporate related events. Should gapping occur in the underlying product on which your Margin FX contract is based, you may not be able to close out your position or open a new position at the price at which you have placed your order.

## You may not be able to manage risk

It could become difficult or impossible for you to manage the risk of an open Margin FX Contract by entering into an opposite position in another Margin FX Contract to close out the existing Margin FX Contract. This is because:

- We have discretion to refuse to accept an order requested by you. For example, we may refuse to accept an order when there is a significant change in prices over a short period or a lack of liquidity in foreign exchange markets due to significant volatility or uncertainty of trading; or
- The relevant Currency Pair may no longer be on our list of available Currency Pairs. We may decide to cease offering a Currency Pair if, amongst other things:
  - our OTC Derivatives provider is not able to get quotes from the banks and institutions in respect of the relevant currency or Currency Pairs;
  - liquidity for the currency is poor and/or that trading in the currency would no longer be prudent as spreads could be wide;
  - Governments interfere in the currency market to peg a currency or convert currencies to a single currency such as European Monetary Union.

We will inform you via our website and notifications on the BENEFOREX Trading platform within one month of making a decision to cease trading in a Currency Pair or becoming aware that the Currency Pair will not otherwise be available for trading.

## Operational risks

There are operational risks in Margin FX Contract transactions – the operation of your Margin FX account and the transaction of Margin FX Contracts is reliant on the continuing operation of, among other things, the BENEFOREX Trader platforms, our computers, the internet and your personal computer. Disruptions, failures or delays in any of these may lead to delays in the execution and settlement of Margin FX Contract transactions. While we will endeavour to provide you with access to trade on the BENEFOREX Trader platforms generally 24 hours a day, from 5.00am GMT+8 Monday to 5.00 am GMT+8 Saturday, there may be disruptions in the availability of the platforms. To the maximum extent permitted by law, no responsibility is taken for any liability incurred in connection with any disruption, failure or delay of the BENEFOREX platforms or any related infrastructure. We have outsourced the operation of the BENEFOREX platforms to a third party and we rely on this third party to ensure the systems are updated and maintained.

## Consequences of your default

If you fail to maintain the required Margin, pay other amounts payable to us or fail to perform any obligation under your Margin FX Contracts, we have extensive powers under our Client Agreement with you to take steps to protect our position including, for example, the power to close out Margin FX Contracts and to charge default interest. Under the Client Agreement you also indemnify us for certain losses and liabilities, including, for example, any default by you under the Client Agreement. Further our liability to you is expressly limited. You should read the Client Agreement carefully and obtain advice to make sure you understand these matters.

## Our right to exercise certain discretions

You should note that there are a number of provisions in the Client Agreement that confer discretion on us which could affect your Margin FX Contracts. These discretions include:

- Setting the price of the Base Currency used to open a Margin FX Contract and close out a Margin FX Contract. The price of a Base Currency is set with reference to the current market price offered to us from our hedging partners. However, in certain circumstances, the price we set may be different from the current market price. In particular:
  - we act as a market maker, mainly due to system failure and accordingly, set prices at which we are prepared to deal with you; and
  - if we cannot determine a price because trading in a currency is limited, then the price will be the price: o immediately preceding such limitation; or
    - determined by us in our absolute discretion, acting reasonably, but having regard to the prevailing market conditions affecting trading as a whole or trading in such currency;
- To close out all or part of your Margin FX Contracts, limit the total value of the Margin FX Contract you can open, refuse an order or terminate the agreement between us if certain circumstances arise including where we:
  - so decide in our absolute discretion provided we give you prior written notice of such decision; or
  - reasonably consider it necessary for the protection of our rights under the Client Agreement.

You do not have the power to direct us in the exercise of our discretions.

## Information we make available

We may make information available to you that is generated by us or obtained from third parties. This includes, but is not limited to, market information such as financial market data, quotes, news, analyst opinions and research reports, graphs or data. This market information:

- Is not intended to be advice;
- Is not endorsed or approved by us and we do not guarantee the accuracy, timeliness, completeness or correct sequencing of the market information;
- Is available as a service for your own convenience only;
- May quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances; and
- Is not necessarily up to date.

Except as required by law, we do not warrant any results from your use or reliance on the market information. We may discontinue offering this market information at any time without notice.

## Execution Risk

A delay in execution may occur for various reasons, such as technical issues with your internet connection to our trading servers. The BENEFOREX Trader Platforms may not be maintaining a constant connection with our trading servers. In those circumstances, the price offered by us may change before we receive your order. If you place an order and the price changes before the order is received, the order will be accepted by us at the new price. This means the price at which your order is accepted may be different from the price you were quoted. We cannot predict future price movements and our quotations are not a forecast of where we believe currency prices will be at a future time.

## Electronic Trading platform risk

You shall be responsible for providing and maintaining the means by which to access the electronic trading platform, which may include without limitation a personal computer, modem and telephone or other access line. While the internet and the World Wide Web are generally reliable, technical problems or other conditions may delay or prevent access thereto. If you are unable to access the internet and thus, the electronic trading platform, it will mean you may be unable to trade in a Margin FX product offered by BENEFOREX when desired and you may suffer a loss as a result. Should the system be unavailable, clients may place their orders via telephone with a representative of BENEFOREX. Furthermore, in unforeseen and extreme market situations, such as an event like September 11, or a global catastrophe, BENEFOREX reserves the right to suspend the operation of the electronic trading platform or any part or sections of it. In such an event, BENEFOREX may, at its sole discretion (with or without notice), close out your open contracts at prices it considers fair and reasonable at such a time. BENEFOREX may impose volume limits on client accounts, at its sole discretion. Please note that such measures would only be implemented in extreme market conditions, and such discretion only reasonably exercised in the best interests of the client.

## Regulatory Risk

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in Margin FX contracts, as may any regulatory action taken against BENEFOREX.

## No cooling off

There are no cooling-off arrangements for Margin FX contracts. This means that when BENEFOREX arranges for the execution of a Margin FX contract, you do not have the right to return the product, nor request a refund of the money paid to acquire the product.

## BENEFOREX Social Trading Risks

The social trading network provided by BENEFOREX is solely for information purposes. BENEFOREX and its associates do not provide trade recommendations or advice but merely offer the site as a way to access other traders decisions and performance. BENEFOREX exercises no control over, and bears no responsibility for, the traders listed nor their trading decisions. Accordingly, if you make investment decisions in reliance on information which is available on the BENEFOREX website or as a result of the use of the social trading features, you do so at your own risk and BENEFOREX (and its associates) will not be liable for any losses you may sustain. You should not make any trading decisions without first conducting your own research, and ascertaining the suitability of such trading for your personal circumstances and objectives.

If you choose to utilise the auto-copy feature in relation to a trader on the social trading network, that trader's positions shall be copied with the same proportional amounts and with the same leverage, to the extent possible. All such positions shall be closed automatically if and when closed by the copied trader and/or if the copied trader's positions were automatically closed by us, for whatever reason, without providing any further notice and without any action on your part. Accordingly, it is your responsibility to ensure that you monitor all open positions, and are able and prepared to bear any losses in relation to following such trader, and having your trading fully automated in line with such trader.

Please note that you may place additional trades or modify/cancel orders generated by the Autocopy feature, however, this will result in materially different performance, than the trader you copied.

Whilst the leader board is provided for your information, please always be aware that past performance is not indicative of future results, and no guarantees can be provided regarding the future performance of any traders. When reviewing the content, portfolio, financial performance information, opinions or advice of another registered user, you should not assume that the user is unbiased, independent or qualified to provide financial information or advice.

