



**Contracts for Difference (CFD)
Product Disclosure Statement**

Issued by EC Markets Financial Limited

September 2024

CONTENTS

CONTENTS.....	2
IMPORTANT INFORMATION	4
About this PDS.....	4
Warning.....	4
EC Markets does not give personal advice.....	4
Residents outside Australia	5
Changes to this PDS.....	5
Contact information	5
1. BENCHMARK DISCLOSURES	6
2. KEY INFORMATION	7
What is this document?	7
What is a CFD?.....	8
How do CFDs work?.....	8
What are the key benefits of trading CFDs?	8
What are the main risks of trading CFDs?.....	9
3. KEY PRODUCT FEATURES	9
4. BENEFITS OF CFD TRADING.....	12
5. SIGNIFICANT RISKS.....	12
6. TRADING CFDS WITH US	14
Opening a Trading Account	14
How to establish a CFD position.....	15
Closing a position	16
Confirmation of transactions.....	16
7. ORDER TYPES	17
Order durations.....	18
8. CLIENT MONEY AND MARGINING.....	18
Client Money Account	18
Margining	19
9. TYPES OF CFDS WE OFFER	20
Foreign exchange CFDs.....	20
Commodity CFDs	20
Index CFDs	20
Cryptocurrencies CFD.....	20
Shares & ETF CFDs	20
10. FEES AND CHARGES	21
Commissions, Spread & Interest	21
Overnight Financing Fees also known as Swap Fees.....	21
Inactivity & Low Activity Fees.....	21
Islamic Accounts.....	22
Money Transfer Fees	22
Withdrawal Fees.....	22
11. OTHER IMPORTANT INFORMATION	22
Discretion	22

Anti-money laundering laws.....	23
Taxation implications	23
Cooling off	23
Ethical considerations	23
Jurisdiction.....	24
Insurance	24
If you have a complaint	24
Privacy statement.....	24
Other information	25
12. GLOSSARY	26

IMPORTANT INFORMATION

About this PDS

This Product Disclosure Statement (**PDS**) was updated by **EC Markets Financial Limited** (ARBN 152 535 085, AFSL 414198) trading as “**EC Markets**” on 2 September 2024 (hereinafter, collectively known as **EC Markets, we, us, our**). EC Markets Financial Limited was formerly known as CTRL Investments Limited and as MahiFX Limited.

This PDS is a replacement PDS for Contracts for Difference (**CFD**) Product Disclosure Statement issued by EC Markets Financial Limited, dated 13 September 2021.

This PDS is issued in connection with the CFDs offered by EC Markets. It provides important information about the CFDs we offer and should be read in conjunction with our terms and conditions (**Terms of Use**) and our Financial Services Guide (**FSG**). Our PDS, FSG and Terms of Use govern our relationship with you.

Capitalised terms are defined in the Glossary in Section 12 of this PDS.

Warning

Trading CFDs carries a high level of risk and are not suitable for all investors. You should carefully consider your investment objectives, needs, risk appetite, financial situation and level of experience before deciding to trade in the products offered by us. Seek independent advice if necessary.

Your capital is at risk, and you should only trade with money you can afford to lose – do not borrow money to fund your trading activity. Only surplus funds should be placed at risk and anyone who does not have such funds should not participate in trading CFDs. Most retail clients lose money trading CFDs.

If the value of the underlying Instrument changes, you may suffer losses. In particular, unlike most other kinds of financial products, you may end up owing significant amounts of money.

You should read this PDS, our FSG and Terms of Use in full before making any decision to trade with us. You should not invest in CFDs unless you understand and is comfortable with the risks of investing in CFDs.

EC Markets does not give personal advice

EC Markets will not give you personal financial product advice. This means that any advice we may give to you does not take into account your objectives, financial situation and needs.

This PDS does not constitute a recommendation or opinion that CFDs are appropriate for you. The information provided in this PDS is general information only and does not take into account your personal circumstances.

The information in this PDS is designed to help you understand the risks associated with the CFDs we offer and assess their potential benefits as well as risks. You should obtain your own

financial, legal, taxation and other professional advice as to whether CFDs are an appropriate investment for you. You should consider your personal circumstances, and the significant risks which accompany the prospect of profit associated with CFDs before investing.

Residents outside Australia

This PDS is intended for Australian residents and citizens who have signed up using the www.ecmarkets.com.au site. If at the time of opening a Trading Account you were a resident of Australia, but at a future date you cease to be a resident of Australia, then you should inform us immediately.

Changes to this PDS

The information in this PDS is up to date at the time it was prepared but is subject to change at any time. Where information is not materially adverse to you, we may update the information by posting a notice on our Website. We may also issue either a new PDS or a supplementary PDS. A copy of the PDS (including any supplementary disclosures), FSG and our Terms of Use can be downloaded from Our Website, or you can contact us directly to request a paper copy which we will provide to you free of charge.

Contact information

We are registered in New Zealand as a private limited company by shares and is registered in Australia as a registered foreign company. You can contact us using the information below:

Accessing Our Website: www.ecmarkets.com.au

By email (Customer Service Team): support@ecmarkets.com.au

By telephone (Customer Service Team): +64 9 302 0798

For more information about EC Markets and the CFDs we offer, please visit our Website.

1. BENCHMARK DISCLOSURES

The Australia Securities and Investments Commission (**ASIC**) has developed seven disclosure benchmarks for CFDs that can help retail clients understand the risks associated with CFDs, assess their potential benefits and decide whether investing in CFDs is suitable for them.

More information about the disclosure benchmarks can be found in ASIC Regulatory Guide 227. The table below outlines how EC Markets complies with the disclosure benchmarks on an 'if not, why not' basis.

