

## Financial Services Guide Interactive Brokers (U.K.) Limited

This Financial Services Guide ("FSG") dated 1 August 2013 is provided by Interactive Brokers (U.K.) Limited (ARBN 150376079) ("IBUK", "we", "our", "us"). IBUK is a Corporate Authorised Representative (authorised representative number 442 691) of Interactive Brokers LLC (ARBN 091191141, AFSL 245574) ("IBLLC") and has prepared this document pursuant to the requirements of the *Corporations Act (2001)* (Cth). IBLLC is responsible for the financial services offered to you by IBUK. IBLLC has approved this FSG and has authorised its distribution.

### Section 1: Purpose & Content of the FSG

This FSG contains information that has been prepared without taking into account your objectives, financial situation or needs. Accordingly you should consider the information provided having regard to your own particular circumstances.

This FSG is an important document, and is designed to assist you in deciding whether to use any of the financial services offered by IBUK. You should read it carefully and make sure you understand it.

This FSG contains information about:

- A. Our name and contact details;
- B. The financial services that we are authorised to provide;
- C. The cost of any financial services we offer;
- D. Any remuneration, commissions or other benefits that we or any other relevant person may be paid in relation to the financial services which we provide;
- E. Details of any associations or relationships between us and any related person and issuers of financial products that might reasonably be expected to be capable of influencing how we provide the financial services offered;
- F. Details of the complaint handling and dispute resolution procedures that we have in place;
- G. How to instruct us; and
- H. Details of the kind of compensation arrangements that we have in place.

### Other Documents

In addition to this FSG, we may be required to provide you with other documents.

If we offer to arrange the issue of a derivative product to you, we will also provide you with, or pass on to you, a product disclosure statement ("PDS"), unless you already have an up-to-date PDS from the issuer.

A PDS contains important information about features, benefits, risks, costs and taxation implications of the relevant product that should assist you in deciding whether to acquire the financial product.

### Section 2: Overview of IBUK

#### Contact Information

##### IBUK - Head Office

Level 20 Heron Tower, 110 Bishopsgate  
London EC2N 4AY, United Kingdom  
Telephone Numbers:

00800-42-276537 (from inside the U.K.)  
+41-41-726-9500 (from outside the U.K.)

#### IBUK - Australian Contact

Grosvenor Place  
Level 40, 225 George Street,  
Sydney, NSW 2000  
Telephone numbers:  
+61 (2) 8093 7300  
e-mail: [help@interactivebrokers.com](mailto:help@interactivebrokers.com)

#### IBLLC

One Pickwick Plaza  
Greenwich, CT 06830  
Telephone Numbers:  
1-877-442-2757 (from inside the U.S.)  
312-542-6901 (from outside the U.S.)

Additional contact information, including issue-specific details, is available at [www.interactivebrokers.com](http://www.interactivebrokers.com).

### **Business Description**

IBUK is an affiliate of IBLLC and is part of the Interactive Brokers Group. IBLLC is a market participant of the ASX 24 market and the Chi-X Australia market.

IBUK is a Corporate Authorised Representative of its affiliate, IBLLC who holds an Australian Financial Services License (AFSL no. 245574) authorising it to deal in derivatives, foreign exchange contracts and securities, and to operate a custodial and depository services business (other than for an IDPS), for retail and wholesale clients. IBLLC has authorized IBUK to provide all financial services that IBLLC is authorised to provide under its AFSL. Further details of products and services provided by IBUK are set out in section 3 of this FSG.

The affiliates of the Interactive Brokers Group ("IBG") are automated global electronic market makers and brokers, specializing in routing orders and executing and processing trades in securities, futures and foreign exchange instruments. IBG affiliates conduct business on more than 60 electronic exchanges and trading venues around the world. IBUK, using its proprietary software provides non-advisory brokerage services to professional traders and investors with direct access to non-Australian options and futures from a single IB Universal Account.

A full list of the products IBG offers and the worldwide exchanges on which they are offered is available on the IBG's website at [www.interactivebrokers.com](http://www.interactivebrokers.com).

### **Section 3: Financial Services and Financial Products**

IBUK, as a Corporate Authorised Representative of IBLLC, is authorised to deal in:

- » Securities
- » Derivatives
- » Foreign exchange contracts

and also to provide custodial and depository services to customers.

