FORM 3305: 3 FEB 2026

INTERACTIVE BROKERS AUSTRALIA PTY LTD

ABN 98 166 929 568

AFSL 453554

FUTURES AND FUTURES OPTIONS PRODUCT DISCLOSURE STATEMENT

IMPORTANT INFORMATION

This Product Disclosure Statement (PDS) has been prepared without taking into account your objectives, financial situations or needs. Therefore, before trading in the products referred to in this PDS you should:

- Read and consider all sections carefully and be satisfied that any trading you propose to undertake in relation to the products described herein is appropriate in view of your objectives, financial situation and needs;
- Read the explanatory material published by the relevant exchange upon which the product described in this PDS trade. For example, in respect of ASX traded futures, you should read the various ASX explanatory brochures which can be accessed through https://www.asx.com.au/investors/investment-tools-and-resources/brochures.html;
- Ensure you understand the contract specifications for the products you are proposing to trade;
- Ensure you understand your obligations and rights under the terms and conditions governing trading with us;
- Understand that the risk of loss in trading in futures and futures options can be substantial and carefully consider whether trading in Futures or Futures Options is appropriate for you in light of your personal investment objectives, financial circumstances and needs. Futures and Futures Options are not suitable for some retail investors; and,
- Only trade Futures or Future Options if you understand the nature of the products and the extent of your exposure to risks.

Although the information in this PDS is up to date as at the date of publication, it is subject to change from time to time. Where such changes are not materially adverse, we may provide updates on our website. Certain changes to this PDS may require that we issue a new PDS or a supplementary PDS. The latest version of this PDS, including any updates and any supplementary PDS will be available on our website at www.interactivebrokers.com.au (under Forms and Disclosures > Disclosures).

This PDS is an important document and we recommend you contact us should you have any questions on its contents. You should retain a copy of this PDS for your records.

If you received this document electronically we will provide a paper copy free on request.

1. INTRODUCTION

1.1 Purpose of this PDS

This PDS has been prepared by Interactive Brokers Australia Pty Ltd (IBA) ABN 98 166 929 568, AFSL No. 453554. When we use terms 'we', 'us' or 'our' in this PDS, the reference is to IBA. For the purposes of the Corporations Act 2001, we are the issuer of the Futures and Futures Options ("Product(s)") in this PDS.

The information in this PDS does not take into account your personal objectives, financial situation and needs. This PDS is designed to assist you in deciding whether the Products described herein are appropriate for your needs and in comparing it with other financial products you may be considering. It is not a substitute for independent professional advice. If you require any legal, taxation or other advice we recommend that you seek such advice prior to opening an account with IBA and or trading the Products described in this PDS.

1.2 Offer made to existing clients of IBA in Australia

This PDS and the Products described herein are available to persons in Australia who are existing clients of IBA. The distribution of this PDS in a jurisdiction outside of Australia may be restricted by the laws of that place. This PDS does not constitute an offer or invitation in any place where, or to any person whom, such offer or invitation would not be lawful according to the laws of the relevant place. Persons who come into possession of this PDS in a place that is not Australia should seek independent advice as to what prohibitions or restrictions apply to them in relation to the products described herein, if any.

If you consult or have engaged a Financial Adviser or Broker you should obtain a copy of their Financial Services Guise (FSG). IBA does not endorse any representations made by any third party about us or the Products described in this PDS.

1.3 About Interactive Brokers Australia Pty Ltd

IBA is an affiliate of Interactive Brokers corporate group ("IBKR"), a global electronic broker, specializing in routing orders and executing and processing trades in securities, futures and foreign exchange instruments. IBKR affiliates conduct business on more than 135 electronic exchanges and trading venues around the world. IBA is regulated by the Australian Securities and Investment Commission (ASIC) and holds an Australian Financial Services licence no. 453554, under which it is authorised to issue and deal in derivatives (including the Products described in this PDS) on behalf of retail and wholesale clients. IBA is also a participant of ASX, Cboe Australia and ASX24 markets and a Clearing Participant of ASX Clear and ASX Clear.

For further information about IBA, you should read our FSG[1] and the other information about the services we provide available from our website.

Our contact details are as follows:

Registered and business address:	Interactive Brokers Australia Pty Ltd Level 11 175 Pitt Street Sydney NSW 2000 Australia

[1] https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration_v2.formSampleView?formdb=3302

Postal Address:	Interactive Brokers Australia Pty Ltd PO Box R229 Royal Exchange NSW 1225 Australia
Website:	www.interactivebrokers.com.au
Email:	Inbound communications via commercial E-mail are not supported due to security concerns. You may submit an inquiry via the Interactive Brokers Help Desk.[2]
Telephone:	+61 (2) 7251 0088

1.4 Terms applying to the Products offered in this PDS

The terms governing the agreement between you and us in relation to the Products described in this PDS includes: our general terms and conditions (Terms), this PDS, and the contract specifications for the Products offered in this PDS as published by the relevant exchange on which they trade.

Product contract specifications (or links to such information for the relevant exchange) are available on our website. Our website also contains important details about the relevant exchange (financial market) on which particular Products trade, the costs associated with trading futures and futures options and details about the margin requirements that you must meet at all times to maintain positions in the Products.

You should be aware that under the Terms, IBA has the right to use your securities (if it accepts securities in lieu of cash for your margin obligations) to meet the margin and other obligations owed to the International Financial Markets Participants through which it arranges dealings in the products covered by this PDS on International Financial Markets, but only in the following circumstances:

(a) IBA will only use your securities for this purpose where you do not have sufficient cash (in the relevant currency) in your account to meet the margin obligations relating to your positions;

(b) The value of securities (subject to IBA's collateral valuation methodology) that IBA may use is limited to 100% of the margin obligation attributable to your positions; and

(c) IBA will use securities in accordance with its standard collateral valuation methodology as described in this PDS.

Example: If your open positions require $10,000 in margin, and you have $6,000 cash in your account, IBA may use up to $4,000 worth of your securities (valued according to IBA's methodology) to meet the remaining margin obligation to the International Financial Market Participant. If you subsequently deposit additional cash or your margin requirement decreases, IBA will typically cease on the next business day to use your securities to the extent they are no longer required.

If IBA defaults on its obligations to the International Financial Market Participant, the International Financial Market Participant may sell securities which have been provided to it as security. The International Financial Market Participant may enforce this right even where you may have not defaulted on your obligations to IBA – but only if IBA defaults on its obligations or the International Financial Market Participant itself becomes bankrupt/insolvent. Assuming you were only products to which this PDS relates, the securities at risk are limited to those actually used to meet the margin obligations incurred in respect of your open positions as described above.

Even if IBA provides your securities as collateral, you retain beneficial ownership of the securities (subject to any party exercising a right of sale), and this will not restrict you from buying or selling the securities (subject to meeting your margin obligations to IBA) or receiving dividends or other entitlements. Securities which have been provided as collateral by IBA to the International Financial Markets Participant are set out within the customer statement.

You should also be aware that there may be important differences in practices, procedures and regulations of markets from one country to another and one exchange to another.