Disclosure benchmark	Meet benchmark?	Explanation
1. Client Qualification	Yes	All persons who apply to open a Trading Account with EC Markets must complete the client qualification process. This includes a knowledge and experience questionnaire. Further information can be found in Section 3 of this PDS.
2. Opening Collateral	No	EC Markets does not meet this benchmark because we accept credit card payments, amongst others, as opening collateral for Trading Accounts, and we do not place limits on credit card payments. We accept credit card payments for more than \$1,000 as initial funding in order to provide flexible payment options to clients. Other available payment methods include debit card and wire transfers, and clients do not have to use credit cards to fund their opening collateral. Further information about depositing funds can be found in Sections 6 and 7 of this PDS.
3. Counterparty Risk – Hedging	Yes	EC Markets hedges every position with our designated counterparty(s). We have a Hedging Policy in place which governs our hedging arrangements and includes a periodic assessment of counterparties. The hedging Policy is available on our Website.
4. Counterparty Risk – Financial Resources	Yes	EC Markets maintains policies to ensure that we meet our financial resource requirements as an Australian financial services licensee. We monitor our financial positions on a monthly basis to ensure we meet the financial requirement under our licensing obligation, and this includes • EC Markets at all times having net tangible assets

		(NTA) of at least the greater of AUD\$1,000,000 or 10% of average revenue, of which cash and cash equivalents in an amount that is at least 50% of the required NTA and liquid assets in an amount that is at least 50% of the required NTA; and Quarterly projection of EC Markets' cash flows for next 12 months. EC Markets' latest audited financial statements are available to investors upon request (free of charge). You may request a copy by emailing our Customer Support Team. Contact details are available on our Website or on page 5 of this PDS.
5. Client Money	Yes	EC Markets has a client money policy which stipulates that we will not use client funds in our Client Money Account to meet our obligations, or the obligations of other clients in connection with margining, guaranteeing, securing, transferring or settling trades. Further information can be found in Section 8 of this PDS.
6. Suspended or halted underlying assets	Yes	EC Markets does not allow trading in positions where there is a trading suspension or halt in the underlying instrument in accordance with the market rules of the relevant exchange. Client will need to wait until the market resumes before they can trade. In any instances where trades were executed during the period of suspension or halt in place, we reserve the right to reverse any trades that were executed during a suspension or halt period.
7. Margin Calls	Yes	EC Markets maintains a written policy in relation to our Margin Call practices and discretions. This policy is contained within our Terms of Use which is available on Our Website. Further information can be found in Section 8 of this PDS.

2. KEY INFORMATION

What is this document?

This is a PDS for CFDs provided by EC Markets. This document provides you with essential information to help you understand CFDs and make an informed decision whether to invest in this type of financial product. It is important that you understand the product and the risks

associated with making an investment.

The CFDs are derivatives, which are contracts entered into between you and EC Markets that may require you or EC Markets to make payments. The amount you must pay, or the amount you will receive, will depend on the value of the underlying instrument of the CFD, which may include shares, exchange traded funds (**ETFs**), indices, commodities, foreign currency, or cryptocurrencies (collectively referred to as **Instruments**). The contract specifies the terms on which those payments must be made.

What is a CFD?

A CFD is an agreement which allows you to make a profit or loss by reference to the fluctuations in the value of an underlying Instrument such as shares, ETFs, indices, commodities, foreign exchange, or cryptocurrencies. You do not own or have any rights to the underlying Instrument.

The CFDs offered by EC Markets are:

- over the counter (i.e., they are entered into between you and EC Markets directly);
- non-deliverable (i.e., they are cash settled and do not allow for the physical delivery of the underlying Instrument);
- on shares, ETFs, indices, commodities, foreign exchange, or cryptocurrencies.

How do CFDs work?

The CFDs are provided on a margin or leveraged basis. This means that in order to Trade¹ with EC Markets, you are required to post a certain percentage of the value of all of your open positions (called **Margin**) with EC Markets.

The amount of Margin required depends on the rate of Leverage² applied, and the rate of Leverage depends on the underlying Instrument and client classification i.e. account type. The Margin rates for different types of CFDs are available on the Trading Platform and on our Websites.

You may also be required to make additional Margin payments to contribute towards your future obligations under a CFD. The only way to settle an open CFD is to close it out with an equal and opposite reciprocal Trade on the Trading Platform.

What are the key benefits of trading CFDs?

Some of the key benefits from trading in CFDs include:

- the ability to hedge pre-existing Instrument exposures;

¹ Trade is a term defined on page 27.

² Leverage is a term defined on page 26.

- the capacity to take long and short positions, and thereby attempt to profit from both the positive and negative fluctuations in the value of the underlying Instruments;
- the ability to Leverage those hedging or investment positions, magnifying the potential for gain; and
- the ability to trade in smaller increments and in markets otherwise not available to the retail investor.

What are the main risks of trading CFDs?

As with all Margin or Leveraged investments, trading in CFDs can be risky and is not appropriate for everyone. There are a number of risks that you should be aware of before beginning to Trade, including the possibility of losing some or all of the money that you invest.

While a benefit of Margin or Leveraged trading is that potential gains are magnified, the same applies for losses – if the Market moves against you, you may incur losses greater than the amount you had initially invested. You may be required to provide further funds to cover the additional losses.

CFDs are not suitable for passive investment. Since CFDs are tied to an underlying Instrument, a sudden change in that Instrument will have the same effect on the CFD. Changes in the Markets can occur suddenly and may occur overnight if you are trading in CFDs where the underlying Instrument is traded on foreign markets. You should be able to actively monitor your open positions and be able to take appropriate action if required.