No aspect of the information and/or social trading features provided and/or made available on our websites is intended to provide, or should be construed as providing, any investment, tax or other financial related advice of any kind. You should not consider any such content and/or any such feature to a substitute for professional financial advice. If you choose to undertake transactions based on content on the website and/or elect to copy specific traders or trades (whether manually or via "Autocopy"), then such decision and transactions and any consequences flowing therefrom are your sole responsibility. While individual participants may offer investment advice or opinions via the social networking features provided on the site, and/or effect a transaction which may be subsequently copied by another trader, such advice, opinions or trades are NOT professional advice, but merely exchanges between persons who may be anonymous or unidentifiable. You should use any information gathered from here and/or utilize the social trading features as a starting point for your own independent research and investment making decisions.

Please note that BENEFOREX Social Trading also provides trading details in relation to the operation of some demonstration accounts, which contain hypothetical trade results. Whilst the trading on these accounts cannot be copied i.e. you may only Autocopy traders who operate live trading accounts with real trades/results, it is important to understand the inherent limitations of hypothetical performance results. Neither BENEFOREX nor any trader can guarantee that any account can achieve similar results to those shown and they may not take into account fees, spreads and or trading commissions that may be charged.

The actual percentage gains/losses experienced by investors will vary depending on many factors, including but not limited to: initial account balances (deposits and withdrawals), market behaviour, the investors account settings and the performance of the copied user. Accordingly, the actual percentage gains/losses experienced by investors may be materially different from the percentage gains/losses presented on the website. In fact, there are frequent significant differences between hypothetical performance and the actual results subsequently achieved by any particular trading program. Possible limitations of hypothetical performance results include that they are generally prepared with the benefit of hindsight, and do not involve financial risk. For example, the ability to withstand losses or adhere to a particular trading program in spite of trading losses is material, and can adversely affect actual trading results.

### Superannuation Funds

It should be noted that complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities under CySec, and associated regulations and regulatory guidance material.

Without being an exhaustive list, following are some of the issues that should be considered by a Trustee of a complying superannuation fund:

- Restrictions on borrowing and charging assets and whether dealing in over-the-counter Derivative products would breach those borrowing and charging restrictions;
- The purpose of dealing in over-the-counter Derivative products in the context of a complying superannuation fund's investment strategy as well as the fiduciary duties and other obligations owed by Trustees of those funds;
- The necessity for a Trustees of a complying superannuation fund to be familiar with the risk involved in dealing in over-the-counter Derivative 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 hold complying status.

## 8. Margin FX Examples

*The examples below are for illustrative purposes only. The rates and figures quoted are hypothetical and do not represent actual rates or figures.*

### Long Position - Margin FX Contract

*You are of the opinion that AUD will appreciate against USD. You will attempt to benefit from this by buying AUD/USD.*

*The BENEFOREX quote on the AUD/USD is bid 0.8900 and ask 0.8902. You purchase AUD100,000 at the ask rate of 0.8902.*

*Assuming the Initial Margin Requirement is 1%, you are required to hold 1% of the value of the open contract in your Account before BENEFOREX will accept the order. In this case the value of the contract when it is opened is AUD100,000 (USD89,020). You would be required to have AUD1,000 (representing 1% of AUD100,000) in equity in your Account in order to enter this transaction. If you do not have the Initial Margin Requirement the order will not be accepted by BENEFOREX.*

*The position will remain open until:*

- *you instruct us to Close Out the position;*
- *your Account becomes Margin deficient and BENEFOREX exercises its discretion to Close Out the Open Position; or*
- *the equity in your Account falls to or below 50% of the Margin Requirement and your Open Positions are automatically Closed Out.*

*In this example, the Open Position would be automatically Closed Out if the equity in the Account is less than AUD500 (being 50% of AUD1,000).*

*If the AUD increases in value (the USD decreases in value) and you Close Out your position, you make a profit. For example if the AUD rises and the AUD/USD is now quoted at bid 0.9000 and ask 0.9002 you sell AUD at the bid price of 0.9000 and make the following profit:*
*USD 980 (100,000 multiplied by (0.9000 minus 0.8902)).*

| | Long Margin FX Contract |
|---|---|
| Amount of AUD (Base Currency) | 100,000 |
| Buy Price in terms of USD (Term Currency) | 0.8902 |
| Margin required (assumed to be 1% / Purchase price payable) | 1,000 AUD = (890.2 USD) |
| Sell Price | 0.9000 |
| Gross profit/(loss) | USD 980 |
| | Profit will show on your Margin FX account summary as a converted AUD amount i.e<br><br>US$980/0.9000 = $1,088.89 |

*If the AUD decreases in value (the USD increases in value) and you Close Out your position, you make a loss. For example if the AUD falls and the AUD/USD is now quoted at bid 0.8880 and ask 0.8882 you sell AUD at the bid price of 0.8880 and make the following loss:*
*USD 140 (100,000 multiplied by (0.8880 minus 0.8902))*

*Once a position is Closed Out no further Margin is required.*

| | Long Margin FX Contract |
|---|---|
| Amount of AUD (Base Currency) | 100,000 |
| Buy Price in terms of USD (Term Currency) | 0.8902 |
| Margin required (assumed to be 1% / Purchase price payable) | 1,000 AUD = (890.2 USD) |
| Sell Price | 0.8880 |

| | |
|---|---|
| Gross profit/(loss) | USD (140) |
| | Profit will show on your Margin FX account summary as a converted AUD amount i.e<br><br>US$(140)/0.8880 = $(157.52) |

## Short Position - Margin FX Contract

*You are of the opinion that AUD will depreciate against USD. You will attempt to benefit from this by selling AUD/USD.*

*The BENEFOREX quote on the AUD/USD is bid 0.8900 and ask 0.8902. You sell AUD100,000 at the bid rate of 0.8900.*

*Assuming the Initial Margin Requirement is 1%, you are required to hold 1% of the value of the open contract in your Account before BENEFOREX will accept the order. In this case the value of the contract when it is opened is AUD100,000 (USD89,000). You would be required to have AUD1,000 (representing 1% of AUD100,000) in equity in your Account in order to enter this transaction. If you do not have the Initial Margin Requirement the order will not be accepted by BENEFOREX.*

*The position will remain open until:*

- *you instruct us to Close Out the position;*
- *your Account becomes Margin deficient and BENEFOREX exercises its discretion to Close Out the Open Position; or*
- *the equity in your Account falls to or below 50% of the Margin Requirement and your Open Positions are automatically Closed Out. In this example, the Open Position would be automatically Closed Out if the equity in the Account is less than AUD500 (being 50% of AUD1,000).*

*If the AUD decreases in value (the USD increases in value) and you Close Out your position, you make a profit. For example if the AUD falls and the AUD/USD is now quoted at bid 0.8850 and ask 0.8852 you buy AUD at the ask price of 0.8852 and make the following profit:*
*USD 480 (100,000 multiplied by (0.8900 minus 0.8852)).*

| | Long Margin FX Contract |
|---|---|
| Amount of AUD (Base Currency) | 100,000 |
| Sell Price in terms of USD (Term Currency) | 0.8900 |
| Margin required (assumed to be 1% / Purchase price payable) | 1,000 AUD = (890 USD) |
| Buy Price | 0.8852 |
| Gross profit/(loss) | USD 480 |
| | Profit will show on your Margin FX account summary as a converted AUD amount i.e<br><br>US$480/0.8852 = $542.25 |

*If the AUD increases in value (the USD decreases in value) and you Close Out your position, you make a loss. For example if the AUD rises and the AUD/USD is now quoted at bid 0.8950 and ask 0.8952 you buy AUD at the ask price of 0.8952 and make the following loss:*
*USD 520 (100,000 multiplied by (0.8900 minus 0.8952))*
** Note depending upon amount of funds held this may also have triggered an automatic close out due to Margin requirements.*

*Once a position is Closed Out no further Margin is required.*

| | |
|---|---|
| | Long Margin FX Contract |
| Amount of AUD (Base Currency) | 100,000 |
| Sell Price in terms of USD (Term Currency) | 0.8900 |
| Margin required (assumed to be 1% / Purchase price payable) | 1,000 AUD = (890 USD) |
| Buy Price | 0.8952 |
| Gross profit/(loss) | USD (520) |
| | Profit will show on your Margin FX account summary as a converted AUD amount i.e US$(520)/0.8952 = $(580.88) |

# 9. CYSEC REGULATORY GUIDE DISCLOSURE BENCHMARKS

Under CySec regulations, it is required that Margin FX and CFD issuers to publish certain information addressing a range of disclosure benchmarks. These benchmarks are required to be addressed on an 'if not, why not' basis, and are intended to assist retail investors to properly understand the complexity and risks of trading in OTC derivative products, particularly with regard to leverage.

