INTERACTIVE BROKERS AUSTRALIA PTY LTD

AFSL 453554

ABN 98 166 929 568

CONTRACTS FOR DIFFERENCE

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 Contracts for Difference (CFDs) 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 position and needs;
- 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 CFDs can be substantial and carefully consider whether trading in CFDs is appropriate for you in light of your personal investment objectives, financial circumstances and needs. CFDs are not suitable for some retail investors; and,
- Only trade CFDs if you understand the nature of the products and the extent of your exposure to risks.

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.

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).

If you received this document electronically or if you received any updated or new information other than in writing, we will provide a paper copy free on request.

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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. In this PDS, when we use terms 'we', 'us' or 'our', the reference is to IBA. For the purpose of the Corporations Act 2001, we are the issuer of CFDs described 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 CFDs referred to 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 clients of IBA in Australia

This PDS and the CFDs described in this PDS are available to persons in Australia who are clients of IBA. Where the distribution of this PDS in a jurisdiction outside of Australia is 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 or any other third party, you should obtain a copy of their 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, 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 Investments Commission (ASIC) and holds an Australian financial services licence no. 453554, under which it is authorised to issue and make a market in derivatives (including the CFDs described in this PDS) to 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 (Futures).

For further information about IBA, you should read our Financial Services Guide (FSG) 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
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 [1]
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 include our general terms and conditions (T&Cs), the specific terms governing trading IBA's CFDs2 (Addendum [E]) and the Product Specifications for the CFDs3 described in this PDS. If there is any conflict between the information in this PDS, and the T&Cs, then the T&Cs prevails, and if there is any conflict between the Contract Specifications and the T&Cs, then the Contract Specifications prevail.

The ASIC Corporations (Product Intervention Order—Contracts for Difference) Instrument 2020/986 ("Instrument 2020/986" or the "Instrument"), also applies to CFDs issued to Retail Clients[4]. Accordingly, for example, the new maximum leverage ratio's and rules around margin close-out protection and negative balance protection **do not** apply to wholesale or professional clients, but only Retail Clients. Please review the applicable terms, IBA's CFD Product Specifications and the IBA website for important information before you trade IBA issued CFDs.

2. WHAT PRODUCTS DOES THIS PDS COVER?

2.1 What is a CFD?

A CFD is a derivative where the price is 'derived' from the value of a reference asset or rate. The underlying of an IBA CFD may be an equity instrument (such as a share), an index or the exchange rate of a currency pair. In this PDS, when we refer to the concept of a "Reference Underlying" we are referring to the asset (e.g. Share), futures contract (for Index CFDs), weighted average price of the near and next month relevant futures contract (for Crude Oil CFDs), or currency pair (for Forex CFDs) from which the particular IBA CFD

[1] https://www.interactivebrokers.com.au/en/general/contact/newContact/contact.php
[2] https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration_v2.formSampleView?formdb=3331
[3] https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration_v2.formSampleView?formdb=3333
[4] "Retail Clients" has the meaning given to that term in Corporations Act 2001.

derives its value.

In a CFD issued by IBA, you and IBA agree to exchange the difference between the current value of the CFD (determined with reference to the Reference Underlying) and the value at a future time when the position in the CFD is closed. In this way, a CFD provides exposure to the Reference Underlying.

While certain Reference Underlying may be exchange traded products themselves (for example, shares or futures), the CFDs that IBA offers in this PDS are over-the-counter (OTC) products, meaning that the CFD is a contract between you and IBA (as the product issuer). Being that IBA is the product issuer and specifies the terms of the CFDs offered, you are reliant on IBA to perform its obligations under the CFD.

IBA's CFDs allow investors to achieve leveraged exposure to the Reference Underlying. This is because in a CFD you are only required to meet the initial margin and maintenance margin requirements to establish and hold a position which are typically a small percentage of the total value of the exposure under the CFD.[5] However, this ability to achieve exposure via leverage may also result in losses surpassing your original investment.

The following sections of this PDS provide important information about the Key Features of IBA CFDs and a summary of the Key Benefits and Risks of trading the products.

2.2 The types of CFDs offered by IBA:

1) **Share CFDs:** these are CFDs which are designed to deliver the return of a share of an exchange traded company, including dividends and corporate actions. We may also refer to these as Stock or Equity CFDs.