Please read the warning in section 2, on page 7, carefully and make sure you fully understand the risks associated with trading derivatives and CFDs. Please talk to a registered financial advisor experienced in derivative products if you do not understand the products or have concerns as to whether CFDs are right for you.

3. KEY PRODUCT FEATURES

Key features	Explanation
Client qualification	Applicants for a Trading Account must qualify through a set of assessment criteria which is in the form of a Questionnaire and includes an assessment of your knowledge and experience in trading in financial products, including derivatives. The Questionnaire is required to be completed as part of the account opening process. An Account may be opened for applicants who pass the Questionnaire. An Account will not be opened for those applicants who do not pass the Questionnaire. We will notify both successful and unsuccessful applicants. Applicants who do not pass the Questionnaire will still have access to demo account in order to gain a better understanding of the financial product and will be able to re-sit for the questionnaire at a later date.

	If you are unsure about how CFDs work, we strongly recommend that you apply for a demo trading account and trial our Trading Platform prior to opening a live Trading Account. Our demo accounts mirror our live Trading Platform and provide you with a virtual balance to trade with. This enables you to become familiar with the Trading Platform and decide whether or not CFDs are suitable for you.
Types of CFDs	EC Markets offers CFDs on shares, ETF, indices, commodities, foreign exchange and cryptocurrencies, and such other CFDs as may be notified to you from time to time. You can find the latest contract specifications for each type of CFD on our Trading Platform. Further details can be found in Section 9 of this PDS.
Pricing / Quotes	The prices we quote to you are the prices which our hedge counterparty quote plus our markup. We get paid a commission based on the volume we send towards the Liquidity Provider.
Minimum Initial Deposit	To activate your Trading Account, you must deposit at least AUD250. Once your Trading Account is open, there is no ongoing minimum account balance required. However, if you enter into an CFD you must ensure that the amount in your Trading Account is sufficient to meet payments when due.
Margin	When you enter into a trade that will create a new position or when holding an open position, you need to have sufficient Account Equity to cover the Margin required for any open positions. If you do not maintain the Margin Requirement you are at risk of your open positions being closed out by us through Margin Close Outs.
What is your Account Equity?	Your Account Equity will be updated in real time on the Trading Platform. It includes your Cash balance and any unrealised profits or losses from open positions. Your Account Equity is used to assess whether your Trading Account is sufficiently funded to cover the Margin Requirement for your open positions and must exceed the Margin Requirement at all times.
What is your Cash balance?	The Cash balance of your Trading Account at any given time is calculated as: • The sum of cleared payments received from you, amounts credited by us and any realised profits from your closed positions Less • The sum of any realised losses from your closed positions, deducted fees and processed withdrawal payments. The Trading Account is not a bank account. It is simply a record of your positions and your cash balance. Any funds we hold for your benefit are held in our Client Money Account, which is a segregated account with a bank which records amounts we hold for our clients separate from our own funds.
What are your available funds?	Your available funds consist of your Account Equity that is in excess of any Margin Requirement for open positions. You may use your available funds to enter into other trades or make withdrawals. However, the funds available to withdraw may be less than the funds available

	for trading. This is because the funds available might be less than the margin required to maintain the open positions. Your total withdrawal amount must be in the form of Cash Balance in your Trading Account and does not include any unrealised profits or losses. Unrealised amounts are, however, included to determine your available funds to trade (i.e. your Account Equity).
Base currency	The base currency on your Trading Account is Australian Dollars (AUD). If any of your CFD positions are denominated in a currency other than your base currency, we will convert the relevant amounts to the base currency using the current exchange rate. We calculate your Margin Requirement and any unrealised profit or loss in real time and by reference to your base currency using the current exchange rates.
Opening a CFD position	You can open a position through our Trading Platform. You can enter into either a long position (buying) or a short position (selling). Further details can be found in Section 6 of this PDS.
Closing a CFD position	Generally, positions will remain open until they are closed out by you. We may exercise our right to close out any of your open positions in certain circumstances. Further details on position closures can be found in Section 6 of this PDS.
Fees payable	The costs involved in opening a CFD position will vary depending on the contract traded. Further details on fees and costs can be found in Section 10 of this PDS.
Negative Balance Protection	Negative balance protection is a feature of the CFDs we offer. This means that at all times, your maximum potential loss would be limited to your Account Equity, unless we consider you are engaging in any form of abusive trading determined in our discretion.
Orders	The following types of Orders are available on our Trading Platform: market orders, limit orders, stop orders, including trailing stop orders and varying order durations. Further information about each type of Order can be found on Section 8 of this PDS.
Trading restrictions	Our CFDs can only be traded during the open market hours of the relevant exchange on which the underlying instrument is able to be traded. Open hours of the relevant exchanges are available by viewing the relevant exchange's website.
Withdrawing money from your Account	You may request a withdrawal of available funds by submitted a withdrawal request online through the Client Area which is located on Our Website. If we accept your withdrawal request, you should ensure that your Trading Account continues to have sufficient funds to cover your Margin Requirements should the market move to the detriment of your open positions. There is no maximum withdrawal limit. However, your withdrawal balance may be reduced

	by a withdrawal fee set out in Section 10 of this PDS. To comply with AML laws, we will only process your withdrawal payment to the payment details you have provided to us in respect of your Trading Account. It should be noted some banks use intermediary banks that charge fees, which is your responsibility to pay.
--	---

4. BENEFITS OF CFD TRADING

CFD transactions are desirable for many reasons.