2. WHAT PRODUCTS DOES THIS PDS COVER?

This PDS relates to Futures and Futures Options on a range of exchanges, including the market operated by Australian Securities Exchange Limited (ACN 000 943 377) (ASX 24) and numerous international derivatives or futures exchanges outside of Australia (International Exchanges).

The Products offered in this PDS fall into two categories:

- **Futures**: which are an exchange traded derivative contract in which there is an agreement to either (1) deliver or take delivery of a specified amount of an underlying asset at a specified time or (2) make or receive cash payments based on a change in price of an underlying asset at a specified time. The underlying asset of a futures contract may be:
    - a specified quantity of a security (such as shares in a company),
    - a financial instrument, such as a bank bill,
    - a stock index, such as the ASX24 SPI 200®, or

[2] https://www.interactivebrokers.com.au/en/general/contact/newContact/contact.php

- a commodity of a given grade or quality, such as greasy wool.

- **Futures Options**: which are exchange traded options contracts over an exchange traded futures contract. Many of the same concepts and principals which are relevant to options, are relevant to futures options. The key point of a Futures Option is that when it is exercised, a futures contract is established.

The full list of Futures and Futures Options currently available through IBA is set out on its website at www.interactivebrokers.com.au under Trading >> Symbol and Exchange Search >> Search By: Products and by selecting Asset Classes "Futures" or "Futures Options". Existing clients of IBA may also search for Futures and Futures Options which they may trade through IBA's online trading platform Trader Workstation (TWS).

3. BASIC FEATURES OF FUTURES AND FUTURES OPTIONS

The following information in this PDS provides important information about the Key Features of IBA Futures and Futures Options, and a summary of the Key Benefits and Risks of trading the products.

3.1 Deliverable and cash settled futures

There are two main types of Futures contracts:

1) **Deliverable contracts (other than cash settled)**: where the seller agrees to deliver to the buyer, and the buyer agrees to take delivery of the quantity of the underlying assets (such as a commodity) described in the contract.

    a. **Important:** IBA does not permit its clients to make or take delivery of the asset (or commodity) underlying a futures contract. We will require all persons who trade such products to roll forward or close out deliverable contracts prior to expiry in accordance with the timelines specified on the Futures and/or Futures Options tabs on the Delivery, Exercise and Corporate Actions[3] page on our website, or via Account Management, by selecting the book icon in the upper right of the screen and navigating through Trade > Delivery and Exercise. It is therefore not advisable to enter into deliverable contracts in the last weeks before maturity. See section 3.15 for further information.

2) **Cash settled contracts**: where the seller and buyer agree to make a cash adjustment between them according to whether the price of a commodity, financial instrument or index has risen or fallen since the time the arrangement was made.

    a. **Important:** IBA currently only holds certain currencies on behalf of its customers. If you are dealing in a Product settles in a currency which IBA does not hold, we will undertake on your behalf a spot foreign exchange conversion to convert the proceeds to a currency which IBA holds. Please refer to IBA's FSG for further details.

3.2 Futures and Futures options are an international product

Futures contracts are traded on ASX 24 and a number of International Exchanges overseas. Your obligations and contract requirements will differ according to the specific rules of the relevant exchange on which the Product trades, and you will need to

[3] https://www.interactivebrokers.com/en/index.php?f=deliveryExerciseActions&p=physical

understand how this affects you. It is therefore important that you ask your Financial Adviser or Broker for information about any International Exchange on which you wish to trade or seek such information out yourself prior to trading the Products.

3.3 Duration of Futures

Futures contracts may have a product tenor of up to several years. Exchange traded Futures contracts generally have contract maturity dates which follow a pre-determined cycle (standardisation is discussed in the next section). For example, in the SPI-200® contract traded on the ASX 24, contracts can be made for settlement only in March, June, September or December, but for up to 18 months from the time of the trade.

3.4 Futures are standardised

Futures traded on an exchange are standardised and interchangeable, meaning that futures contracts of a particular class with the same terms can be substituted for each other.

As a consequence of Futures contract standardisation, the price of the contract is the only factor that remains to be determined in the marketplace by the buyers and sellers. For example, on ASX 24, Futures are quoted and traded on an electronic trading platform, which provides a system of continuous price discovery. This means that the price at which trades take place may continually change throughout a trading session. Most International Exchanges also provide electronic trading platforms for Futures trading.

Since all Futures contracts for a given future month in the same market are interchangeable, they can be closed out against an opposite position in the same contract. An investor who has bought a given Futures contract can cancel the position by selling that same contract. The net result is that the trader no longer holds a position. Similarly, an investor who has sold a given Futures contract can cancel the position by buying the same contract.

In each case there will be a profit or loss equal to the difference between the buying and selling prices multiplied by the standard contract amount less any transaction costs.

In practice, the vast majority of Futures contracts are offset in this manner ahead of the contract maturity date, the remainder being fulfilled by delivery or cash settlement at maturity.

3.5 Execution arrangements for the Products

IBA is a participant of ASX 24 only. Therefore, when you place orders to buy or sell Futures or Futures Options on International Exchanges, IBA will arrange, directly or through instructing an affiliate, for the execution of that order by a participant of the relevant International Exchange (which may be an affiliate of IBA's within IBKR.). These participants require IBA to provide margin to secure the performance of the positions in the Products entered into on your behalf. If you have cash, IBA uses the cash for margin purposes. If you do not have cash, or the full value of the margin obligation in cash, in relevant currency IBA will use your securities to meet these margin obligations (or part thereof) only if you do not have sufficient cash in your account to meet the full margin requirement.

If you maintain sufficient cash (in the corresponding currency) in your account at all times to cover your margin obligations for international options, IBA will not need to use your securities for this purpose.

How much of your securities can IBA use?

The value of your securities that IBA may use for is strictly limited to 100% of the margin obligation attributable to your open positions in the Products.

IBA calculates the value of securities using its standard collateral valuation methodology, which typically applies a discount (haircut) to the market value of securities to account for potential price fluctuations.

Example: If your open positions require $8,000 in additional margin, IBA would use approximately $8,000 market value of shares. If you have $60,000 in shares, only the $8,000 used would be used. The remaining $52,000 would not be subject to the security interest in favour of the International Financial Market Participant.