There are 7 disclosure benchmarks required to be address, all of which we are of the view, have been met by

BENEFOREX's compliance with each benchmark is addressed in the following table:

| Benchmark description | How does BENEFOREX meet this benchmark? | Relevant sections of the PDS which provide further relevant information |
|---|---|---|
| Client qualification | BENEFOREX maintains and applies a written policy which sets out the minimum qualification criteria that prospective retail investors will need to demonstrate before we will open a trading account for you. BENEFOREX also maintains a written policy/procedure to ensure such criteria are properly applied, and unsuitable investors are not accepted. We also maintain records of our assessments.<br><br>Please note that we do not provide personal advice regarding the suitability of trading in these products for your personal financial circumstances and objectives.<br><br>However, BENEFOREX does not accept retail investors unless they are able to satisfactorily answer the questionnaire (to be included shortly) in our trading account application form which addresses | 2. Terms and Conditions<br>3. Advice<br>5. Key Features of the BENEFOREX CFDs<br>20. Client Agreement |

| | | |
|---|---|---|
| | the following criteria:<br>• Previous trading experience in financial products<br>• Understanding of leverage, margins and volatility<br>• Understanding of the key features of the product<br>• Understanding the trading process and relevant technology<br>• Ability to monitor and manage the risks of trading<br>• Understanding that only risk capital should be traded | |
| **Opening collateral** | BENEFOREX only permits clients to open an Account and trade with<br>cleared funds (i.e. transfer of cash from your banking account to your trading account).<br>Please note that an Account may be opened with a cash transfer from your bank account by EFT, BPAY, SWIT wire, cheque or with a<br>credit card (but only to a maximum amount of $1,000 for initial deposit from credit cards, from March 2012). Funds deposited with us may take up to three days or more to clear. It is your responsibility to ensure that the amounts transferred to our trust account are cleared in sufficient time to meet all the payment obligations you have under the Client Agreement. A failure to do so could result in your orders being cancelled and your CFDs being closed out and being charged default interest. If you are not sure how long it will take for your payments to clear, you should contact your financial institution. | 2. Terms and Conditions<br>11. The CFD Account<br>12. Operating an Account<br>13. Margin Requirements |
| | No other financial products will be accepted as collateral to open a trading Account, although we may accept such as collateral to meet subsequent Margin Calls in special agreed circumstances. | |
| **Counterparty risk – hedging** | BENEFOREX maintains and applies a written policy to manage our exposure to market risk from client positions. This includes strict risk management controls to monitor and manage (hedge) our trading exposures on an intraday basis, and includes a process for assessing our hedging counterparties (to ensure they are of sufficient financial standing, are licensed by a comparable regulator, and are of sound reputation).<br>A summary of our policy, which notes our current approved hedging counterparties, is available on our website (and may be updated from time to time as counterparties change). | 7. Risks of trading CFDs<br>www.beneforex.com |
| **Counterparty risk – financial resources** | BENEFOREX maintains and applies a written policy to ensure the ongoing maintenance of adequate financial resources. We further maintain a detailed Risk Register, in which the key risks of our business are addressed and reviewed. Please note that we have a designated compliance officer who monitors our compliance with our licence conditions and (financial) obligations, as well as review and input from our independent external legal and accounting advisers. Further, 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. Please contact us in writing at the address/email provided herein, should you wish to obtain a free-of-charge copy of our latest audited financial statements which may assist in your assessment of credit risk.<br>Please note we do not undertake stress testing in relation to unhedged market exposures. All hedged positions are with counterparties who are reputable licensed third party financial services providers. | 7. Risks of trading CFDs – BENEFOREX/Counterparty Risk |
| **Client money** | BENEFOREX maintains and applies a clear policy with regard to the use of client money. Please note that money you deposit into | 7. Risks of trading CFDs – Clients' Money |

| | | |
|---|---|---|
| | your trading Account is co-mingled with other client money in our client trust account. Such monies are only applied to client trades/settlement obligations and to pay agreed fees etc, in line with Cyprus Company Law requirements.<br>Please note that monies deposited into your trading Account to meet Margins, deposits, fees, transaction settlements, or other costs shall be immediately on- forwarded (where applicable) to our licensed third party clearing and execution providers, and applied against your margin, exchange, fee and settlement obligations. Client monies which are held pending future transactions and payments, are retained in our segregated account in accordance with the Company Laws. It is important to note that holding your money in one or more segregated accounts may not afford you absolute protection.<br>BENEFOREX enters into arrangements with third party execution and clearing providers for the facilitation of transactions and settlements, and avails monies received for Margin Calls and settlements to such providers for this purpose. Accordingly clients are indirectly exposed to the financial risks of our counterparties and organisations with whom BENEFOREX holds client funds. If the financial condition of BENEFOREX or assets of our counterparties or the parties with which we hold client assets deteriorate, then clients could suffer loss because the return of the client capital could become difficult.<br>**Your funds will be kept together with the funds of other clients in our client trust account. Your funds kept in our client trust accounts can be used to meet the payment obligations of our other clients. This means that you may also potentially suffer a** | 7. Risks of trading CFDs – BENEFOREX/Counterpart y<br>Risk<br>11. The CFD Account |
| | **loss as a result of default by another client where money from the client trust account is applied to meet the payment obligations of that client and there is a deficiency in the client trust account. In the event of our insolvency, your entitlements as a creditor will rank equally with all other clients and you may not receive of all the money held by us on your behalf if there is a deficit in the client trust account.** | |
| **Suspended or halted underlying assets** | An underlying financial product may be placed in a trading halt on the relevant exchange in various circumstances. Additionally, it may be suspended or delisted in certain circumstances. Exchange rates depend on a number of factors including, for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended. BENEFOREX may, in its absolute discretion, cancel your order in respect of a CFD transaction which has not yet been opened, or close any open Position, where the underlying financial product is the subject of a trading halt, suspension or delisting.<br>When you place an order for a CFD with us, it is likely that we will place a corresponding order to purchase or sell the relevant product to hedge our market risk. BENEFOREX has the discretion as to when and if it will accept an order. Without limiting this discretion, it is likely that we will elect not to accept an order in circumstances where our corresponding order cannot be filled.<br>Accordingly, BENEFOREX may at any time determine, in our absolute discretion, that we will not permit the entry into CFDs over one or more underlying currencies. | 2. Terms and Conditions<br>12. Operating an Account<br>20. Client Agreement |
| **Margin calls** | BENEFOREX maintains and applies a written policy detailing our margining practices. This details how we monitor client accounts to ensure you receive as much notice as possible | 13. Key risks of trading CFDs<br>11. The CFD Account |

| | | |
|---|---|---|
| | 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.<br>All open positions are monitored on a real-time basis intraday 5 days per week, to ensure changing Margin requirements are identified in a timely manner.<br>BENEFOREX seek to provide you with timely and sufficient notice of Margin Calls, to facilitate your ability to meet them. However, please note that certain market conditions or events may trigger extreme volatility, requiring urgent funds to be applied to retain your open positions. Please note that all Margin Calls will be communicated to you via the trading platform and it is your obligation to ensure you are always available to receive and action such Margin Calls when you have open Positions with us.<br>However, we reserve our full rights to immediately close positions in relation to which Margin Calls have not been met, in order to protect against exposure to further losses in the positions.<br>We reiterate that trading in CFD products carries a high level of risk and returns are volatile. The risk of loss in trading can be substantial, and you can incur losses in excess of the capital you have invested. Accordingly, you should only trade with risk capital i.e. money you can afford to lose, and which is excess to your financial needs/obligations. | 12. Operating an account<br>13. Margin Requirments |

# 10. Opening an Account

Prior to transacting in CFDs, you must read and understand our FSG, this PDS and the Client Agreement.