Investment - Some customers may enter into CFDs to generate an exposure to a particular underlying Instrument for trading or speculative investment purposes. Persons may do so with the hope or expectation of generating a profit through speculating on fluctuations in the values of the underlying Instrument.

Hedging exposure - Our CFDs might also be of interest to persons who have a pre-existing exposure to the underlying Instrument. Such persons bear the risks and rewards of fluctuations in the value of that underlying Instrument and may wish to protect themselves against adverse movements in the value of the Instrument by hedging against any fall in the value of the Instrument to which they are exposed. EC Markets offers its customers a highly efficient mechanism to buy or sell underlying Instruments to help manage such risks. However, it does not remove the requirement for persons to meet the terms of their original transaction that gave rise to the pre-existing exposure to the underlying Instrument.

Leverage – Some customers may enter into CFDs to enable them to Leverage their hedging or investment positions and give them the ability to trade in smaller increments and in markets otherwise not available to retail investors.

Trade in rising and falling markets – Our CFDs enable persons to gain exposures to underlying Instruments in both rising and falling markets and take long (buy) and short (sell) positions to benefit from both rises and falls in market prices.

5. SIGNIFICANT RISKS

The risk of losses when trading in derivatives or leveraged products, such as CFDs, can be substantial. This section is a summary of significant risks involved in trading CFDs. You should seek independent advice and consider carefully whether CFDs trading is a suitable investment for you.

Significant risks	Related information
-------------------	---------------------

Leverage	The use of leverage in CFD trading means that a small initial Margin payment can potentially lead to significant losses, including losses which can exceed clients' initial investment. Additionally, your losses would be amplified if you use borrowed funds to fund your Trading Account, including by funding your Trading Account using a credit card. Therefore, you must not rely on being able to redeem borrowed funds with any profits from Trades with us.
Loss of margin (your collateral)	The profit/loss of the open positions you hold can change rapidly due to changes in the market conditions for the underlying Instruments, and you could lose the initial Margin payment provided to open the CFD position. In addition, you may be required, at short notice, to deposit additional Margin to maintain your open position.
Counterparty risk	You may be directly exposed to the financial risk associated with dealing with EC Markets, and indirectly exposed to the financial risks from our hedging counterparties. If the financial conditions of EC Markets and its counterparties (such as our liquidity providers) were to deteriorate, then EC Markets might not be able to fulfil our obligations to you. You could become an unsecured creditor of EC Markets' administration or liquidation. You may also be affected by the administration or liquidation of EC Markets' counterparties.
Operational risk	EC Markets operates a highly automated system and is reliant on its technology operating as desired. Accordingly, operational risks are inherent in every position you open with us. A disruption to either our Trading Platform (hardware or software), communication networks or other systems may lead to delays in the execution and settlement of trades.
Market Risk	Financial markets can change rapidly. Prices of the underlying Instruments depend on a number of factors, such as interest rates, demand and supply, actions by the relevant issuers and actions of government and regulators. In some cases, the underlying instrument may be suspended from trading or have their quotations withdrawn from the exchange where they are traded. These factors will directly affect the value of your CFD position.
Liquidity Risk	This is the risk that an open CFD position cannot be closed out quickly enough to prevent a loss or to make the required profit. For example, a lack of liquidity in the underlying Instruments may impact the ability of our hedge counterparty (s), to quote prices to us, which will in turn impact our ability to quote prices to you and, therefore your ability to execute Orders with us. Accordingly, even though the extent of losses could be subject to an agreed upon limit through the use of different Order types, there is still a risk that you may incur losses beyond these limits. However, the Trading Account would not ordinarily fall below zero where negative balance protection is a feature of the CFD. Details on negative balance protection is set out in Section 3 of this PDS.

Foreign exchange exposure	If you enter into any positions that are denominated in a currency other than the base currency on your Trading Account, you are exposed to exchange rate fluctuations during the period the position remains open. We will endeavour to use the current exchange rates for any conversions performed.
Involuntary close-out of positions	EC Markets has the right to close out a CFD position without your agreement in a number of circumstances. Accordingly, you may not be able to anticipate or control the time at which a CFD position is closed out. It is possible that closeout may occur where insufficient funds are held in the Trading Account to cover amount payable by you. Further details can be found in Section 6 of this PDS.
Cryptocurrency risk	CFDs are high risk investment products, which are volatile, creating the opportunity for high financial returns or losses. Cryptocurrencies are also high-risk facilities and their value fluctuates significantly. Cryptocurrencies are not just subject to market risks of supply and demand, but also to technology risks. Accordingly, you should consider your exposure to losses when trading in CFDs over cryptocurrencies.

6. TRADING CFDS WITH US

EC Markets offers its products online via the Trading Platform. The Trading Platform provides a simple and intuitive interface for customers to enter into CFDs. You can trial the products and services available by setting up a free demo trading account which allows you to familiarise yourself with the Trading Platform and practice trading, without depositing any funds with EC Markets.

Opening a Trading Account

Before trading you should read the contents of this PDS, our Terms of Use and the FSG, then navigate to Our Website and read the Terms of Use and risk warnings. You may then sign up (register) by completing an online application form for a Trading Account provided by us.

Our Website maintains a detailed account-opening policy and procedure for each new client, which focuses on confirming the identity of the client and source of funds. Applicants for a Trading Account must qualify through a set of assessment criteria which is in the form of a questionnaire, and includes an assessment of your financial capacity, knowledge and experience in trading in financial products, including derivatives. The questionnaire is required to be completed as part of the account opening process.