3.6 Clearing arrangements and the role of the Clearing House

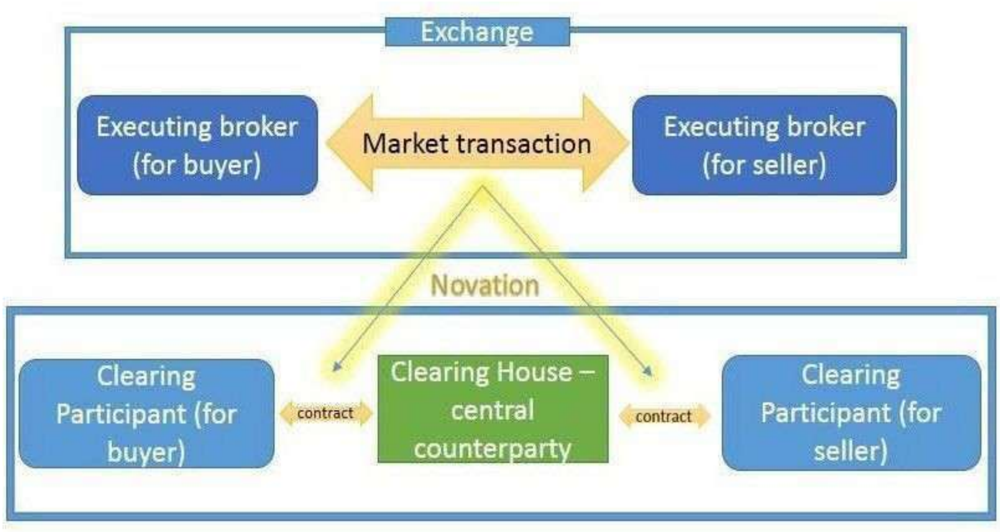
ASX and International Exchanges will generally have a central counterparty which clears and settles transactions entered into on the relevant exchange, typically this is referred to as the "**Clearing House**". Clearing Houses clear and settle the transaction in Products executed on the relevant exchange. The primary role of the Clearing House is to guarantee the settlement of obligations arising under the contracts registered with it. This means that when your broker buys or sells a futures contract (or futures option contract) on your behalf, neither you nor your broker needs to be concerned with the credit worthiness of the broker taking the other side of the contract.

See below for further discussion on the novation process that occurs at the Clearing House.

The ASX 24's Clearing House is ASX Clear (Futures) Pty Ltd ("**ASX Clear (Futures)**"). IBA **is** a Clearing Participant of ASX Clear (Futures). IBA **is not** a member of any Clearing Houses for transactions on International Exchanges. Clearing Participants are bound by the operating rules of the relevant market and Clearing House (Clearing Rules).

For Futures and Futures Options transactions on an International Exchange, IBA will arrange, directly or via an affiliate, with a participant of the relevant clearing house (which may be an affiliate of IBA's within the IB Group) to clear Futures transactions entered into on your behalf.

When a Futures contract is registered with the Clearing House, the original contract is, in most markets including ASX 24, terminated and replaced by two contracts (assume they are called contract A and contract B for the purposes of this explanation). Contract A is between the Clearing Participant who clears the contract for buyer of the Future (or Futures Option) contract and the Clearing House. Contract B is between the Clearing Participant who clears the contract for the seller of the Future (or Futures Option) contract and the Clearing House. In this way, the Clearing House becomes the counter-party to both contract A and B. This process of registration and creation of two new



contracts is known as "novation". In simple terms, the Clearing House becomes the buyer to the selling broker, and the seller to the buying broker (**see diagram below**).

You, as our client, are not party to either Contract A or B which are actually registered with the Clearing House. Although we may act on your instructions and for your benefit, upon registration of the Future or Futures Option with the Clearing House in the name of the Clearing Participant, the Clearing Participant (which may be IBA or a participant of an International Exchange) incurs obligations to the Clearing House as principal, even though the contract may have been entered into on your instructions.

The Clearing House ensures that it is able to meet its obligation to Clearing Participants by calling a deposit known as the "**Initial Margin**" and additional deposits known as "**Variation Margin**" to cover any unrealised losses in the market. See sections 3.9 to 3.12 for further information on margins.

As a Clearing Participant of ASX Clear (Futures), IBA maintain positions in Futures (and Futures Options) entered into on your behalf in an omnibus account (together with the positions entered into on behalf of other clients of IBA) in accordance with the rules of ASX Clear (Futures). For Futures (and Futures Options) transactions executed and cleared on exchanges outside of Australia, the benefit of the Futures (or Futures Options) contract will be held for the relevant participant for its client (which may be IBA or an affiliate of IBA's) in an omnibus account (together with the other clients of the participant). IBA will hold the benefit of open positions for you.

Generally, positions in Futures contracts entered into on behalf of clients will be held separately from Futures contracts entered into by a broker on its own account. If a broker were to default on its obligations to a relevant Clearing House in respect of its own futures contracts, futures contracts entered into on behalf of the brokers clients would not be used to meet the broker's default. Rather, the Clearing House will either close out futures contracts entered into for clients or attempt to transfer them to another broker.

3.7 Closing out

Because of the system of registration and novation referred to above, closing out can be achieved without going back to the original party with whom the 'original' Futures contract was traded.

When an existing buyer sells to close out their position, the sale transaction is registered with the Clearing House in the manner described above.

Example

First trade	A sells to B at $100 per unit
Novation	Clearing House is now buyer to A and seller to B
Second trade	B sells to C at $120 per unit
Novation	Clearing House is now buyer to B and seller to C

Resulting Positions	A has an open sold position C has an open bought position B no longer has a position and has realised a profit of $20 per unit (ignoring transaction costs)

The contracts which B held (one to buy and one to sell) have been settled in cash between B and the Clearing House; B simply receives the net profit. Any profit due to B is paid out by the Clearing House in cash, even though the original seller (A) remains in the market. Effectively, C has replaced B as the buyer for A.

3.8 Futures Options & Options over the Underlying

What is an option?

Futures Options are options contracts traded over Futures contracts may be known as Futures options or Options on Futures.

Options over the underlying are less common than Futures Options, with the ASX 24 traded Cash Settled Intraday Options over the ASX 24 SPI 200® and Eurex DAX® options being examples.

It is important that you distinguish between a Futures Option and an Option over the underlying. Whilst there many similarities between the two products, there is a key important difference in what occurs when either is exercised. In the case of a Futures Option, if the option is exercised, it results in the establishment of a Futures contract. In the case of an Option over the underlying, if the option is exercised, it results in either (1) in the case of a deliverable contract, the transfer of the actual underlying commodity or (2) in the case of cash settled contract, the cash adjustment. This PDS does not cover 'options over the underlying', you should refer to IBA's PDS governing options for further information and which is available on IBA's website under Forms and Disclosures >> Disclosures.

Basic features of options

The following information sets out an explanation of the nature of an option contract and the obligations that attach to buyers and sellers of options. While the above description of Futures include information that is also relevant to options. The following describes information specific to Futures Options:

The buyer of a Futures option has the right, but not the obligation, to enter into a Futures contract[4] at the exercise price of the Futures option. For this right, the buyer pays an option premium to the option seller.

The seller of a Futures option assumes the obligation to enter into a Futures contract[5] at the exercise price of the Futures option if the option is validly exercised. For taking on this obligation, the seller receives an option premium from the option buyer.

Like Futures contracts, Futures Options are standardised and interchangeable, so that having bought or sold a Futures Option it is possible to close it out before its expiry or exercise.

European options & American options

An option will be expressed to be either a European style option or an American style option. *European options* may be exercised only on the date on which the option expires (**Expiry Date**) and not before.

American options may be exercised at any time up to and including the Expiry Date.

The majority of options traded on ASX 24 are American style options. Because American options can be exercised at any time before the Expiry Date, the seller of an option must be prepared for that option to be exercised at any time. The decision to exercise is in the option buyer's hands.

Call Options & Put Options

A call option gives the buyer the right to buy a Futures contract at a designated price at or before the Expiry Date of the option (**Call Option**). The seller of a Call Option has the obligation to sell a Futures contract if the Futures option is exercised by the buyer.