Before opening an Account, you must sign our Client Agreement. This is an important legal document containing the terms and conditions which govern our relationship with you. It is provided to you separately by BENEFOREX.

We recommend that you consider seeking independent legal advice before entering into the Client Agreement, as the terms and conditions detailed in this agreement are important and affect your dealings with us.

You must complete, sign and return a Client Agreement, and have your application to open an Account approved

by BENEFOREX. BENEFOREX may refuse to open an Account for any person.

All deposits are accounted for in the Base Currency which the client has a choice of. When sending funds to BENEFOREX, please send the same currency as the Base Currency of your Account.

If your application is accepted, we may require you to pay to us, and maintain at all times, a balance in your CFD account representing Cleared Funds. Cleared Funds are amounts deposited or credited to your CFD account which are able to be withdrawn by us for the purposes of acquiring CFD Contracts and making margin or other payments.

# 11. The Margin FX Account

## What is a Margin FX account?

A Margin FX account is a record, or a series of records, maintained by us (or on our behalf) that shows, at any point in time, the net position of the payments you have made or are required to make to us and the payments we have made or are required to make to you. The Margin FX account is not a deposit account with us and no money is held in the Margin FX Account. Money paid by you is initially deposited in our trust account and is discussed in detail below.

Under the Client Agreement you authorise us to:

- credit your Margin FX account with any amounts deposited by you in our trust account and the amounts we are required to credit to you; and

- debit your Margin FX account with the amounts as set out in below and any amounts withdrawn by you; and
- designate the amounts in the Margin FX account as either Free Balance or Margin depending on the amount of funds you have deposited with us, your orders, open Margin FX Contracts and market movements.

## How are the funds you deposit with us held?

Under the Client Agreement, you agree to pay to us sufficient funds at all times to satisfy all amounts payable by you under the Client Agreement. Any money that you pay to us may for a period be held, separately from our money, in a client trust account or invested by us. Such money will be held, dealt with and invested in accordance with the regulations and the terms of the Client Agreement.

Under the terms of the Client Agreement, you agree that:

- your money in our client trust account is not kept separate from the money of other clients; we may withdraw your money from the trust account in any of the following circumstances:
  - making a payment to, or in accordance with your written directions for purposes of entering into Contracts (including but not limited to Mark to Market Payments);
  - defraying brokerage and other proper charges;
  - paying to us money to which we are entitled;
  - making a payment that is otherwise authorised by law;
  - paying to us money to which we are entitled pursuant to the operating rules of a financial market; and
  - making a payment to another licensee provided that the receiving licensee is notified that the money has been withdrawn from the trust account and pays it into their trust account;
- amounts withdrawn from the client trust account under the above clause:
  - belong to us; and
  - will no longer be your funds or be held for you.
- we are entitled to invest the money in the client trust account in accordance with the regulations;
- unless otherwise agreed in writing with you:
  - we are solely entitled to any interest or earnings derived from your money being deposited in our client trust account, the trust account of our OTC Derivatives Provider or invested by us in accordance with regulations. Such interest or earnings are payable to us from the relevant trust account or investment account, as the case requires, as and when we determine;
  - in the event that the amount received upon realisation of an investment of your funds is less than the initial capital invested, we must pay an amount equal to the difference into the client trust account for your benefit, except where any such difference is the result of amounts paid out of the investment to us in accordance with the Client Agreement; and
  - we will not charge a fee for investing the money in the client trust account; and
- we may use the money in the trust account for the purpose of meeting obligations incurred by us in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in Derivatives by us (including dealings with our OTC Derivatives Provider), including dealings on behalf of other clients. If used for this purpose, the money will be held in one or more accounts in the OTC Derivatives Providers' name in accordance with regulations.

**Holding your money in one or more client trust accounts may not afford you absolute protection. The purpose of a client trust account is to segregate our clients' money, including your money, from our own funds. If the amount held in a trust account for you does not satisfy or fully satisfy moneys we owe to you and we become insolvent, you will be an unsecured creditor in relation to the balance of the moneys owing to you.**

**Your funds will be kept together with the funds of other clients in our client trust account. Your funds kept in our client trust accounts can be used to meet the payment obligations of our other clients. This means that you may also potentially suffer a loss as a result of default by another client where money from the client trust account is applied to meet the payment obligations of that client and there is a deficiency in the client trust account. In the event of our insolvency, your entitlements as a creditor will rank equally with all other clients and you may not receive of all the money held by us on your behalf if there is a deficit in the client trust account.**

**BENEFOREX is entitled to retain all interest earned on client moneys held in segregated accounts with a bank or approved deposit-taking institution. The rate of interest earned by BENEFOREX on this account is determined by the provider of the deposit facility.**

## How do you get funds in and out of your Margin FX Account?

You can deposit funds to our trust account by sending us a cheque or using electronic funds transfers, BPAY or credit card. Those funds will be credited to your Margin FX Account.

Funds deposited with us may take up to three days or more to clear. It is your responsibility to ensure that the amounts transferred to our trust account are cleared in sufficient time to meet all the payment obligations you have under the Client Agreement. A failure to do so could result in your orders being cancelled and your Margin FX Contracts being closed out and being charged default interest. If you are not sure how long it will take for your payments to clear, you should contact your financial institution.

Free Balance means the cash balance in your Margin FX account plus or minus any Unrealised Profit/Loss less any Margin requirements. You can, subject to our terms and conditions withdraw funds up to the amount, if any, of your 'Free Balance' Unrealised Profit/Loss is profit or loss that has been made or lost but is not yet realised through a transaction. For example if you buy 1 lot of GBP/AUD at 1.6500 and it rises to 1.6550 but you have not yet closed the Position, you will have an Unrealised Profit of $500. Once the trade is closed the Unrealised Profit would be realised and reflected in the cash balance. The Unrealised Profit/Loss is not included in the Margin for a Margin FX Contract.

*Example – Free Balance*

*For example, you have cash balances of $5,000 in your Margin FX account of which $3,000 is needed to meet your Margin requirements for the opened Margin FX Contracts and an Unrealised Profit of $1,000. In that case, your Free Balance is $3,000 and you will be able to withdraw up to this amount from your Margin FX Account.*

### Do you get interest on my Margin FX account balance?

You will not receive any interest on balances in your Margin FX Account.

## 12. Operating an Account

### How do you open a Margin FX Contract?

Margin FX Contracts can be opened by:

- placing an order on the BENEFOREX Trader platforms; or
- calling us.

To open a Margin FX Contract you will need to provide us with specific information including the Currency Pair, the quantity of Base Currency, the type of orders requested and whether you intend to be the long or short party.

We will then provide you with a quote for the price of the Base Currency as against the Term Currency.

All quotes are indicative and no Margin FX Contract will be entered into until your order is accepted in accordance with the Client Agreement. Due to transmission delays which may occur between when you send us your order and our trading server accepting your order, the price offered by us may change before we receive your order. If you place an order and the price changes before the order is received, the order will be accepted by us at the new price. This means the price at which your order is accepted may be different from the price you were quoted. We cannot predict future price movements and our quotations are not a forecast of where we believe currency prices will be at a future time.