Our Terms of Use sets out the terms and conditions that apply to your use of the services provided or made available by EC Markets. Those services include your use of the Trading Platform, any of the specific services or webpages available from EC Markets. The Terms of Use apply to all dealings which you have with EC Markets. The terms and conditions therefore apply whether or not you are a registered customer of EC Markets.

This PDS should be read in conjunction with those Terms of Use and the FSG.

How to establish a CFD position

1. **Activate your Trading Account:** after we receive your application and undertaken steps to approve your Trading Account, we will send you a welcome email with your account activation instructions. Once you click on the link to activate your account, you will receive a welcome confirmation email that your account is open and available for funding.
2. **Fund your Trading Account:** once your Trading Account is activated, you can fund your Trading Account through various methods including credit card payment or bank wire transfer. To activate your Trading Account, you must deposit a minimum amount of AUD\$250 (or equivalent amount in another currency). Also, some daily (maximum) deposit limits may be imposed when you fund your Trading Account using a credit card: you should refer to our Website for further details. You should note that the Free Margin in your Trading Account will determine the amount available to be utilised as Margin to support your Trades and open Positions and might constrain your ability to use services offered by EC Markets.
3. **Enter a Trade:** You can enter into a CFD position through our Trading Platform.
4. **Post Margin:** Margin is a percentage of the total value of a transaction that you are required to post to cover the risk arising from opening a Position. Margin is posted automatically by the Trading Platform, provided you have sufficient Free Margin in your Trading Account. If you have insufficient Margin in your Trading Account, then the Order or transaction might be rejected, cancelled or fail.

We ask that you always have sufficient aggregate Margin in your Trading Account to cover any losses you might incur. Your **Account Equity** will limit the size of any new Positions you can open and will affect when you receive a Margin alert and possible Margin Closeout on any open Positions. A Margin Closeout is when the Trading Platform automatically and progressively closes out your least profitable Position(s) to significantly decrease the probability of you losing more than the amount that is in your Trading Account.

EC Markets will notify you of the execution of your Order and you can review completed Orders by accessing your Trading Account on the Trading Platform.

5. **Monitor Positions:** as soon as a Trade is executed, your Trading Account will be updated on the Trading Platform. You may review and manage your Positions via the Trading Platform.
6. **Manage your risk:** You alone are responsible for managing the risks associated with your transactions with EC Markets. The Trading Platform offers three tools to help you manage your risk:
 - the **Limit Order** - places a restriction on the maximum price to be paid or the minimum price to be received for a CFD transaction.

- the **Stop Loss Order** - ensures that when a predetermined price is reached it will trigger a particular Position to automatically close out (liquidate) in order to limit potential losses should the market move to the detriment of your Position. A Stop Loss Order remains in effect until cancelled by you or the Position is closed out.
- the **Take Profit Order** - ensures that when a predetermined price is reached it will trigger a particular Position to automatically close out (liquidate) in order to realise gains should the market move in your favour. A Take Profit Order remains in effect until cancelled by you or the Position is closed out.

You should note, however, that while reaching a predetermined price will trigger a Stop Loss or Take Profit Order, extreme market conditions might prevent the execution of an individual Stop Loss Order or Take Profit Order at or even around the specified price despite other dealing activity at that price level (also see the heading 'Liquidity Risk' on page 13). The outcome might occur if, for example, the market was moving very rapidly at the time the trigger occurred. However, EC Markets will execute any Stop Loss or Take Profit Order at the next available price following the trigger of any Order.

Closing a position

Ordinarily, CFD positions do not expire or have a fixed term of existence, so they must be closed out by you. For CFDs of underlying assets with expiry date, if there are open positions and if the client does not close their own positions by the expiry, EC Markets will do so on that date of expiry, regardless of whether the value of the underlying asset has gained or lost in relation to the open positions.

If you wish to close an open position, you enter into a new position which is equal and opposite to the open position. To close a 'buy' or 'Long' position - you sell. To close a 'sold' or 'Short' position - you buy.

We may exercise our discretion to close out any open positions in the following circumstances:

- Where trading in the underlying instrument is suspended or halted by the relevant exchange or the underlying instrument has been de-listed from the relevant exchange;
- Where you are unable to satisfy a Margin Call; or
- Where you engage in abusive trading as determined at our discretion.

When a position is closed-out, we will credit any realised profit or loss from that position into your Trading Account. The realised profit or loss would be calculated by deducting any applicable fees or charges. If the position was denominated in a foreign currency, the realised profit or loss would also be converted to the base currency on the Trading Account using the current exchange rate.

Confirmation of transactions

You may obtain confirmation of any positions entered into with us by accessing your daily

account statement through the Trading Platform which you may also print out for your records. It is your obligation to review your trade confirmations immediately to ensure their accuracy and to report any discrepancies to us within 48 hours.

If you have provided EC Markets with an e-mail address, we will assume that you consent (unless you tell us otherwise) to confirmations being sent to you electronically, including by posting information on the Trading Platform which can be viewed through your Trading Account.

7. ORDER TYPES

Different types of Orders are available on our Trading Platform. Orders may only be executed during the trading hours of the relevant underlying instrument.

All Orders are treated as either a buy or sell instruction from you, without reference to whether they are intended to open or close a CFD position. Under our Terms of Use it is your responsibility to ensure that all Orders placed by you have been executed correctly.

We have a discretion on whether or not to accept or reject any Orders. Even if we accept your Order, we cannot guarantee that it will be filled completely. Our ability to fill Orders is dependent on our hedging arrangements which, in turn, depends on the availability of liquidity in the market for the underlying instrument at the price at which you place your Order.

Below are the Order types offered by EC Markets:

Market Orders

These are Orders to buy or sell at prevailing market price.