A put option gives the buyer the right to sell a Futures contract at the exercise price (**Put Option**). The seller of a Put Option has the obligation to purchase the Futures contract if

[4] A bought position in the case of a call option, and a sold position in the case of a put option.
[5] A sold position in the case of a call option, and a bought position in the case of a put option.

the Put Option is exercised by the buyer.

Exercising Call Options & Put Options

The table below sets out the results from the buyer's and seller's viewpoint when the buyer exercises a Futures Call Option or Put Option:

Example

Buyer Exercises		**Effect on Seller**	
Bought Call Option >	Bought Futures (at the exercise price of the option)	Sold Call Option >	Sold Futures (at the exercise price of the option)
Bought Put Option >	Sold Futures (at the exercise price of the option)	Sold Put Option >	Bought Futures (at the exercise price of the option)

More information

Information concerning relevant International Exchanges and the types of Products traded on those exchanges can be found by visiting the relevant exchange's website. Please contact us if you require any international Futures information.

For further information concerning Futures contracts traded on the ASX 24 you are referred to the ASX website at www.asx.com.au.

3.9 Clearing House Margin

This section contains a description of the basis upon which a Clearing House calls margin from its Clearing Participants. These margins may or may not correspond with the margin we call from you. For a description of our margin requirements and arrangements, see section 7.

As the Clearing House contracts with Clearing Participants as principals (refer above the process of novation), where a Clearing Participant has an exposure under a Futures (or Futures option) contract to the Clearing House, the Clearing House will call amounts of money (or other assets) known as "Margin" from the Clearing Participant as cover.

Margins are generally a feature of all exchange traded derivative products and are intended to help protect the Clearing House against default of a Clearing Participant. A margin is the amount calculated by the Clearing House as necessary to cover the risk of financial loss on an Futures (or Futures Option) contract due to an adverse market movement.

The total margin called by the Clearing House for Futures and Futures Options is generally made up of two components, in each case, determined by the Clearing House:

- ***Initial Margin***: is calculated to cover the maximum expected movement in the market from one day to the next.

  Minimum Initial Margins are set by the Clearing House or the International Exchange or both, and may vary from time to time according to the volatility of the market. This means that an Initial Margin may change after a position has been opened, requiring a further payment (or refund).

International Brokers (or participants of Clearing Houses) which IBA arranges with to execute/clear your transactions on International Exchanges are generally required under the operating rules of the International Exchange or Clearing House to call an Initial Margin on each trade equal to at least the minimum Initial Margin set by such Clearing House.

Brokers such as IBA may call for initial margin exceeding that called by an exchange to manage the risk of the transaction. Liability for Initial Margin occurs at the time of the trade and we may require you to pay it before any trading is conducted on your behalf.

- ***Variation Margin***: must be paid in respect of a Futures contract showing a loss; i.e. if the market falls after a purchase or rises after a sale. Losses can be incurred before a contract is closed out, if the market moves against the position. Futures positions are re-valued on a daily basis, and any deterioration in the position will result in Variation Margin being called.

  Variation Margin is also paid by the Clearing House if the Futures contract shows a profit.

Examples

The Initial Margin payable per ASX 24 SPI 200® Index Futures contracts is $10,000. The contracts are valued at $25 per index point.

In the **below example**, the Initial Margin amount is $10,000 (this is set by the Clearing House). On day 1, the market moves against the position and there is a requirement to pay $3,175 in Variation Margin call. On day 2, the market moves in favour of the position and a Variation Margin amount of $5,625 is receivable. On day 3 you decide to close out your contract, as the market is moving against you again. You close out at 3,550 which means that you are required to pay a further Variation Margin of $1,250.

Once the position has been closed out, the Initial Margin of $10,000 is returned and a net Variation Margin profit of $1,250 has been realised.

	Trade	**Market Closing Price**	**Initial Margin**	**Variation Margin**
Day One	Buy 1 contract at 3,500	3,375 points	$10,000 payable	-125 points x $25 = $3,125 payable
Day Two		3,600 points		+225 points x $25 = $5,625 receivable
Day Three	Sell 1 contract at 3,550		$10,000 receivable	-50 points x $25 = $1,250 payable

3.10 Liability

Given the above margin requirements, the liability under a Futures contract is not limited to the Initial Margin.

If, after paying the Initial Margin, the price moves against the position, further margin (e.g. Variation Margin) will be required.

Initial Margin may be returned on settlement of the contract unless eroded by losses.

Variation Margins that become realised losses when the position is closed out or settled are not refundable.

Variation Margins covering unrealised losses are not refundable unless there is a favourable change of direction in market prices before settlement or closing out of the Futures contract.

3.11 Profit & loss when trading Futures

The table below sets out profit and loss situations when trading Futures contracts.

Profitable Trades	**Losing Trades**
Buy low – Sell high	Buy high – Sell low
Sell high – Buy low	Sell low – Buy high

3.12 Margins & liability on Futures option contracts

For a bought Futures option, the loss is limited to the option premium which was paid, which is non-refundable.

For a bought option, if the full premium is paid at the time the option is traded, margins will not be called. If only an initial deposit is paid, your margins may be called up to the full value of the option premium (but no more).

For a sold Futures option, there is a similar liability to a holder of the underlying Futures contract – that is, potentially unlimited. However, there is limited profit potential, as a seller cannot earn more than the premium for which the option is sold.

For further information on IBA's margin requirements, see section 7.

3.13 Profit & loss when trading Futures options

The table below sets out profit and loss situations when trading Call Options and Put Options. It sets out the levels of the underlying Futures contract at the time of opening and closing the option trade that will be favourable and unfavourable for the four basic option strategies.

Option trading is a complex area, and an option trader can suffer losses even if the price of the underlying asset (in this case a Futures contract) moves favourably.

Strategy	**Profitable trades**		**Unprofitable trades**	
	Futures price - opening trade	**Futures price - closing trade**	**Futures price - opening trade**	**Futures price - closing trade**
Bought call	Low	High	High	Same or lower
Bought put	High	Low	Low	Same or higher
Sold call	High	Same or lower	Low	High
Sold put	Low	Same or higher	High	Low

3.14 Out of the money Futures options

This is a term used to describe an option that cannot be exercised at a profit. An out-of-the-money option is a Call Option whose exercise price is higher than the current market level or a Put Option whose exercise price is below market.

If you are contemplating purchasing a Futures option that is significantly out-of-the- money, you should be aware that the chance of such an option becoming profitable at expiry is remote.

3.15 Settlement

Futures

If you have a ***cash settled*** Futures contract open at the close of trading on the last day of trading you will be under an obligation to pay or have a right to receive an amount of money depending on the price movement.

If you have a ***deliverable Futures*** contract open at the close of trading on the last day of trading you will be under an obligation to deliver, or take delivery of and pay for, the commodities described in the specifications. **It is IBA's policy not to permit its clients to make or take delivery under a deliverable Futures contract (except where required by the Clearing House). If you wish us to vary our policy, and you specifically wish to make or take delivery you must obtain our prior written consent**.

It is your responsibility to monitor your open positions as the ***deliverable Futures*** contract approaches settlement date and to close it out. IBA reserves the right, in its absolute discretion, to close out any open position you hold in a deliverable Futures contract if you have not rolled or closed out that Futures contract. Refer to the Futures and/or Futures Options tabs on the Delivery, Exercise and Corporate Actions[6] page on our website for details of IBA's close out procedures.