IBUK is authorized to provide the above financial services to retail and wholesale clients.

Although IBUK is currently authorised to arrange for our customers to deal in all of the above products, IBUK will only be offering the financial service of dealing in foreign derivatives (that is, derivatives entered into on a market outside Australia).

IBLLC is responsible to you for the financial services provided to you by IBUK as IBLLC's Corporate Authorised Representative.

Please note that IBUK does not solicit orders from customers, does not offer any advice or recommendations to customers, and IBUK representatives do not handle customer accounts. Accordingly we will not provide you with general or personal advice and a Statement of Advice will not be provided.

### **How You Can Send Instructions to IBUK**

IBUK Customers may route orders to IBUK through their Trader Workstation ("TWS"), Computer-to-Computer Interface ("CTCI"), or an Application Programming Interface ("API") by logging in through a secure username and password. As set forth in the IBUK Customer Agreement, IBUK does not know when an unauthorised person is entering orders with a customer's user name and/or password. Customers are fully responsible for the confidentiality and use of their user name and password, and remain responsible for all transactions entered using their user name and password.

Customers may also contact IB Customer Service using the details below should they experience technical difficulties.

e-mail: [help@interactivebrokers.com](mailto:help@interactivebrokers.com)

## **Section 4: Fee Structure**

### **How does IBUK get paid?**

#### **A. Commissions and Fees**

Commissions and fees are charged when you buy or sell most financial products.

The amount of commissions or fees payable to IBUK depends on the pricing structure selected and the product traded. Current commission and fee information is available on the IBUK website at [www.interactivebrokers.com](http://www.interactivebrokers.com). You may also request particulars of remuneration (including commission) or other benefits within a reasonable time after receiving this FSG and before any financial service is provided.

#### **B. Bid-Ask Spread**

You may also pay a spread on your transactions, meaning that the price you pay to buy a product may be higher than the market value of the product and the price you receive when you sell a product may be lower than the market value of the product. For exchange-traded products, the spreads you pay will be reflected in the execution price on the exchange and the counterparty to the transaction may capture the benefit of the bid-ask spread. IBUK has affiliates that act as exchange market makers and, subject to applicable exchange rules and any applicable Information Barrier requirements, these affiliates could be on the other side of your transaction and could benefit.

When and if you enter into a foreign exchange transaction with IBUK, IBUK will be the counterparty to your trade and may effectuate that transaction by entering into an offsetting transaction with one of IBUK's affiliates, with another IBUK customer or with a third party bank (IBUK's "Forex Providers"). In such transactions, the Forex Provider is not acting in the capacity of a financial adviser or agent or fiduciary to you or to IBUK, but rather, is taking the other side of IBUK's offsetting trade in an arm's length contractual transaction. You should be aware that IBUK and/or the Forex Provider may earn a bid-ask spread.

#### **C. Interest Payable and Interest Charged**

Interest may be payable on credit balances. Factors which affect the amount of interest payable include the currency in which the account is denominated and the amounts held in excess of your margin requirements. No interest is payable on credit balances less than \$10,000.00(AUD).

IBUK uses internationally recognized benchmarks on overnight deposits as a basis for determining interest rates. We then apply a spread around the benchmark interest rate ("BM") in tiers, such that larger cash balances receive increasingly better rates, to determine an effective rate.

IBUK accrues interest on a daily basis and posts actual interest at the end of each month on the monthly statement. For detailed examples on how we calculate interest, and for further information on how to understand interest entries on your statement, please go to the IBUK website at [www.interactivebrokers.com](http://www.interactivebrokers.com).

Interest is charged when your account balance is in debit. The spreads and effective rates on credit balances, debit balances and short sale proceed balances are shown in the tables on the IBUK website at [www.interactivebrokers.com](http://www.interactivebrokers.com).

#### **D. Market Data, Fundamentals and News**

If you require live data then depending on the product you are trading and where that product is based, you may be required to enter into a subscription agreement with the associated exchange. You are not required to enter into a data subscription to open an account with IBUK.