Limit Orders

A limit order places a restriction on the maximum price at which a long CFD position may be opened (in the case of a buy limit order) or the minimum price at which a short CFD position may be opened (in the case of a sell limit order). These orders may be used to enter a position, or to close a position.

Stop Loss Orders

A stop loss order is an instruction from you to close a position at a specified price to limit potential loss should the market move against your position.

Generally, we will try to accept a stop loss order, subject to market conditions and the reasonableness of your stop loss order. Your order may be unreasonable if, for example, the level you have specified is beyond the level allowed for Orders for the underlying instrument, or trading in the underlying instrument has been halted or suspended.

Trailing stop is a type of stop loss order that can be used to close out positions at a defined percentage or specified amount away from the value of the underlying instrument.

There is no guarantee that a stop loss order will be executed at the level specified in the Order. This is because Orders may be subject to what is known as “slippage”, due to an

increase in volatility or volume. This generally occurs during news events or 'gapping' in the markets.

Take Profit Order

A take profit order is an instruction from you to close out a position at a specified level in order to realise gains should the market move in your favour. As with stop loss orders, there is no guarantee that the take profit order will be executed at the level specified in the Order.

Order durations

Orders will remain in effect until either it has been cancelled by you or us, executed by us, or we no longer quote the CFD which your Order was placed over. EC Markets offers the following types of Order durations:

- One cancels the other (**OCO**) – this is a pair of Orders stipulating that if one order executes, then the other order is automatically cancelled.
- Good until cancelled (**GTC**) - this is an Order to buy or sell at a specified price which remains in effect until executed or cancelled by you.
- Close by – this Order type allows you to close two orders by cancelling each other out.
- Multiple close by – this is similar to a close by order but applies to multiple positions at the same time.

Orders cannot be changed while market is closed (for example changing of Stop Loss/ Take Profit orders will not be effective until the relevant market reopens).

8. CLIENT MONEY AND MARGINING

Client Money Account

Any money that you deposit with us for trading purposes would be paid into a trust account (known as our Client Money Account) that we maintain with an Authorised Deposit Taking Institution in compliance with the Australian Client Money Rules and ASIC Regulatory Guide 212: Client Money Relating in OTC Derivatives.

EC Markets may maintain more than one Client Money Account. Money held in the Client Money Account is held on trust by EC Markets for the benefit of clients. Money to which you are entitled in the Client Money Account is co-mingled with money to which other clients are entitled but kept separate from EC Markets' own money.

We do not use client money to which you are entitled for meeting our hedging obligations or other liquidity providers, or for meeting trading obligations with other clients. We fund these obligations from our own money.

We hold client money separately from our own operational money and we do not deposit our

operational money into our Client Money Account. We periodically remove any money from the Client Money Account that becomes money to which we are entitled as a result of trading.

We'll only withdraw your client money from our Client Money Account where we are permitted to do so under the Australian Client Money Rules. This includes to:

- process a withdrawal for you;
- cover fees to which we are entitled;
- pay money to us that we are entitled to as a result of you trading with us; and
- make a payment that is otherwise permitted by law.

You should be aware that we are solely entitled to any interest or earnings on client money held in our Client Money Account or invested in compliance with the Australian Client Money Rules.

Further to the above, you will need to be aware of potential exposure to the financial risk associated with dealing with EC Markets as set out in **Section 5** of this PDS.

Margining

Margin is the amount of funds required on the trading account to cover our exposure as counterparty to the CFD position you establish with us. Client cannot use that required Margin amount to open or support other open trades.

To open a position on our Trading Platform, you must add the Margin required for the trade (or have Account Equity, sufficient to cover that amount). This amount is referred to as the initial Margin. The Margin rates for different types of CFDs we offer are available on the Trading Platform and are also contained on our Website.

We reserve the right to change the Margin at any time during which the CFD remains open. We may take steps to notify you of changes to the Margin if you already have an open CFD, or if you wish to open a new position.

For as long as the position is open, you are required to keep sufficient Account Equity to cover your Margin Requirement. It is ultimately your responsibility to monitor your Trading Account and to ensure that your Account Equity exceeds your Margin Requirement. If your Account Equity falls below the Margin Requirement, we may make a Margin Call via an email or alert from within the Trading Platform. This serves as notice that your trades are at risk of being closed out by us.

If no time is stipulated, we may require payment within 24 hours of the Margin Call being made. Sometimes, however (such as in unusually volatile market conditions or rapidly falling market prices), little or no time may be stipulated for paying a Margin Call (that is, immediate payment is required) or more than one Margin Call may be made on the one day including at weekends or outside of local business hours. Accordingly, you must monitor your Trading Account and be contactable by us as you remain liable to meet the Margin Call.

We have a discretion to exercise a Margin Close Out of some or all of your open positions where your Account Equity falls below 50% of the Margin Requirement.

We may close out your least profitable position(s) first, to significantly decrease the probability of you losing more than the amount that is in your Trading Account.

9. TYPES OF CFDS WE OFFER

Foreign exchange CFDs

Foreign exchange CFDs allow you to gain exposure to movements in currency pairs in anticipation that one currency will either rise or fall in value against the other currency.

Details of currency trading sizes and Margin requirements are set out in the contract specifications. The contract specifications for our foreign exchange CFDs can be found on our Trading Platform.

Commodity CFDs

Commodities are physical goods bought and sold through futures contracts traded on regulated exchanges such as, cotton, wheat, sugar and oil. Commodities are traded in standardised contracts. The underlying instrument for the CFD is the futures contract. One contract is defined as a certain weight or volume (or other agreed measurement) of that particular good.