2) **Index CFDs:** these are CFDs which are designed to deliver the return of an index; the Reference Underlying for these CFDs is a synthetic index derived from the price of the relevant near month futures contract adjusted for fair value.

3) **Forex CFDs:** these are CFDs which are designed to deliver the return of an exchange rate of a currency pair.[6] We may also refer to these as FX CFDs.

4) **Metals CFDs**: these are CFDs which are designed to deliver the return of certain precious metals spot prices.

5) **Crude Oil CFDs:** these are a type of index CFD which are designed to deliver the return of certain oil futures (in respect of US Crude Oil or Brent Crude Oil).

IBA may offer CFDs with other asset classes as reference underlying from time to time. You should ensure to refer to IBA's website, www.interactivebrokers.com.au under Trading >> Investment Products >> CFDs for the most up-to-date types of CFDs issued by IBA. Existing

[5] Note: there are additional costs and charges to maintain CFD positions. Please refer to section 11.

[6] The CFDs in this PDS are quoted on the spot price of a currency pair. FX spot quotes are expressed in terms of how much of one currency will another currency buy. For instance, in the AUD/USD currency pair quote of .74, the AUD is referred to as the "base currency" and the USD is the "quote", "terms" or "counter" currency and.74 USD buys 1 AUD. This example is given for illustrative purposes only.

clients of IBA may also search for the CFDs that they may trade through IBA's online trading platform Trader Workstation (TWS).

3. REGULATORY BENCHMARK DISCLOSURE

ASIC has published Regulatory Guide 227 (RG227) which sets out seven (7) disclosure benchmarks for OTC CFDs and requires that issuers of CFDs disclose how they meet each disclosure benchmark.

The table below sets out how IBA meets each benchmark:

Disclosure Benchmark	Meets Benchmark	Explanation
1. Client Qualification Issuer to maintain and apply a written client qualification policy to trade CFDs	Yes	IBA assesses the client's qualification for trading when they request trading permissions. IBA relies on its customers' declarations as to their knowledge and does not verify knowledge or trading experience.
2. Opening Collateral An issuer should only accept cash or cash equivalents from investors when opening an account to trade CFDs	Yes	Clients are only permitted to fund their IBA account using cash or securities IBA does NOT accept credit card payments.
3. Counterparty risk hedging An issuer should maintain and apply written policies in hedging its risks from client positions and financial standing of counterparty	Yes	IBA immediately hedges all CFDs. Client CFD orders are confirmed only after IBA has confirmed that the hedge transaction has been executed. Client receives the exact price that IBA receives from its hedge counterparty. IBA does not charge, or earn, any additional "spread" on bid/ask prices or executed prices or financial benefit except for the commission charged for executing the transaction.
4. Counterparty Risk – financial resources An Issuer monitors its compliance with AFSL financial requirements and holds sufficient liquid funds to withstand adverse market movements	Yes	IBA maintains adequate capital resources to meet its regulatory and liquid capital requirements under its Australian Financial Services license. IBA is subject to the Liquid Capital and Net Tangible Assets requirements of ASX Clear and ASX Clear (Futures) respectively which IBA monitors on a daily basis.

5. Client Money An Issuer should maintain and apply a clear policy on the use of client money.	Yes	IBA has a detailed client money policy. All client money is held in client money accounts with Authorised Deposit Taking Institutions (ADIs) and fully segregated from IBA funds. While IBA may withdraw client money to meet your margin obligations on your open CFD positions, IBA does not use the money held for a particular client to hedge the exposure or meet the obligations of other clients. Refer section 10.
6. Suspended or Halted Reference Underlying An issuer should not allow new positions to be opened in the if there is a trading halt or suspension in the Reference Underlying	Yes	IBA does not offer trading in CFDs when the Reference Underlying instrument or market is halted or suspended.
7. Margin Calls An Issuer should maintain and apply a written policy on its margining practices.	Yes	IBA maintains and has a written policy in relation to margin practices and our rights to close out positions. **IBA does not issue margin calls**; clients are required to monitor their accounts to ensure they maintain sufficient margin at all times. Clients are notified of margin requirements prior to order placement and provided with on-going real time (or near to real time) notice of margin requirements including warnings when an account is approaching a margin deficit. Refer to section 9.