Futures Options

The settlement of Futures options is more complex. For example, on the ASX 24 all in-the-money[7] or at-the-money[8] options are automatically exercised by the Clearing House. The resulting position is settled as a Futures position. Not all International Exchanges automatically exercise at-the-money or in-the-money options at expiry, particularly US exchanges. You should check with us before the Expiry Date, or the option may lapse with the result it will be worthless. You should ensure that you give appropriate reasonable time for us to respond.

The settlement procedures for options over the underlying are different again. Because these instruments are traded across a number of different exchanges, and the procedures vary widely, you should ensure that you review and understand the relevant contract specifications and rules of the relevant exchange and Clearing House before you trade these products.

3.16 Cooling off arrangements

There are no cooling-off arrangements for the Products described in this PDS. You may request to discard any non-transmitted order or request to cancel a transmitted order.

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[6] https://www.interactivebrokers.com/en/index.php?f=deliveryExerciseActions&p=physical
[7] A put option with an exercise price above the price of the underlying asset or a call option with an exercise price below the price of the underlying asset.
[8] Is a put or call option with an exercise price equal to the price of the subject matter of the option.

However, you should note that due to nature of exchange based trading, while you may request to cancel your order, such request may not be successful if your order has traded against another order in the time between when you request to cancel it and when that instruction is processed by the relevant exchange. A working order is not cancelled until clearly indicated by IBA, for instance in status field of TWS.

4. SIGNIFICANT BENEFITS EXPLAINED

There are a number of benefits in trading Futures (or Futures Options), including the following:

- **Standardisation:** As discussed in sections **above** because Futures (or Futures Options) are standardised and therefore interchangeable, you may through the International Exchange or Clearing House open and close positions, depending on the liquidity of the market in the relevant contract.
- **Risk Management**: Through the processes of novation and margining, the Clearing House assumes and manages the risk of Futures or Futures Options entered into on the Relevant Exchange. This reduces counterparty risk in a way which is not available in over-the-counter (**OTC**) derivatives transactions. IBA has certainty that the other side of the Futures (or Futures Options) will be honoured, and we (and therefore you) will not be subject to risk that the counterparty to the original Futures (or Futures Options) contract may default in their obligations under the contract.
- **Hedging**: You can use Futures (or Futures Options) to hedge exposure in the underlying commodity, instrument or security.
- **Speculation**: You can use Futures (or Futures Options) to speculate on market movements. Futures (or Futures Options) allow you to gain exposure to a particular underlying commodity, instrument or security without the need to buy or sell the underlying itself.
- **Range of market positions and strategies**: You can potentially profit both from rising and from falling markets depending on the strategy you have employed. Through the use of Futures (or Futures Options), strategies can be tailored to suit almost any market view.
- **Leverage:** Futures (or Futures Options) generally involve a high degree of leverage. Futures (or Futures Options) enable you to outlay a relatively small amount of money (in the form of Initial Margin) to secure an exposure to the underlying commodity, instrument or security.

For example, assume you have a positive view about the prospects of XYZ Ltd. You can either buy 1,000 XYZ Ltd shares at $10.00 and pay your broker $10,000 (plus costs) or you could buy a Futures contract over 1,000 XYZ Ltd shares and pay an Initial Margin at the time the Exchange Traded Derivative is entered (which is likely to be a small percentage of the contract value (plus costs)).

The same amount of exposure to the underlying shares has been achieved, but for a much smaller outlay. Given a movement in the price of XYZ shares, the percentage returns (positive or negative) from the Futures (or Futures Options) strategy are likely to be much higher.

Assume, for example, the Futures contract price is $10.10, and the Initial Margin payable on the above Futures position is 10%. Each contract covers 1000 shares. The following table compares the returns, assuming that the XYZ share price rises to $11.00 by maturity (transaction costs are ignored).

	Shares	Futures
Opening trade	Share price $10.00 Buy 1,000 shares @ $10.00 = $10,000	Futures price $10.10 Buy 1 Futures contract @ $10.10 Pay 10% Initial Margin = $1,010
Maturity	Share price $11.00 Sell 1,000 shares @ $11.00 = $11,000	Futures price $11.00 Sell 1 Futures contract @ $11.00
Profit	$1.00 x 1,000 = $1,000	$0.90 x 1,000 = $900
Percentage return	10%	89%

Note: the example provided is for illustrative purposes only and does not necessarily reflect the outcome of any actual trading in Futures in similar circumstances.

Important: Leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains. See section 5 for further information on risks.

5. SIGNIFICANT RISKS EXPLAINED

The risk of loss in trading in Futures (or Futures Options) can be substantial. It is important that you carefully consider whether trading in Futures (or Futures Options) is appropriate for you in light of your investment objectives, financial circumstances and needs. Futures (or Futures Options) are not suitable for some retail investors. You should only trade Futures (or Futures Options) if you understand the nature of the products and the extent of your exposure to risks.

You should be aware of the following matters:

- **Loss of Initial Margin**: You could sustain a total loss of the Initial Margin that you deposit with your broker to establish or maintain an Exchange Traded Derivative.
- **Payment of Variation Margin**: If the Exchange Traded Derivative moves against your position, you may be required, at short notice, to deposit with your broker Variation Margin in order to maintain your position. Those additional funds may be substantial. If you fail to provide those additional funds within the required time, your position may be liquidated at a loss and you will be liable for any shortfall in your account resulting from that failure.
- **Losses beyond margin lodged**: You may sustain a total loss of the funds (Initial Margin and Variation Margin amounts) that you deposit with us to establish or maintain an Exchange Traded Derivative position. You may incur losses beyond the amounts that you lodge with us. You should not risk more funds 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.

- **High leverage**: The high degree of leverage that is obtainable in trading Futures (or Futures Options) can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

  Returning to the example of a Futures contract over XYZ shares used previously, consider the result if the share price, instead of rising to $11.00, fell to $8.00 at maturity. The **following table** shows the results (transaction costs are ignored).

	Shares	**Futures**
Opening trade	Share price $10.00 Buy 1,000 shares @ $10.00 = $10,000	Futures price $10.10 Buy 1 Futures contract @ $10.10 Pay 10% Initial Margin = $1,010
Maturity	Share price $8.00 Sell 1,000 shares @ $8.00 = $8,000	Futures price $8.00 Sell 1 Futures contract @ $8.00
Loss	$2.00 x 1,000 = $2,000	$2.10 x 1,000 = $2,100
Percentage return	-20%	-208%

<u>Leverage has served to multiply the loss suffered in percentage terms.</u>

- **Liquidity**: Under certain market conditions, it could become difficult or impossible for you to close out a position, and the relationship between the prices of the Exchange Traded Derivative and the underlying market may be distorted or affected. Examples of when this may happen are:

  i. if there is a significant change in the price of the underlying commodity, instrument or security over a short period of time;

  ii. if there are insufficient willing buyers and sellers in either the Exchange Traded Derivative market or the underlying market;

  iii. if the Exchange Traded Derivative market is suspended or disrupted for any reason.