Commodity CFDs allow you to gain exposure to the changes in the price of these contracts, without trading the underlying commodities or futures contracts themselves. The value on which you are trading is that of a commodities contract at a set point in the future, taking into account the cost of holding/carrying the physical commodity until the expiry date. There is no option to physically deliver or receive the commodity.

The contract specifications for our commodity CFDs can be found on our Trading Platform.

Index CFDs

Index CFDs allow you to gain exposure to movements in an underlying index. The underlying instrument for the CFD is the futures contract traded on regulated exchanges.

The contract specifications for our Index CFDs can be found on our Trading Platform.

Cryptocurrencies CFD

Cryptocurrency CFDs allows you to gain exposure to price movements in cryptocurrencies traded on relevant exchanges (which are commonly not regulated as exchanges in the way that stock exchanges and futures exchanges are). Cryptocurrencies are more volatile than other underlying Instruments and may be even more susceptible to sharp and sudden movements in price, which could affect the value of your positions. You should ensure that you understand the specific risks before trading in cryptocurrency CFDs.

Details of trading sizes and Margin requirements are set out in the contract specifications.

The contract specifications for our cryptocurrency CFDs can be found on our Trading Platform.

Shares & ETF CFDs

Shares & ETF CFDs allow you to gain exposure to the underlying security without physically

owning that security. Share & ETF CFDs do not have a fixed expiry date, giving you the freedom to close your position when you choose.

The contract specifications for our shares & ETF CFDs can be found on our Trading Platform. Relevant trading examples will be included on Our Website for your better understanding.

10. FEES AND CHARGES

Commissions, Spread & Interest

We earn a commission from our hedging counterparties based on the volume of hedged positions. Commissions are incorporated into prices which hedging counterparties quotes to us (which are the Spreads we quote to you).

EC Markets may also earn revenue from any interest received on funds held in the Trading Account or in the Customer Funds Accounts.

As per its Terms of Use, EC Markets is entitled to retain any interest earned on any funds held in the Trading Accounts or in the Customer Funds Accounts.

Overnight Financing Fees also known as Swap Fees

The Overnight Financing Fees also known as Swap Fee is the interest we charge for holding your position open each night.

If you hold a Position overnight, we will charge you an overnight financing fee or swap fee which will be debited from your Trading Account. You are deemed to have held a Position overnight if it is open at 12:00 am (GMT +3 time zone). This means for example if you are in New Zealand time zone this overnight fee can occur during the day. This fee will be charged regardless of whether you have a Long or Short Position open. The overnight financing fees applicable to your open Positions can be found on the trading platform or on our Website and are subject to change from time to time.

As with all other CFD providers if you hold a position overnight on Wednesday the overnight financing or swap fees will incur 3 times the daily charge. This is because trades require a 2-day settlement period, so when a position is held overnight from Wednesday to Thursday, settlement is moved to Monday. Since swap fees are not charged when the markets are closed, this weekend exposure is accounted for through the increased rates on Wednesday.

Inactivity & Low Activity Fees

We may charge you a monthly inactivity fee if there is no trading activity for a consecutive period of 120 days. We may also charge monthly low activity fee if a Client does not open and/or close a transaction within a consecutive period of 120 days.

The inactivity/low activity fee schedule is as follows:

Inactivity/ Low Activity Period	Inactivity/ Low Activity Fee
Over 120 Days	AUD 10 per month
Over 365 Days	AUD 50 per month

Note in AUD or the equivalent amount in other currency as per the exchange rate that day. The fee is charged retroactive for the whole inactivity/ low activity period*

Islamic Accounts

EC Markets operates a swap free Islamic account and interested parties are invited to contact customer service for more information.

Money Transfer Fees

No fees are payable to EC Markets if you fund your Trading Account via a bank transfer/wire (although your bank may impose a charge).

Withdrawal Fees

EC Markets does not charge withdrawal fees, although some banks use intermediary banks that charge amounts, that are your responsibility to pay. The minimum withdrawal amount is 10 AUD or equivalent amount in another currency.

11. OTHER IMPORTANT INFORMATION

Discretion

EC Markets has discretions under the Terms of Use which can affect your Orders and positions. You do not have any power to direct how we exercise our discretions.

When exercising our discretions, we have a legal obligation under our Australian financial services licence to act efficiently, honestly and fairly. We may have regard to our policies and to managing all risks (including financial, credit and legal risks) for ourselves and all of our clients, our obligations to our counterparties, market conditions and our reputation. We will act reasonably in exercising our discretions, but we are not obliged to act in your best interests or to avoid or minimise a loss in your Trading Account.

Our significant discretions include:

- whether to accept your Order (including to close out a position) or to amend it;
- any suspensions, halts or limits we impose on your Trading Account or your trading;
- determining Margin Requirements, especially the amount of initial Margin, further Margin and our Margin Call process; and

- determining values of CFDs (for opening and closing positions and for determining Margin). You should consider the significant risks that arise from EC Markets exercising its discretions.

Our other discretions include:

- setting our fees;
- setting foreign exchange conversion rates;
- opening and closing your Account;
- giving you a grace period for full compliance in paying by cleared funds any amount you owe; and
- interpretation, variation and application of our policies.

Anti-money laundering laws

EC Markets is subject to anti-money laundering and counter-terrorism financing laws (AML laws) that can affect your CFD trading. The AML laws require EC Markets to collect and/ or verify information from you. The AML laws may preclude us from executing transactions with you. EC Markets may disclose your personal information or stop transactions on your Trading Account for the purposes of the AML laws or under our AML procedures, without liability to you for any loss that arises due to that occurring.