4. KEY FEATURES OF IBA CFDs

The following sets out the key features of IBA's CFDs. Some of the information below is common to all of the types of CFDs issued by IBA and some of it is specific to a particular type of CFD.

4.1 Features common to all IBA CFDs

Feature	Description:
Open ended contracts	IBAs CFDs are opened ended instruments. Unlike exchange trade derivatives, there are no set or pre-defined expiry dates. This means that a position may be kept open until you determine to close it, subject to you meeting ongoing

	margin requirements and/or the occurrence of certain events that entitle IBA to close the position (please refer to sections 6 and 13 of Addendum [E]).
Leveraged instruments	IBA's CFDs provide investors the ability to leverage their exposure. This means that for the same initial capital you can increase your exposure to an asset or index or diversify your exposure across a number of assets versus buying a Reference Underlying directly. While leverage allows you to magnify your gains, it also means it magnifies any losses you may incur. Please refer to sections 7 and 8 for the benefits and risks of leverage.
Open Trade Equity	IBA's CFDs work on an Open Trade Equity model. In IBA's CFDs, the Open Trade Equity (OTE) on a CFD position represents the unrealised profit/loss on the CFD position relative to movements in the current price of the Reference Underlying. The daily gains and losses on a CFD position are not cash settled but rather reflected in adjustments to the OTE for the position. The gain or loss on a position is not realised unless and until the CFD is closed out by you or by IBA. The OTE on each CFD position is included in the Net Liquidation Value of your IBA account and therefore is related to whether the account meets initial margin or maintenance margin requirements. Please refer to section 9 for further information about IBA's margin requirements.

Reference Price	IBA will determine a Reference Price for each open CFD position after the close of trading on each trading day. For Equity CFDs, the Reference Price is typically based on the closing price of the share which is the Reference Underlying for the relevant CFD. For Index CFDs, the Reference Price is typically calculated on the closing price of the relevant near-month futures contract (with a fair value adjustment). For Forex CFDs, IBA will determine the Reference Price for the CFD based on the IB cash closing price for the relevant currency pair. For Metals CFDs IBA will determine the Reference Price based on the spot price of the commodity. For Crude Oil CFDs, the Reference Price is based on the weighted average prices of the near-month and the next month relevant futures contract. Typically, if on any trading day the Reference Price for a CFD is higher than the Reference Price for the CFD on previous trading day, then if you hold a long position with IBA there is ‘gain’ on the position and this is reflected in the OTE for the CFD position. If you hold a short position in the CFD, IBA will adjust the OTE accordingly and you will have a ‘loss’ on the CFD position.
CFDs quotes	IBA will typically quote bid and ask prices along with bid and ask sizes for each CFD ticker during the trading hours[4] for the relevant CFD. IBA does not guarantee that you are able to trade at any particular price that it quotes. ***IBA Share CFDs*** During regular trading hours, the quotes that IBA makes available for its Share CFDs reflect the best bid and offer (BBO) of the relevant Reference Underlying. ***IBA Index CFDs*** The quotes for IBA’s Index CFDs are derived from a synthetic index based on the price of the near-month exchange-traded futures contract adjusted for interest and dividends (fair-value adjustment). IBA does not widen the spread on its Index CFDs unless market conditions are exceptionally volatile. The prices quoted for IBA’s Index CFDs are not necessarily the same as the underlying cash index. Rather, the quotes reflect the price of the relevant future, adjusted for interest