### Types of orders

You may place any of the following orders with us:

- **Market Order** – an instruction to buy or sell a Margin FX Contract at the current bid or offer price of the underlying security or trading instrument quoted by BENEFOREX. BENEFOREX in its absolute discretion can accept or reject the Market Order.
- **Limit Order** – an instruction to either buy or sell a Margin FX Contract at the price threshold you have specified or at a price that is more favourable than the price threshold you have specified for the specified contract or option. There is a possibility that this kind of order will not be filled.
- **Stop Order** – an instruction to close out or enter into the Margin FX Contract at the best available price after a pre-determined price threshold is reached. Putting a Stop Order on your position will allow you to potentially limit potential losses from adverse market fluctuations by closing your position at the best available price after the market price passes the price threshold you have set.
- **Contingent Order** – an instruction to place a Limit Order or a Stop-Loss Order to open a new position, while at the same time, another order is placed (Second Order). However this Second Order will only be effective if the parent order is executed. A contingent order cannot be attached to an existing Open Position. It must be placed when you open your position.

- **One Cancels the Other Order (OCO)** - two separate Stop or Limit Orders that are linked together and placed as one order. When one of the linked orders is executed, the other order is automatically cancelled.

A DO (Day Only) means that the order you place will be cancelled at 9.00 am GMT+8. If you want to maintain that order in the market after that time, you will have to resubmit that order.

A GTC (Good 'Til Cancelled) order means that the order you place will remain in the market until it is either executed according to the terms of that order, or is cancelled by you.

## Acceptance of orders

If we accept your order, then the Margin FX Contract is opened and we will send a confirmation to you as follows:

- if you have entered an order through the BENEFOREX Trader platforms, the platforms will automatically give you a summary of the main elements of your order which can be printed by you so that you can check the order is correct. This summary is not a confirmation. Once your order has been executed, you can access your 'Trades Booked' statement online. The 'Trades Booked' statement is your confirmation. You will be asked to accept this 'standing facility' method of receiving confirmations in the Client Agreement;
- if you have placed an order by calling us, you can access your 'Trades Booked' statement online which is your confirmation as set out above; and

We have absolute discretion whether to accept an order. In general, we will use reasonable endeavours to accept an order. However, we may not accept an order if, for example, it is not reasonably practicable for us to do so or if the underlying currency(ies) has been suspended.

## How do you close out a Margin FX Contract?

A Margin FX Contract can be closed out by you if you place an order for a Margin FX Contract that is an offsetting opposite position to an existing Margin FX Contract and that order is accepted by us.

The order to close out a Margin FX Contract can be placed on the BENEFOREX Trader platforms or by calling us. Prior to placing an order, we can provide you with a quote for the price of the Base Currency as against the Term Currency. All quotes are indicative and no Margin FX Contract will be entered into until your order is accepted in accordance with the Client Agreement. Due to transmission delays between us, the price offered by us may change before we receive your order. If you place an order and our price changes before the order is received, the order will be accepted by us at the new price. This means the price at which your order is accepted may be different from the price you were quoted.
If we accept your order to close out the Margin FX Contract, the existing Margin FX Contract is closed out and:

- we determine any debits or credits required to your Margin FX account; and
- a confirmation is provided as set out above.

There are some circumstances set out in the Client Agreement in which we may close out a Margin FX Contract in our sole discretion. For example, we may do this where you fail to maintain your required Margin. This is explained further sections 7 and 8 of this PDS.

## What happens on the Value date of a Margin FX Contract?

Where a Margin FX Contract is held at the close of business on the day before its Value date, it will be rolled over to a new Value date on the terms set out in the Client Agreement. A Margin FX Contract will be continuously rolled over until it is closed out.

## BENEFOREX Trader platforms

We will provide you with access to an online trading platform which will enable you to trade in our Margin FX Contracts over the internet.

The BENEFOREX Trader platforms enable you to:

- trade Margin FX Contracts generally 24 hours a day from Monday 5.00 am GMT+8 to Saturday 5.00 am GMT+8; and
- access information on a wide range of global markets generally 24 hours a day.

The significant features of the BENEFOREX Trader platforms are as follows:

- real time prices. However, due to transmission delays between when your order is sent to us and when the order is automatically accepted by our trading server, your order may be accepted at a different price than what was quoted at the time of your order. See section 12 for further details;
- real time news feeds;
- technical analysis;
- account summaries;
- support; and
- a secure website.

# 13. Margin Requirements

## What is Margin?

You are required to maintain a specified amount of cash deposit with us in respect of each open Margin FX Contract, referred to as the margin. The Margin paid by you is initially deposited in our trust account but is then dealt with as set out in section 11. The amount of required Margin is determined as a percentage determined by us, at our sole discretion, of the Contract Value at any point in time. This PDS does not specify the Margin Percentage rates because the Margin Percentage rate applicable to a Currency Pair is determined by us by reference to a number of variable factors including the liquidity and volatility of the currencies. The current Margin Percentage rates for particular currencies are published on our website www.beneforex.com or can be obtained by calling us.

*Example – Margin Requirements*

*The applicable Margin Percentage rate is generally between 1% to 20% of the Contract Value of your open Margin FX Contract. If the Contract Value of the Margin FX Contract for the Margin FX Contract to buy 100,000 AUD is USD 89,000 and the applicable margin percentage rate is 2%, the amount of initial Margin is USD 1,780, being 2% of USD 89,000, (or $2,000 which is USD 1,780 divided by 0.8900 to convert to AUD).*

The Contract Value of a Margin FX Contract is calculated as follows:

**the rate at which a single unit of the Base Currency may be bought with or, as the case may be, sold in, units of the Term Currency multiplied by the amount of the Base Currency to be traded**

The Margin you are required to maintain with us is the 'initial Margin' plus, if required, the 'variation margin'.

## Initial Margin

Initial Margin is the amount of the Margin required to open a Margin FX Contract.

## Variation margin

The variation Margin is the additional margin we require to ensure that our margin requirements for a Margin FX Contract are met at all times. Variation margin will be required if either:

- the price of the Base Currency moves against you during the term of the Margin FX Contract; or
- we increase the applicable Margin Percentage.

## You are responsible for satisfying the Margin requirements

If the required amount of Margin for all your Margin FX Contracts and orders exceeds the balance of your Margin FX account, you must either deposit additional cash with us or alternatively close out Margin FX Contracts to reduce your required Margin to a level acceptable to us. Due to the highly volatile nature of foreign exchange markets, we cannot give you definite timeframes for you to meet your Margin requirements. In some circumstances, we may need to close out your open Margin FX Contracts immediately if you fail to meet Margin requirements in order to minimise our risk exposure. Under the Client Agreement, a failure to meet our Margin requirements is an event of default and we have the right to immediately close out your Margin FX Contracts. **You must regularly monitor your own Margin requirements.**

In order to manage the risk that you would not have sufficient funds in your account to maintain your Margin FX Contract positions open, we may take the following measures:

- if the Margin required to keep your Margin FX Contract positions open takes up 100% of the funds shown in your Margin FX account, you are regarded as being on Margin Call;
- if the funds available in your Margin FX account only covers 80% or less of the Margin requirements for your open Margin FX Contracts, you will receive a visual warning automatically on the BENEFOREX Trader platform for you to consider taking appropriate action which can include depositing further funds or reducing exposure; and
- if the funds available in your Margin FX account only covers 50% of the Margin requirements for your open Margin FX Contracts, your worst offending Margin FX Contract (i.e. the contract with the largest Margin requirements) will be automatically closed out.

You are responsible for ensuring that you have sufficient Margin. Margin FX Contracts can be highly volatile and you should ensure that you are always contactable by us.

Your obligation to maintain sufficient Margin arises irrespective of whether we make a margin call. In other words, all trades are your responsibility so you should always be aware of your Margin requirements and act accordingly.

**We are not required to make Margin Calls. If you do not meet the required Margin requirements, then we may, in our absolute discretion:**

- **cancel any orders; and**
- **close out, without notice, all or some of your open Margin FX Contracts. Any losses resulting from us Closing a Margin FX Contract will be debited to your Margin FX account and may require you to deposit additional cash with us. Default interest may apply on the amount of any cash shortfall.**

Please see the example in Section 8 for further details on closing out Margin FX Contracts as a result of breach of Margin requirements.

We may change your Margin requirements at any time by giving you prior notice by contacting you directly via email or by calling you.