  Similarly, events such as these in relation to the market for the underlying asset may make it difficult for you to hedge or maintain your exposure under an Exchange Traded Derivative.

- **Limited Life Span**: Futures and Futures Options have limited life spans and their value erodes as the Future and Future Option reaches its expiry date. It is therefore important to ensure that the option selected meets the investor's investment objectives and investment horizons.

- **Deliverable contracts and physical delivery**: Where you have a position in a deliverable Futures contract and you hold this open position to maturity, you must be prepared to make or take physical delivery of the underlying asset if your position is matched. However it is IBA's policy not to allow physical delivery and deliverable contracts will be automatically closed out if you have not taken close out action. Refer section 3.15 for further information on the requirements regarding open positions at and approaching maturity.

- **Placing orders in a moving market**: The placing of contingent orders (such as a 'stop-loss' order)[9] may not always limit your losses to the amounts that you may want. Market conditions may make it impossible to execute such orders. For example, if the price of the underlying asset moves suddenly, your order may not be filled, or may be filled at a different price to that specified by you, and you may suffer losses as a result.

- **Strategies:** A "spread" position (which involves the simultaneous purchase and sale of Futures (or Futures Options) is not necessarily less risky than a simple "Long" or "Short" position.[10]

- **Options risk profile**: If you propose to trade in Futures options, the maximum loss in buying an option is the premium paid, but the risks in selling an option are essentially unlimited.

  System Outages: Trades effected on an exchange are usually traded on an electronic trading platform and cleared through the Clearing House, which also relies on electronic systems. As with all such electronic platforms and systems, they are subject to failure or temporary disruption. If the system fails or is interrupted we will have difficulties in executing all or part of your order according to your instructions. An investor's ability to recover certain losses in these circumstances will be limited given the limits of liability commonly imposed by the ASX, International Exchanges and the Clearing House. Any market disruption may mean a client is unable to deal in Options when desired, a client may suffer a loss as a result. Common examples of disruption include a fire, technology interruption or other exchange emergency. The exchange could, for example, declare an undesirable situation has developed in a particular Future or Future Option contract and suspend trading. Exchanges or participants may also be able to cancel transactions under their operating rules.

- **Time Zone Difference for Australian Clients dealing in foreign markets**: You should be aware that outside of the Asia Pacific Region there are significant time zone differences between Australia and the major global financial markets centres in Europe and the United States. If you are dealing on these markets, your orders will likely be executed outside of normal Australian business hours and/or during the Australian night time. In addition major market events or events which impact individual stocks or currencies may also take place well outside of normal business hours or normal market hours in Australia. This in turn may have impacts on the values of Options in your account.

- **Sanctions Legal Risk**: Australia is a member of the United Nations and observes and implements United Nations Security Council sanctions. IBA must comply with restrictions imposed by sanctions and may be prohibited from dealing with certain persons or entities. If it appears that you are or may be acting on behalf of a prescribed person or entity, IBA may be required to suspend, cancel or refuse services to you, freeze your assets held by us or close or terminate your agreement with us. If we are required to take action it may result in significant costs to you.

[9] Is an order that becomes a market order (and hence executed) when the derivatives market reaches the designated price.
[10] A spread is the holding of bought Futures contract for one delivery month and a sold Futures contract for another delivery month in the same contract.

- **Exchange rate risk**: If you trade in Futures and Futures Options on International Exchanges, the positions are likely to be denominated in a currency other than Australian dollars. The holding of positions denominated in a foreign currency exposes you to the potential risk (and potential benefit) of exchange rate fluctuations.

  If a Futures or Futures Option contract is traded in a currency that IBA does not hold on behalf of its clients, you must ensure that you understand the risks associated with the fact that amounts due in respect of the option (for example for settlement) may not be in a currency which IBA is able to hold on your behalf and therefore there will an additional conversion from the relevant currency in which the option trades back to the base currency nominated for a Client's account. This will involve risks and may also involve costs.

  Where IBA needs to perform a spot foreign conversion to settle a dealing entered into on your behalf, the inherent exchange rate risk inherent (loss or gain) will be crystalized. These losses (or gains) may be in addition to any losses (or gains) on the Product itself.

- **Market emergencies**: You may incur losses that are caused by matters outside the broker's control. For example, a regulatory authority exercising its powers during a market emergency may result in losses. A regulatory authority can, in extreme situations, suspend trading or alter the price at which a position is settled. This could also result in a loss.

- **Market disruption**: A market disruption may mean that you are unable to deal in an Exchange Traded Derivative when desired, and you may suffer a loss as a result. Common examples of disruption include the "crash" of the exchange electronic trading system, fire or other exchange or Clearing House emergency.

- **Exchange and Clearing House powers**: ASX, International Exchanges and Clearing Houses commonly have broad discretionary powers in relation to the market and the operation of the clearing facility. They have power to suspend the market operation, or lift market suspension in options while the underlying securities are in a trading halt if the circumstances are appropriate, restrict exercise, terminate an option position or substitute another underlying security (or securities), impose position limits or exercise limits or terminate contracts. Whilst such powers ostensibly exist to ensure fair and orderly markets are maintained as far as practicable, the consequence of an exchange exercising such powers may not be economically beneficial to you individually. Actions taken by an exchange may affect an investor's option positions.

- **Trading Disputes and trade cancellations**: Trades executed may be subject to dispute. When a trade is subject to a dispute the exchange or Clearing House commonly has powers, in accordance with its rules, to request that a broker amend or cancel a trade, which will in turn result in the contract with the client being amended or cancelled. In some situations, the exchange or Clearing House may also exercise powers to cancel or vary, or direct the cancellation or variation, of transactions.

- **Australian regulators may not have any jurisdiction:** Neither the Australian Securities and Investments Commission nor Australian exchanges regulate activities of foreign International Exchanges, nor do they have the power to compel enforcement of the operating rules of a foreign International Exchange or any applicable foreign laws. Generally, the foreign transaction will be governed by applicable foreign law. This is true even if the International Exchange is formally linked with an exchange in Australia.

- **Use of securities in lieu of cash:**

  IBA may use your securities to cover the margin/deliverable obligations it has to International Market Participants (in respect of positions entered into for you) if you do not have sufficient cash to meet your margin obligations for your international options positions. The amount of securities used is limited to 100% of the value of your margin obligation (calculated using IBA's collateral valuation methodology).

  You can avoid IBA using your securities in this manner by maintaining sufficient cash in your account to cover all margin requirements for your open positions. Please refer to the below risks for further explanation of the risks associated with IBA’s use of your securities.

- **Default risk of the International Financial Market Participant**: IBA arranges execution (and dealings) in the Products to which this PDS relates in markets outside of Australia through International Financial Market Participants. IBA may use your securities to meet the margin and performance obligations IBA incurs to such International Financial Market Participants to secure performance of obligations incurred in respect of your dealings. If the International Financial Markets Participant becomes insolvent, this may trigger a sale of the securities and you may be reliant on IBA to make a claim on your behalf in the bankruptcy proceedings of the secured party. As each insolvency situation is unique, you should be aware that there may be delays in the recovery of your securities or their cash value, and there is a risk that you do not recover the full value of your securities.