Taxation implications

Taxation law is complex, and its application will depend upon your individual circumstances. When determining if CFDs are right for you, you should consider the impact on your own taxation position and seek professional taxation advice.

Cooling off

There is no cooling off arrangement for CFDs. This means that you do not have the right to return the CFD, nor request a refund of the money paid to acquire the CFD. If you change your mind after entering into a CFD with EC Markets, you must close it out, pay any transaction costs and take the risk of incurring a loss in doing so.

Ethical considerations

CFDs that you enter into with us do not have an investment component within the meaning of the Corporations Act for this purpose. Labour standards or environmental, social or ethical considerations are not taken into account by EC Markets when making, holding, varying or closing out CFDs.

Jurisdiction

The distribution of this PDS in jurisdictions outside Australia may be subject to legal restrictions. Any person who resides outside Australia should access the PDS and other legal documentation found in the www.ecmarkets.co.nz website instead.

Insurance

EC Markets has insurance in place to cover a variety of different risks, some of which may assist in the repayment of deficits arising if there is fraudulent activity by one of EC Markets' employees, directors or authorised representatives that results in your money being used in fraudulent activities.

If you have a complaint

We have an internal complaint resolution process that is there to assist in the resolution of any issues arising from a complaint about a product or service received from us. You can make a complaint by completing and submitting the relevant form which can be found on our Website and sending it to **complaints@ecmarkets.com**. Alternatively, you may contact us as per our contact details as disclosed on page 5.

We will seek to acknowledge any complaint promptly and provide a substantive response within no more than 45 days.

If you do not get a satisfactory outcome, you have the right to complain to the Australian Financial Complaints Authority (**AFCA**). EC Markets is a member of AFCA (Member No. 28606).

AFCA provides fair and independent financial services complaint resolution that is free to consumers. The contact details for AFCA are as follows:

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

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

Privacy statement

All of the information collected by EC Markets, in the application form or otherwise, is used for maintaining your Trading Account and for the purpose of assessing whether you would be suitable as a client. If you do not provide any requested personal information to EC Markets, we may not be able to provide you with access to use the Trading Platform or our services.

We may disclose (and you are deemed to consent to us disclosing) your personal information for

the purposes for which it is collected and for any related purposes:

- to its affiliated entities for the purpose of such affiliated entities contacting you about their products and services;
- to any person who acquires or expresses an interest in acquiring all or any part of our business;
- to any person where necessary or desirable in connection with us investigating, preventing or taking action regarding any breach or suspected breach by you of our Terms of Use or any law;
- to any person as required or authorised by or under law; and
- to any other person to whom you subsequently consent from time-to-time.

We may transfer (subject to certain conditions) your personal information outside of Australia.

We take reasonable steps to make sure that the personal information that we collect, use or disclose is accurate, complete and up to date.

We have implemented and maintains secure protection of all personal information obtained from misuse, loss, unauthorised access, modification or disclosure.

EC Markets' Privacy Statement can be viewed in full on our Website at www.ecmarkets.com.au/privacy.

Other information

Other information about EC Markets and/or the products contained within this PDS may be found on Our Website. Please contact us if you have any questions in relation to us or the products covered by this PDS.

12. GLOSSARY

Unless expressed or implied to the contrary, the following words have the meaning set out below in the PDS:

Account Application Form	means the application form required to be completed in order to establish a Trading Account with us.
Account Equity	means the total amount of your Cash balance and net unrealised profit or loss for all open positions connected to your Trading Account.
Australian Client Money Rules	means Part 7.8 of the Corporations Act and the ASIC Client Money Reporting Rules 2017.
Cash balance	means the total amount of money recorded in your Trading Account and includes money held in our Client Money Account for your benefit.
Client Money Account	means the account maintained by EC Markets Investments for the purposes of section 981B of the Corporations Act.
Corporations Act	means the Corporations Act 2001 and any revisions subsequent to the publishing of this PDS.
Free Margin	means the total Account Equity deducted by the Margin required of the existing open positions the trader has.
Instruments	means a particular share, ETF, index, commodity, foreign exchange pair, or cryptocurrency that is capable of being traded using a CFD.
Leverage	The term “Leverage” is often used to describe the Margin arrangements. It refers to the deposit required in order for you to open a Position.
Long position	means the position taken to purchase a CFD with the expectation that it will increase in value due to favourable movement in the underlying instrument.
Margin or initial Margin	means the amount required to create a new position or when holding an open position is expressed as a set value or percentage of the value of the CFD (and any changes to margin which we may determine after the position is opened).
Margin Call	refers to one or more notifications EC Markets may provide to a client whose Account Equity has fallen below the Margin Requirement. When a Margin Call occurs, you can choose to either deposit more money into your Trading Account, close some or all trades or wait it out till Margin Closeout is triggered.

Margin Closeout	means the close out of some or all of your open positions by EC Markets Investments when your Account Equity is lower than or equal to 50% of the Margin Requirement or when your Account Equity falls below 100% of the Margin Requirement for 5 days or more.
Margin Requirement	means aggregate initial Margin for all open positions which is required to be held in Account Equity to keep those positions open.
Order(s)	means an instruction that is given by you in relation to one or more of your positions.
Our Website	refers to www.ecmarkets.com.au .
Short position	means the position taken to sell a CFD with the expectation that it will fall in value due to unfavourable movement in the underlying instrument.
Trade	The act of entering into a CFD or derivative with EC Markets. When a Trade is executed, it becomes a Position.
Trading Platform	means the online trading platform provided by EC Markets Investments known as the MetaTrader 4 Platform.
Trading Account	means the trading account that you have with EC Markets Investments through which you can place orders to acquire and dispose of CFDs.