# 14. Fees and Other Costs

## Mark to market payments that represent the Unrealised Profit on an open Margin FX Contract

At the close of business on each business day during the term of Margin FX Contract, we will determine the Contract Value of the Margin FX Contract. The Contract Value is calculated as the rate at which a single unit of the Base Currency may be bought with or, as the case may be, sold in, units of the Term Currency multiplied by the amount of the Base Currency to be traded.

If the new Contract Value at the close of business is, in monetary terms:

- less than the Contract Value determined for the previous day and you hold a Short Margin FX Contract; or
- greater than the Contract Value determined for the previous day and you hold a Long Margin FX Contract,

we will credit the difference to you. The difference is referred to as the 'mark to market payment'. The mark to market payment is credited to your Margin FX Account on the same business day it is calculated.

## Spreads

The calculation of the price to be paid (or the payout to be received) for Margin FX Contract, at the time the Margin FX 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 financial contract and is based on a complex arithmetic calculation. The calculation will include a spread in favour of BENEFOREX. Spreads will differ depending on the Currency Pairs traded.

Spread means the difference between the bid price (price offered) and the ask price (price requested) for the Base Currency expressed as against the Term Currency. The spread is incorporated into the price of the Currency Pair quoted to you and is not an additional fee or charge payable by you. BENEFOREX makes its income from rebates derived from the spread in the prices of the Base Currencies.

The spreads we quote are generally wider that the spreads available in the physical market and the additional spread represents spreads paid to us. In other words, we:

- add an amount to the market ask price when you open a Long Margin FX Contract position; and
- subtract an amount from the market bid price when you open a Short Margin FX position.

This means you pay more to buy a currency and receive less when you sell a currency. The current spreads are published by us on our website www.beneforex.com or can be found out by calling us.

The spreads we quote are a number of Pips between the bid price and the ask price. A pip is the last decimal place to which an exchange rate is quoted. For example:

- in the quotation AUD 1=USD 0.8950, one pip means USD 0.0001
- in the quotation USD 1=JPY 84.50, one pip means JPY 0.01.

*Example - Spreads*

*If we quote AUD/USD at 3 Pips, the spread will be 0.0003 between the bid and ask price, such as, 0.8950/0.8953. This means that you can sell AUD $1 for 0.8950 USD or buy AUD $1 for 0.8953 USD. All Pips are not of equal value.*

The spreads we quote are determined by our OTC Derivatives Provider. The spread will be influenced by estimated current spot 'inter-bank' exchange rates (for gold and silver our best estimate of current spot price of gold and silver), the size of your transaction, the frequency of which you enter into Margin FX Contracts with us, expected levels of interest rates, implied volatilities and other market conditions during the life of the Margin FX Contract and the Currency Pair and the time zone in which you choose to trade. The spreads we publish are our best possible target spreads used in normal market conditions. The spreads range from between 0.5 Pips to 600 Pips. In quiet market conditions, the spread may be even narrower than the spreads quoted. But in periods of volatile markets, the spread may be increased. BENEFOREX will quote 5 decimal places for most Currency Pairs but the 4th decimal place is classed as the pip.

We receive a portion of the spread you pay as a rebate from our OTC Derivatives Provider. As at the date of this PDS, the rebate we receive for each trade (i.e. opening and closing of a Margin FX Contract) is USD $8 for each Standard Lot traded. The rebate we receive from our OTC Derivatives Provider may change from time to time. We will give you notice if there is a change in the amount of the rebate.

## Rebates from the spread

For example, if you enter into a Margin FX Contract for 200,000 units (2 Standard Lots), we will receive a rebate of $16 (i.e. 2 x $8) when you close your Margin FX Contract.

## Default interest

If you fail to pay when due any amount payable under the Client Agreement, we may debit from your Margin FX Account default interest on that amount.

Default interest will be charged from and including the due date to the date of actual payment (after as well as before judgment).
All such interest will be calculated using an interest rate which is central bank target cash rate for that currency plus 3% per annum.
Default interest is charged in arrears at the end of each business day.

For example, assume that your actual Margin is $1,000 less than your required margin. If the $1,000 is not deposited with us then, assuming a default interest rate of 8.5% per annum (3% per annum above central bank target cash rate for that currency assuming that rate is 5.5% per annum), default interest of $0.23 per day would be charged and added to the amount owing to us.

Default interest rates are subject to change. The default interest rate that applies is published on our website www.beneforex.com and will be shown on your daily statements. You may also contact us for details of the applicable interest rate.

## Swap Credit and Swap Charge for Margin FX Contracts

This section on Swap Credits and Swap Charges does not apply to Swap Free Accounts.

Where a Margin FX Contract is held at the close of business on a Trading Day, a Swap Credit or a Swap Charge will be made to your Unrealised Profit/Loss. Contracts are automatically rolled over to the next Trading Day at the same time that the swap charge/credit is calculated.

Each currency has an interest rate component attached to it, and because Margin FX Contracts are traded in Currency Pairs, every trade involves not only two different currencies but also two different interest rates. The Swap Credit or Swap Charge accounts for the difference in the interest rates between the Base Currency and the Term Currency when a Margin FX Contract is held overnight (i.e. rolled over to the next business day).

A credit will be made to your Unrealised Profit/Loss (i.e. your Unrealised Profit will increase or your Unrealised Loss will decrease) if at the close of business on the relevant Trading Day:

- you have a Long Margin FX Contract and the interest rate that applies to the currency you buy is higher than the interest rate that applies to the currency you sell; or
- you have a Short Margin FX Contract and the interest rate that applies to the currency you sell is lower than the interest rate that applies to the currency you buy.

A debit will be made to your Unrealised Profit/Loss (i.e. your Unrealised Profit will be reduced or your Unrealised Loss will be increased) if, at the close of business on the relevant Trading Day:

- you have a Long Margin FX Contract and the interest rate that applies to the currency you buy is lower than the interest rate that applies to the currency you sell; or
- you have a Short Margin FX Contract and the interest rate that applies to the currency you sell is higher than the interest rate that applies to the currency you buy.

When you close out your Margin FX Contract, the net amount of the Swap Charges and Swap Credits (which forms a part of your Unrealised Profit/Loss) will be credited or debited from your Margin FX Account. No Swap Charge is payable to us and no Swap Credit is paid by us if you open and close out a Margin FX Contract in the same day. For the purpose of determining the interest rates for a currency, the interest rate that applies to the currency you buy is the relevant central bank target cash rate for that currency minus a Margin of no more than 0.5% and the interest rate that applies to the currency you sell is the relevant central bank target cash rate for that currency plus a Margin of no more than 0.5%. Interest rates are subject to change. The interest rate that applies to a particular open Margin FX Position will be published on our website www.beneforex.com and shown on your daily statements. You may also contact us for details of the applicable interest rate. We receive a transaction fee for providing the Swap Charges or Swap Credits to you. Our transaction fee can be up to 1% of the value of the Swap Charge or Swap Credit. For example, if you enter into a Margin FX Contract for AUD/USD and the Contract Value is AUD $100,000 and the Swap Charge charged to you is 0.0001% (i.e. 1 Pip) and if we take 1% of this as a transaction charge, then the transaction charge we will charge you will be AUD $ 0.001.

## Administration fees (Swap Free Accounts only)

Swap Free Accounts do not pay Swap Charges or earn Swap Credits. Swap Free Accounts will instead be charged an administration fee – see the table of administration charges in the (https://www.beneforex.com/) section on our website (www.beneforex.com). A copy of this information is available on request at no charge. We reserve the right to change the table of administration charges from time to time. Apart from this difference, Swap Free Accounts have exactly the same trading conditions and terms as our regular Margin FX Account.

## Currency conversion calculation fee

Funds can be deposited to us and held in the following currencies: Australian dollars, Euros, British Pound Sterling, Japanese Yen, New Zealand Dollars, Singapore Dollars or US Dollars. Your Margin FX Account can be denominated in any of the five stated currencies.