- **IBA default risk**: If IBA exercises its rights to use your securities to meet and secure its performance obligations (incurred in respect of dealings undertaken for you) to an International Financial Market Participant, your securities may be sold if IBA defaults on its obligations to the International Financial Market Participant. This can occur even if you have not defaulted on your obligations to IBA.

  As each insolvency situation is unique, you should be aware that there may be delays in the recovery of any assets (or value) in securities and there is a risk that you do no recover the full value of your securities.

  Example of exposure: If you have $50,000 in securities but only $5,000 worth (by IBA's valuation) are being used to meet a margin obligation for your open positions, only that $5,000 worth would be at risk if IBA defaults to the International Financial Markets Participant. The remaining $45,000 would be held separately and would not be subject to the International Financial Market Participant's security interest (but remain subject to a security interest in IBA’s favour for obligations you have incurred to IBA pursuant to the Terms).

  - **Automatic liquidation on margin shortfall:** IBA will generally liquidate positions automatically upon a margin deficit arising. Whilst IBA will notify you if a deficit arises, IBA is not obliged to give you any opportunity to deposit further funds to rectify such deficit and will liquidate positions to bring your Account back into margin compliance.

  - **Foreign currency money rules: Where you instruct IBA to undertake trading in Futures Options on International Exchanges that is exchanges outside of Australia, you may be required to have sufficient cleared funds in the relevant currency and or you may receive amounts in a foreign currency (please see section 8). Foreign currency amounts held by**

participants of International Exchanges and Clearing House for an International Exchange will be held in accordance with the laws and rules of the relevant jurisdiction and will not have the protection provided by the Corporations Act 2001 (Cth) and the ASIC Market Integrity Rules which are applicable in Australia. In particular, Clients' monies may not have the same protection as Client Money deposited in Australia in a broker's client money account.

6. EDUCATIONAL MATERIAL

You should consider reviewing the various ASX explanatory brochures which can be accessed through and other similar resources provided by the operator of the International Exchanges upon which you are considering trading. Please note that IBA does not warrant the information provided by the ASX (listed above or on its website). If you cannot access the ASX brochures via the ASX website, you should contact the ASX.

Further information about Futures and Futures Options and how they work, please refer to www.interactivebrokers.com.au >> Trading >> Products Overview >> Futures/FOPs, and selecting "Education and Resources[11]." Additional educational material is available on IBKR Campus.[12]

7. IBA'S MARGIN REQUIREMENTS

We have discussed above the margin requirements which are imposed by International Exchanges and Clearing Houses on Clearing Participants respectively. Where IBA is the Clearing Participant, it must meet these requirements directly to the Clearing House and where IBA is not the Clearing Participant, the relevant participant imposes margin requirements on IBA (or position holder on IBA's behalf). In either case, IBA, will in turn, impose its own margin requirements on you, as its client, under its agreement with you which may reflect its clearing participants margin requirements and or exceed clearing house margin requirements. The following is an explanation for how IBA determines, calculates and imposes margins:

a) Single universal account

When you open an Account with IBA, you open a single account through which you can trade not only Futures, Futures Options and Options over the underlying, but also other products such as shares, exchange traded options and FX contracts. When we calculate your margin requirement, we have regard to the assets and liabilities in your account as a whole.

b) Risk based portfolio analysis

[11] https://www.interactivebrokers.com/en/trading/products-futures.php?p=education
[12] https://www.interactivebrokers.com/campus/

We determine the margin requirement for your Account by risk based portfolio analysis models which, amongst other metrics, takes into account the margins called by International Exchanges and Clearing Houses. A summary with examples on how IBA calculates Futures margins is available via the following link to IBA's website: www.interactivebrokers.com.au under Trading >> Margin.

c) Real-time margining and real-time monitoring

The value of assets and positions held in your Account is marked to market by IBA's real-time credit management system. IBA uses a real-time risk management system to allow you to see your trading risk at any moment of the day. Our real-time margin system calculates margin requirements throughout the day for new trades and trades already on the books and enforces initial margin requirements at the end of the day, with real-time liquidation of positions instead of delayed margin calls. Your margin requirement and current equity is monitored by IBA and displayed online in real time to the client via the various trading interfaces, as well as the online client portal. For more information about real-time margin monitoring, please visit our webpage: www.interactivebrokers.com.au under Trading >> Margin.

Important: It is your responsibility to actively monitor and manage your open positions and ensure that you meet your margin obligations. The proprietary platform that IBA provides to you provides visual indicators on your portfolio. It is also your responsibility to ensure that you are aware of any changes in margin obligations and we recommend that you monitor your positions continuously. All margin requirements must be met immediately. This means that sufficient cleared funds must be on deposit in your account to enable you to meet margin requirements immediately as and when they fall due.

d) New positions must be covered in advance

IBA's real-time margining means that you will not be able to execute a transaction if to do so would cause your Account to go into margin deficit. For example, if your margin requirement would increase as a result of an initial margin obligation under a Futures contract, and there were insufficient assets in the Account to cover the initial margin obligation, IBA's system would reject an order to execute the transaction concerned.

e) Collateral

Depending on the type of Account you hold with IBA, margin obligations may be met by paying cash or by providing certain types of eligible collateral (e.g. shares). Subject to any requirements specified in laws and regulations, IBA may calculate its own value for any financial products used as collateral based on bid price, offer price, midpoint or using some other method as it determines in its sole discretion. While IBA may accept shares in lieu of cash, as at the date of this PDS, IBA does not support lodging of eligible collateral with ASX Clear for open options positions.

f) Consequences of a margin deficit

If your Account goes into margin call (that is, if there are insufficient assets in your Account to cover the margin requirements), IBA will liquidate all, or part of, the assets held in your Account, or otherwise close your open positions to eliminate the deficiency in assets.

Important: IBA will notify you when a margin deficiency arises, but is not obliged to give you an opportunity to provide further funds. This notification is given electronically via IB's trader workstation. IBA will instead generally liquidate positions in your account in order to satisfy margin requirements.

Any losses resulting from IBA closing out your positions will be debited to your account and you may be required to provide additional funds to IBA to cover any shortfall.

You should carefully review the terms of the agreement between you and IBA carefully to understand your rights and obligations.

8. CLIENT MONEY

The following section is intended to outline important information regarding client money, you should review the terms of your agreement with us for further detail regarding handling of client money.

IBA will handle the client money it receives in accordance with the rules set out in Part 7.8 of the Corporations Act 2001 (Cth) (Client Money Rules) and to the extent applicable the ASIC Market Integrity Rules (Futures Markets) 2017, ASIC Market Integrity Rules (Securities Markets) 2017, and the rules of Clearing Houses of which it is a member. Where required, IBA will pay such client money into a trust account or clients' segregated account. Client money received from you (or on your behalf) will be combined and deposited with the client money received from IBA's other clients.