Customers can subscribe to paid, real-time market data on exchanges around the world through the Account Management section in TWS. Furthermore, IBUK provides free delayed data if available for any product listed on an exchange to which you do not subscribe. Delayed market data can be managed in Trader Workstation (TWS), and ticker lines that use delayed data are highlighted in yellow for emphasis. For details on managing delayed market data, see the TWS Users' Guide.

We also provide real-time fundamentals and news via subscription-activated **Reuters Worldwide Fundamentals** and **Reuters News Feed**, along with various free RSS news feeds, all of which are seamlessly integrated into the TWS trading application.

There is no requirement to subscribe to market data in order to trade and customers are free to receive market data from another IBG account or data vendor, or to use only delayed market data. Many exchanges classify customers as non-professional or professional. Exchange rules require that trusts and organizations (e.g., corporations, partnerships, LLCs and unincorporated businesses) must be classified as professional. NYSE and Amex Professional Market Data require prior approval from the exchange information.

For current charges for market data, fundamentals and news, please see the IBUK website at [www.interactivebrokers.com](http://www.interactivebrokers.com).

#### **E. Other Fees and Charges**

Please see the relevant PDS for any fees and charges relating to specific products described in the relevant PDS.

#### **F. Required Minimums**

Required balance, activity and minimum commission for retail accounts, Introducing Broker accounts and customers using a dedicated FIX connection are as set out on the IBUK website at [www.interactivebrokers.com](http://www.interactivebrokers.com).

#### **G. Advisor Client Markups**

Advisors may charge their clients for services rendered either through automatic billing, electronic invoice or direct billing. The available billing methods including caps and limitations are described at the IBUK website at [www.interactivebrokers.com](http://www.interactivebrokers.com).

#### **H. Employees**

No IBUK employee earns a commission for the trades that are self-directed by IB customers. All commissions are earned by the firm.

### **Section 5: Associations/Relationships & Potential Conflicts of Interest**

Other than the relationship between IBUK and IBLLC disclosed in Section 2 of this FSG, neither IBUK nor any related bodies corporate have any relationships or associations with any product issuer that could be expected to influence us in the provision of financial services. Similarly, IBUK does not act under any other binder in

providing any authorized services. Please be aware that IBUK does have affiliates that act as market makers on exchanges and in over-the-counter foreign exchange transactions and that, subject to applicable exchange rules and any applicable Information Barrier requirements, such affiliates may earn trading profits and bid-ask spreads in connection with transactions in which you may be participating.

## **Section 6: Dispute Resolution**

If you have a complaint about the services provided to you by IBUK, you should take the following steps to ensure that your complaint is handled efficiently.

We encourage you to send your complaint via the Account Management section in TWS for the most expedient and efficient handling. This can be done by clicking on "Inquiry Ticket." Under "New Ticket" select the following:

Category: Other Regulatory

Sub-category: Submit a Complaint

Alternatively, customers may send their complaints:

- A. by e-mail to [help@interactivebrokers.com](mailto:help@interactivebrokers.com);
- B. by telephone to the customer service telephone numbers listed on the IBUK website at [www.interactivebrokers.com](http://www.interactivebrokers.com); or
- C. by hard copy addressed to:  
The Complaint Officer  
Legal & Compliance Department-Asia  
Interactive Brokers Group  
Grosvenor Place  
Level 40, 225 George Street, Sydney, NSW 2000

IBUK will attempt to resolve your complaint and will notify you of any proposed resolution. If your complaint is not resolved to your satisfaction, you may lodge a complaint to The Financial Ombudsman Service (FOS). FOS can be contacted as below:

Financial Ombudsman Services  
GPO Box 3, Melbourne, Victoria 3001  
Telephone 1300 780 808  
Facsimile 9613 6399  
Internet: [www.fos.org.au](http://www.fos.org.au)

This service is provided to you free of charge.

You may also refer the matter to the Australian Securities and Investments Commission ("ASIC"). ASIC may be contacted on their Infoline on 1300 300 630.

## **Section 7: Compensation Arrangements**

IBLLC is covered by a Professional Indemnity Policy (or equivalent) which satisfies the requirements of Section 912B of the Corporations Act 2001.

Subject to its terms and conditions this Policy may cover losses or damages suffered by retail clients as a result of breaches by IB of the relevant obligations of IB under its Australian Financial Services Licence.