- Under the Client Agreement, we are entitled to charge you a conversion calculation fee of up to 0.5 per cent for converting amounts into your nominated currency when you deal in a Margin FX Contract denominated in a currency other Australian dollars, Euros, British Pound Sterling, Japanese Yen, New Zealand Dollars, Singapore Dollars or US Dollars and:
- funds are transferred from our client trust account and converted at the current spot rate for the conversion of the relevant funds into your nominated currency (being either Australian dollars, Euros, British Pound Sterling, Japanese Yen, New Zealand Dollars, Singapore Dollars or US Dollars); or
- realised profits and losses are converted to your nominated currency (being either Australian dollars, Euros, British Pound Sterling, Japanese Yen, New Zealand Dollars, Singapore Dollars or US Dollars) immediately on closing the Margin FX Contract at the current spot rate.

*Example – Conversion Calculation Fee*

*If following the termination of a Margin FX Contract, you realise a profit of 100,000 Japanese Yen and your account is denominated in Australian Dollars, and the exchange rate is 1 AUD : 77 Yen, you will receive AUD $1,298.70 and we will charge you a conversion calculation fee of AUD $6.49.*

- Currently, we have waived the conversion calculation fee for all currency conversions. However, we may, at our discretion, charge the conversion calculation fee by giving you 30 days prior notice.
- All Mark to Market Payments, margins, spreads, Swap Charges and interest charges in relation to that Margin FX Contract will be calculated using the Term Currency. To show the effect of these transactions on your Margin FX Account, we will notionally convert these transactions to your account currency at the current spot rate. No conversion calculation fee is charged to you for these notional conversions.

### Margin

You are required to maintain the Margin as set out in section 13. The Margin is not a fee but rather a security deposit that you are required to keep with us.

### Variation of fees and costs

Under the Client Agreement, we may charge you an additional fee and/or spread or increase the current fees and/or spread set out in this PDS provided we have given you 30 days prior notice.

## 15. Taxation

### Taxation Advice

**BENEFOREX DOES NOT PROVIDE ANY TAXATION ADVICE**.

If you trade in Margin FX or CFDs, you may be subject to Cyprus taxation. This section outlines general information about significant Cyprus income tax and GST implication of trading Derivatives.

The information contained in this section is of a general nature only and is not intended to constitute legal or taxation advice and should not be relied upon as such. The taxation implications of your transactions will depend on your own individual circumstances and BENEFOREX recommends that you obtain independent professional taxation advice on the full range of taxation implications applicable to your own personal facts and circumstances.

Taxation laws are complex in nature and their interpretation and administration may change over the term of your transacting. We will not advise you of any changes in taxation laws should they occur. You must take full responsibility for the taxation implications arising from your own transacting, and any changes in those taxation implications during the course of your transacting.

The following is a general summary of the main Cyprus income tax consequences of opening a Margin FX Contract. This summary only considers the position of an Cyprus tax resident individual who does not carry on business and opens a Margin

FX Contract with the intention of making a profit. It does not take into account the position of other persons who open a Margin FX Contract.

### Profit or Loss

The availability of tax deductions or losses incurred as a result of transacting in Derivatives to offset current and future year income will depend on your personal circumstances and you will need to seek advice from your tax advisor in this regard.

*Generally, any profit derived or loss incurred in respect of a Margin FX Contract should be included in your assessable income or allowed as a deduction, as the case may be, at the time you close out your Margin FX Contract. In calculating the amount of any profit or loss, you should take into account any Profit or Loss (as defined in the Client Agreement), any spreads, any interest on open Margin FX Contracts and any currency conversion calculation fees debited or credited to your Margin FX account.*

*Certain expenses incurred by you in connection with trading in Margin FX may be deductible to the extent that they are incurred for the purpose of deriving your assessable income. The deductibility of these expenses will depend on your own personal circumstances. You should obtain your own advice as to whether such expenses will be deductible to you.*

### Capital Gains Tax

Margin FX positions may constitute a capital gains tax (CGT) asset held by you for the purposes of applying the CGT provisions to any capital gain or capital loss realised by you

### Goods and services (GST) tax

No GST should be payable in relation to your trading of Margin FX with BENEFOREX. This is on the basis that they are considered to be 'financial supplies' under regulations. Consequently, they are input taxed and no GST payable on their supply. However, independent advice should be sought from your accountant or financial adviser confirming this, before acting in reliance thereon. Clients should seek their own GST advice on the implication of entering into Margin FX Contracts

## 16. Disclosure of Interests

We do not have any relationships or associations which might influence us in providing you with our services. However, BENEFOREX may share fees and charges with its associates or other third parties or receive remuneration from them with respect to your dealings with us.

In particular, BENEFOREX is a market maker, not a broker, and accordingly will always act as principal for its own benefit in respect of all Margin FX transactions with you. BENEFOREX may conduct transactions to hedge its liability to you in respect of your Margin FX positions by undertaking transactions in the underlying currencies. Such trading activities may impact (positively or negatively) the prices at which you may trade Margin FX products.

You may have been referred to us by a service provider who may receive financial or non-financial benefits from us. These should have been disclosed to you by the service provider in question. Please note that such benefits will not impact fees or the rates you will be offered for financial products or services undertaken with BENEFOREX

# 17. Privacy Policy

Your privacy is important to us. The information you provide BENEFOREX and any other information provided by you in connection with your Account will primarily be used for the processing of your Account application and for complying with certain laws and regulations. We may use this information to send you details of other services or provide you with information that we believe may be of interest to you. Full details of our privacy policy are available from our website www.beneforex.com

# 18. Dispute Resolution

We want to know about any problems or concerns you may have with our services so we can take steps to resolve the issue. We have internal and external dispute resolution procedures to resolve complaints from clients. A copy of these procedures may be obtained by contacting us and requesting a copy.

Initially, all complaints will be handled and investigated internally to resolve any complaints or concerns you may have, as quickly and fairly as possible in the circumstances. Any complaints or concerns should be directed to us (by telephone, email, or letter) at the address and telephone numbers provided in section 1 of this PDS. We will seek to resolve your complaint within 7 days or such further time period that may reasonably be required given the nature of the complaint. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing.

If you have any queries about this PDS or our services, you can contact Benefit Zone Global Limited:

12E, Floor 8, Witty Com Building, 1A-/1L, Tung Choi Street
Phone: 1300 858 952
Website: www.beneforex.com
Email: support@beneforex.com

# 19. Anti-money laundering and Counter-terrorism financing

By applying for a Margin FX account you are taken to agree to the following terms:

- you are not aware and have no reason to suspect that:
- the money used to fund your Margin FX Account or has been or will be derived from or related to any money laundering, terrorist financing or other activities deemed illegal under the applicable laws or otherwise prohibited under any international convention or agreement ('illegal activities'); or
- the proceeds of your Margin FX Account will be used to finance illegal activities; and
- you agree to promptly provide us with all information that we reasonably request in order to comply with our obligations under all applicable laws.

BENEFOREX does not accept payments from or make payments to any third parties. In no circumstances does BENEFOREX accept cash deposits.

In accordance with applicable laws, BENEFOREX reports, where necessary, any suspicious matters to CySec.

# 20. Client Agreement

This PDS should be read in conjunction with our Client Agreement which sets out our terms and conditions between you and us for the Margin FX Contracts we offer.

In order to open an Account, you are required to sign our Client Agreement. This is an important legal document containing the terms and conditions which govern our relationship with you. It is provided to you separately by BENEFOREX.

We recommend that you consider seeking independent legal advice before entering into the Client Agreement, as the terms and conditions detailed therein are important and affect your dealings with us.