In accordance with Corporation Regulation 7.8.02A, IBA will specifically not use derivative retail client money for the purpose of meeting margin obligations applicable to transactions that IBA enters into to hedge the risk associated with dealing in derivatives, including the Products described in this PDS. Money may be paid to Clearing Houses directly by IBA (such as ASX Clear (Futures)) or to participants or foreign exchanges to meet margin and settlement obligations. Money paid out to and held by participants of International Exchanges or the Clearing House of the relevant International Exchange will not be held IBA according to the Australian Client Money Rules, rather it will be held in accordance with the rules of the relevant jurisdiction. In those circumstances, funds may not have the same protection as funds deposited in Australia in a trust or clients' segregated account.

IBA is entitled to all interest earned on any client money held in a trust account or client segregated account.

Important: Clients who trade, or wish to trade Products on International Exchanges may be required to meet the obligations for a transaction in a foreign currency and may be entitled to delivery of foreign currency upon settlement. Where IBA **does not** support the holding of a particular foreign currency, it will arrange for a spot foreign exchange transaction to be executed on your behalf to meet the obligations of the dealing or convert the proceeds resulting from settlement (if any).

9. FEES, CHARGES AND MIMIMUMS

The following is a summary description of the fees and charges associated with trading in Futures (or Futures Options).

The fees and charges payable will differ depending on the product, exchange and Clearing House concerned. Due the breadth of exchanges available on which you may trade the Products described in this PDS, we ask you to refer to IBA's website at www.interactivebrokers.com.au >> Pricing for information on what fees and charges are payable.

Relevant fees and charges associated with a transaction will be disclosed on the confirmation for the transaction.

9.1 Commissions

We charge commission for dealings in the Products described in this PDS (both opening and closing positions). Please refer to www.interactivebrokers.com.au >> Pricing >> Commissions >> Futures and FOPs.

9.2 Mark ups and intermediary billings

Advisers and/or brokers may charge their clients for services rendered either through automatic billing, electronic invoice or direct billing. Your advisor/broker determines the referral mark-up at the time of the registration, and this mark-up can be modified from time to time. At the time of your Account registration, you will be given a notice with the details of your referrer as well as the details of any mark ups charged. The available billing methods including caps and limitations are described at the IBA website at www.interactivebrokers.com.au >> Pricing.

9.3 Interest

If you have a debit balance on your Account after all fees and costs have been deducted (in other words, you owe money to meet the margin requirement or other amounts) you must pay interest on the debit balance. Interest is calculated daily based on your positions, margin requirement and balances on your daily statement for that date. Interest is usually posted once a month on your Account. This generally occurs within five business days following the end of the month. Please refer to www.interactivebrokers.com.au >> Pricing >> Interest.

9.4 Administrative fees and charges

IBA charges certain administrative fees for matters such as order cancellation and modifications, trade busts (cancellations) and adjustments, prime broker take-ups, deposits and withdrawals, exercise and assignments, American Depository Receipts ("ADRs") and fees for bounced checks, stop payments etc). The list of administrative fees and charges is available on the IBA website at www.interactivebrokers.com.au >> Pricing >> Other Fees.

9.5 Taxes

Transaction taxes, such as value added taxes may apply in some jurisdictions. The taxation implications of trading in Futures (or Futures Options) will depend on your particular circumstances and it is recommended that you obtain your own independent taxation advice.

9.6 Market data, fundamentals and news

If you access market data, fundamentals or news through IBA, there may be a cost to you to subscribe for this information. Please refer to the IBA website www.interactivebrokers.com.au under Pricing >> Research and News, and/or Pricing >> Market Data Pricing for further information on the costs of accessing such data through IBA.

9.7 Clearing House Fees

ASX Clear (Futures) and International Clearing Houses usually charge a transaction fee per option contract (opening or closing trades) and exercise and assignment fees. Fees for opening or closing a position are typically included in your commission payable to IB. Exercise and assignment fees are not typically included in commissions and may be separately payable by you. Where such fees are payable, they will be disclosed in your transaction confirmation. These clearing house fees may be tax deductible and you should consult with your tax adviser or accountant.

You should refer to IBA's website for details.

9.8 Monthly activity minimums

IBA caters to active professional traders and investors and ~~as~~ such accounts are required to meet minimum levels of activity. Those accounts that do not meet the minimum levels are assessed a monthly activity fee. Whether this fee is assessed is determined by reference to commissions only, that is, for instance market data fees and administrative fees are not included in determining if an account has met the minimum activity.

Required balance, activity and commission minimums for retail and introducing broker accounts and for clients using a dedicated line FIX connection are as set out on the IBA website at www.interactivebrokers.com.au.

9.9 Required Minimums

There are minimums required to open an account with IBA. These are set out on our website at www.interactivebrokers.com.au >> Pricing >> Other Fees.

10. DISPUTE RESOLUTION

10.1 IBA's internal complaints resolution process

IBA is committed to providing a high quality product and service. If you have a query about the service or products we offer, our level of service or the quality of product we provide has failed to meet your expectations, we encourage you to tell us.

IBA's complaint process is designed to ensure your complaint is handled promptly, appropriately and fairly, and dealt with in the strictest confidence.

We request that you submit any queries or complaints online to ensure such queries and complaints are dealt with in the most efficient manner. Please submit your query via Client Portal for the most expedient and efficient handling. You do this by logging into "Client Portal" selecting "Inquiry Ticket" >> "New Ticket" and then selecting the following:

- Category: Other Regulatory
- Sub-category: Submit a Complaint

Alternatively, you may make your query or complaint as follows:

By Telephone:	+61 (2) 7251 0088
By Mail:	The Complaints Officer Interactive Brokers Australia PO Box R229 Royal Exchange NSW 1225 Australia

Under the rules applicable for handling complaints, IBA has 30 days in which to respond to your complaint or query, although we may need to extend this timeframe in complex matters. IBA will attempt however to resolve your complaint and notify you of any proposed resolution as quickly as possible.

10.2 The Australian Financial Complaints Authority

If you are not satisfied with how your complaint is responded to by IBA or 30 days have elapsed, you may direct your concerns in writing to the Australian financial complaints authority ("AFCA") which is an independent dispute resolution scheme of which IBA is a member. Before you submit any concerns to AFCA, you must have given your complaint to IBA and given us time to resolve the matter. The dispute resolution scheme offered by AFCA is provided to you free of charge. AFCA details are:

Australian Financial Complaints Authority

GPO Box 3, Melbourne, Victoria 3001

Telephone:1800 931 678

Website: www.afca.org.au

Email: info@afca.org.au

11. TAXATION

Interactive Brokers does not provide tax advice. It is important to note that a client's tax position when trading futures and futures options will depend on your individual circumstances and the trading strategies that you adopt.

We strongly recommend that you seek independent professional tax advice on the tax implications relevant to your circumstances before trading futures and futures options

11.1 11.1 Goods and Services Tax (GST)

The purchase and disposal by investors of Futures and Futures Options over financial products and indices is not subject to GST. GST is payable on brokerage and commissions charged by IBA.

11.2 11.2 US Foreign Account Tax Compliance Act ("FATCA")

Under the Inter-Government Agreement between the Australian and US Government, IBA has certain obligations to report transaction information to the Australian Tax Office (ATO) on US citizens and various US and non-US entities. We may also request you to provide certain FATCA information if you come within the requirements of the legislation.

We do not provide taxation advice, or advice about FATCA. You should consult your personal tax adviser if you believe that you are impacted by FATCA obligations.