	and dividends (fair value adjustment) and the relevant future itself may trade above or below its fair value. Notwithstanding that, IBA's Index CFDs quotes track the spreads and ticks of the underlying future plus a liquidity provider spread save for in exceptional market circumstances. When the future refreshes the IBA index CFDs also refreshes. ***IBA Forex CFDs*** The prices that IBA quotes for its Forex CFDs are derived from the combined spot FX quotation streams from some of the world's largest foreign exchange dealers. Accordingly, the prices that IBA quotes for its Forex CFDs are identical to quotes which are available for spot FX via IBA. ***IBA Metals CFDs*** The prices that IBA quotes for its Metals CFDs reference the prices of the relevant precious metal market (i.e., London bullion market) that IB receivers from participants in the London bullion market. ***IBA Crude Oil CFDs*** The prices that IBA quotes for its Crude Oil CFDs are derived from the hedge future by combining the near month and next month related futures, with the price of the CFD being the weighted average return of the relevant futures plus liquidity provider spread. The weighting of the two futures changes daily, to achieve a gradual roll from the near to the next future. A daily roll adjustment is applied to eliminate the impact of the difference in price between the two contracts.
Direct Market Access style CFDs	IBA provides a DMA style CFD model. When you place an order for a CFD with IBA, we immediately place a corresponding hedge order with our counterparty who in turn will typically place a corresponding hedge trade with its hedging counterpart. In the case of IBA's Share CFDs, this will usually result in a hedge order being immediately placed into the Reference Underlying market, or as an exception the hedge counterpart may execute orders received from one client against another of its clients when it provides improvement over publicly available prices.

	Once IBA receives notification that the hedge trade has been filled, we will confirm the CFD trade with you at the price of IBA's hedging transaction. IBA does not widen the spread.
Available Reference Underlying[7]	***IBA Share CFDs*** IBA offers CFDs over 500 shares in the US, European and Asian markets. ***IBA Index CFDs*** A range of IBA generated synthetic indices which reflect the main US, European and Asian indices. ***IBA Forex CFDs*** 85 tradeable currency pairs. ***IBA Metal CFDs*** London Spot Gold and London Spot Silver ***IBA Crude Oil CFDs*** US Crude Oil and UK Brent Crude Oil (derived from near month and future month relevant futures).

4.2 IBA Share CFDs - Adjustments and other payments

Event	Explanation
Corporate Actions	In the event of a corporate action in the Reference Underlying of IBA Share CFDs, IBA will adjust the terms of the CFD to attempt to reflect the economic effect of the corporate action for CFD holders as if they had been holding the Reference Underlying. This will be done through either a cash adjustment, a position adjustment, [delivery of a new security or CFDs], or a combination of these. In cases where IBA determines it is unable to adjust the CFD to preserve the economic equivalence, the Share CFD position may be closed out prior to the ex-date.

[7] As at the date of this PDS.

Dividend Cash Flow	A payment-in–lieu-of-dividend (“PIL”) is recorded as a dividend payable/receivable when a share passes its ex-dividend date, and is paid/charged on the matching payable date as the Reference Underlying. If a choice between cash and stock is offered (choice dividend), IBA will reflect the dividend as a cash adjusting PIL. Long position holders are paid a PIL. Short position holders are charged a PIL. Dividends are generally applied net of withholding tax to long positions, and on a gross basis to short positions. Note that for CFDs which have Australian securities as the Reference Underlying, franking credits are ignored and long holders receive the declared dividend gross. IBA is obliged to withhold tax on long dividends related to US Share CFDs, reflecting the rate applicable to the country of residence of each investor (IRS Rule 871 (m)). (Index CFDs are exempt from the new US withholding requirement. IB will therefore pay dividends on US index CFDs gross, without withholding or other tax adjustments).
Actions typically leading to Position Changes (splits, reverse splits, buybacks, spin-offs, mergers)	When a corporate action results in the creation of new shares of the same kind as the Reference Underlying, IBA will create additional CFDs (position adjustment) in a manner consistent with a position holding in the Reference Underlying stock. If the corporate action results in the creation of a new listed entity, and IBA determines in its sole discretion that it will include the new shares in its general CFDs offering, IBA will also in this case effect the corporate action by creating additional CFDs on the new security. If IBA does not offer a CFD over the new entity’s shares, a cash adjustment will be applied.

4.3 IBA Index CFDs – information regarding corporate actions and how adjustments for dividend cash flow is reflected.

IBA Index CFDs	
Corporate Actions	The index level itself is adjusted for corporate actions, no direct adjustments to the CFDs are necessary.
Dividend Cash Flow	Index CFDs that are based on a price index reflect dividends in the following manner: As index constituents go ex-dividend the index level adjusts downwards in proportion to the weight of those constituents in the index. The relevant amount of index points (drop points) are credited in cash net of applicable withholding taxes to long holders and debited gross to short holders. The only exception among the currently available IBA Index CFDs is Germany 30 (IBDE30), which is based on a total return index.