We note the following key terms in the Client Agreement, some of which have been summarised throughout this PDS:

- Client acknowledgements regarding knowledge and suitability of Margin FX products;
- Client representations and warranties;
- Client account operating details;
- Margin FX trading requirements;
- Margin requirements and BENEFOREX's rights in respect thereof;
- Client obligations regarding confirmations (discrepancies);
- Process for closing out a trade, and BENEFOREX's rights in relation to price calculation;
- Interest payable/receivable on open Positions;
- Requirements regarding the appointment of authorised persons by the client;
- Default events;
- BENEFOREX's rights following a default event;
- Amendment and termination rights;
- Client Indemnity in favour of BENEFOREX
- BENEFOREX's limitation of liability;
- Fees and charges;
- Restrictions on assignment of agreement;
- Telephone recordings;
- Provision of general advice;
- Governing law (Cyprus); and
- Electronic trading platform conditions/process.

# 21. Glossary

Throughout the PDS.

| Feature | Description |
|---|---|
| ‘Account’ | Account of the client dealing in the products issued by BENEFOREX, which is established in accordance with the terms and conditions of the Client Agreement |
| 'Base Currency' | The first currency in a Currency Pair. The Base Currency is assigned a value of 1 when calculating exchange rates. The Contract Value of your Margin FX Contract is dependant upon the movement of the Base Currency against the Term Currency. |
| 'Cleared Funds' | Amounts deposited or credited to your Margin FX account which are able to be withdrawn by us for the purposes of acquiring Margin FX Contracts, making Margin or other payments |
| 'Client Agreement' | The agreement between you and BENEFOREX in respect of your trading in Margin FX products. Both you and BENEFOREX are bound by the terms of the Client Agreement. |
| Closing a Margin FX Contract' | To enter into and execute an equal and opposite Margin FX Contract in respect of an opened Margin FX Contract |
| Contingent Order | An instruction to place a Limit Order or a Stop Order to open a new position, while at the same time, another order is placed (Second Order). However this Second Order will only be effective if the parent order is executed. A contingent order cannot be attached to an existing open Position. It must be placed when you open your position. See also If Done definition below. |
| 'Contract Value' | Calculated as the rate at which a single unit of the Base Currency may be bought with or, as the case may be sold, in units of the Term Currency multiplied by the amount of the Base Currency to be traded. For example, if you buy 1 Standard Lot of AUD/USD at a price of 0.8950, the Contract Value will be AUD $100,000. This is because 1 Standard Lot = AUD $100,000 in respect to the Base Currency and USD $89,500 |
| ‘Currency Pair' | Base Currency and a Term Currency |
| ‘Derivative’ | An instrument which derives its value from the value of an underlying instrument (such as shares, commodities, currencies etc). |
| ‘DO‘ or ‘Day Only‘ | means that the order you place will be cancelled at 9.00 AM GM+8. If you want to maintain that order in the market after that time, you will have to resubmit that order. |
| ‘BENEFOREX’, 'we', 'us, or 'our' | means Benefit Zone Global Limited. |
| ‘Free Equity' | The cash balance in your Margin FX Account plus or minus any Unrealised Profit/Loss less any Margin requirements. You can, subject to our terms and conditions, withdraw funds up to the amount, if any, of your ‘Free Balance’. |
| ‘GTC' or 'Good 'Til Cancelled' | An order placed that will remain in the market until it is either executed according to the terms of that order, or is cancelled by you. |
| ‘Hedging’ | A strategy employed to manage exposure to the risk of foreign exchange rate fluctuations by taking a position using Margin FX Contracts to eliminate or reduce that risk. |
| ‘If Done’ or ‘Contingent (If Done) orders’ | The combination of two orders, with the second order only becoming active should the first order be executed. For example, you may place a limit or a stop order contingent on another limit order or stop order being executed. |
| ‘Limit Order’ | An order to enter into a Margin FX Contract or to close out an open Margin FX Contract, where the relevant Base Currency, as against the Term Currency, reaches a specified price or better (see section 12 for more details) |
| ‘Long Margin FX contract’ | Means purchasing a Margin FX Contract to buy the Base Currency in anticipation that the Base Currency will rise against the Term Currency. |
| ‘Margin’ | A specified amount of cash deposit with us in respect of each open Margin FX Contract (see section 13). |
| | |
| | |
| | |
| | |

| | |
|---|---|
| ‘Margin Call’ | A Margin Call is a demand for additional funds to be deposited into your Account to meet your Total Margin Requirement because of adverse price movements on your open Positions. |
| ‘Margin FX Contract’ | Margin Foreign Exchange Contract. |
| ‘Margin Percentage’ | Means the Margin FX account balance/Total Margin requirement x 100. |
| Mark to Market Payments’ | Payments which are credited to or deducted from your Margin FX account each business day representing the Unrealised Profit/ Loss on you opened Margin FX Contracts as the close of business on that date. |
| ‘Market Order’ | An order to enter into a Margin FX Contract or to close out an open Margin FX Contract, at the current price set by us. |
| ‘One Cancels the Other’ or ‘OCO’ | Combination of both a limit and a stop order. It is an order that can be used to take a profit if the market moves favourably to the open Margin FX Contract or to limit the loss if the market moves against the open Margin FX Contract. It may also be used to open a new Margin FX Contract. The execution or cancellation of one order will automatically cancel the other order. |
| ‘OTC Derivatives Provider’ | The party with whom we enter into a Margin FX Contract with, on our own behalf, when we enter into a Margin FX Contract with you to hedge our exposure under the Margin FX Contract between you and us. |
| ‘PDS’ | Product Disclosure Statement. |
| ‘Pips’ | A pip means the smallest increment in foreign exchange trading or "percentage in point". Foreign exchange rates are quoted to the fourth decimal place a pip is 0.0001. The exception is the Japanese Yen which is only quoted up to two decimal places. |
| ‘Position’ | A position is a Margin FX Contract entered into by you under the Client Agreement. |
| ‘Short FX contract’ or ‘Short Margin FX contract’ | Means purchasing a Margin FX Contract to sell the Base Currency in anticipation that the Base Currency will fall against the Term Currency. |
| ‘Spot Margin FX Contract’ | An agreement under which you will either buy or sell a Margin FX Contract at a fixed price where the Value date (being the date that both parties agree to exchange payments) is within two business days after the date of opening the Margin FX Contract. |
| ‘Standard Lot’ | 100,000 units in the Base Currency. |
| ‘Stop Order’ | An order to enter into a Margin FX Contract or to close out an open Margin FX Contract where the relevant Base Currency, as against the Term Currency, reaches a specified price or worse (see section 12 for more details). |
| ‘Swap Charge’ or ‘Swap Credit | While holding a position overnight, your account is debited or credited using the applicable overnight Tom- Next rate (see section 14 for more details). |
| ‘Tom-Next Rate’ | In currency transactions, the purchase and sale of a currency made to avoid taking actual delivery of the currency. The current position is closed out at the daily close rate and re-entered at the new opening rate the next trading day. Also referred to as "tomorrow next procedure". |
| ‘Term Currency’ | Is the second currency in a Currency Pair. Your Margin FX Contract will be settled in the Term Currency. The Contract Value of your Margin FX Contract is dependent upon the movement of the Base Currency against the Term Currency. |
| ‘Trading Day’ | Monday to Saturday including public holidays. |
| Total Margin Requirement | The sum of your Margin requirements for all of your open Positions |
| ‘Unrealised Profit / Loss’ | Unrealised Profit/Loss is profit or loss that has been made or lost but is not yet realised through a transaction. For example, if you buy 1 lot of GBPAUD at 1.6900 and it rises to 1.6950 but you have not yet closed the position, you will have a unrealised profit of $500. Once the trade is closed the unrealised profit would be realised and reflected in the cash balance. The Unrealised Profit/Loss is not included in the Margin for a Margin FX Contract. |
| ‘Underlying Instrument’ | An underlying instrument is a security, such as a stock, a commodity, or other type of financial product, such as a stock index, whose value determines the value of a Derivative investment or product. |
| Value date’ | Date that both parties agree to exchange payments for the Margin FX Contract. |
| ‘You’ or ‘Client’ | The person who accepts the terms of and agrees to the Client Agreement |