5. MARKET DATA

5.1 Share CFDs:

The market data for IB Share CFDs is the market data for the underlying shares. It is therefore necessary to have market data permissions for the relevant exchanges. If you already have set up market data permissions for an exchange for trading the shares, you do not need to do anything. If you want to trade CFDs on an exchange for which you do not currently have market data permissions, you can set up the permissions in the same way as you would if you planned to trade the underlying shares. Details are set out on the Market Data page on our website.[8]

5.2 Index CFDs:

Market data for Index CFDs consists of streaming quotes is free.

5.3 Forex CFDs:

Real-time market data for Forex CFDs is free.

5.4 Metals CFDs:

Metals CFD market data is free, but a permission is required for system reasons.

[8] https://www.interactivebrokers.com.au/en/pricing/market-data-pricing.php

5.5 Crude Oil CFDs

Market data for Crude Oil CFDs consisting of streaming quotes is free.

6. HOW TO TRADE CFDS

6.1 How to place an order and open and close a position

Like exchange traded derivatives, with IBA's CFDs you may enter into a 'bought position" also referred to as "going long" or a "sold position" also referred to as "going short". In order to open a position in a CFD, you search for the relevant Reference Underlying symbol, choose the instrument "CFD" to display quotes and then submit an order to either buy (go long) or sell (go short). Whether you go long or short is ultimately determined by your views about the direction the Reference Underlying will move and why you determined to open the CFD position.

You may place orders above or below IBA's quotes in much the same way that you are able to place orders above or below market if you were trading shares or any other reference instrument. This means that you can place orders to buy IBA CFDs at the Reference Underlying bid and sell at the offer and or place unmarketable orders above or below the bid and offer.

In order to exit or close-out an existing position, you must enter an equal but opposite position. To close a "bought" or "long" CFD position, the position must be sold. To close a "sold" or "short" CFD position, the position must bought. Upon the confirmation of the closing trade, your existing position is closed.

6.2 Order Types available for CFDs

IBA offers a wide range of order types for CFDs including market, limit, stop-loss, bracket, GTC and GTD orders, as well as several algorithmic order types.

Order types typically reflect the order types available for the Reference Underlying (whether native to exchanges or simulated by IBA). Not all order types are available for CFDs however.

A full description of available order types can be found on the IBKR Order Types, Algos and Tools page on our website. [9]

6.3 Example of Opening and Closing a Long Share CFDs

In this example, the Reference Underlying is trading at $9.98 – $10.00, and the CFDs reference price reflects the price of the Reference Underlying.

[9] https://www.interactivebrokers.com.au/en/trading/ordertypes.php

i) Opening the position:

You purchase 30,000 CFDs at $10.00 for $300,000, which you then hold for 30 days.

AUD Share CFDs – New Position	
Reference Underlying Price	$9.98 - $10.00
CFDs Reference Price	$9.98 - $10.00
Action	Buy
Quantity	30,000
Trade Value	$300,000
Margin (10% x 300,000)[10]	$30,000

Interest tier Charged (on $300,000 over 30 days)			
Tier I	$140,000	2.942%	$338.53
Tier II[11]	$160,000	2.942%	$386.89
Total Interest Charged			$725.42

ii) Closing the position:

Exit CFD Position		
	Profit Scenario	Loss Scenario
Reference Underlying Price	$10.48 - $10.50	$9.48 – $9.50
CFDs Reference Price	$10.48 - 10.50	$9.48 – 9.50
Action	Sell	Sell
Quantity	$30,000.00	$30,000.00

[10] Assuming minimum margin of 10% applies. Margin rates are subject to change at IBA's discretion. The current margin rates will be available on the IBA website. Margin rates may differ depending on your account type and also if your CFD position is long or short.

[11] IB spread is 1.5% for all AUD tiers

Trade Value	$314,400.00	$284,400.00
Trade P&L	$14,400.00	-$15,600.00
Financing	-$725.42	-$725.42
Entry Commission 0.05%	-$150.00	-$150.00
Exit Commission 0.05%	-$157.20	-$142.20
Total P&L	$13,367.38	-$16,617.62

6.4 Calculating the Profit or Loss on a CFD transactions

The amount of profit or loss that you make will be determined by:

- The difference between the price of the CFDs when the contract is opened and the price of that CFD when the contract is closed (e.g. movements in the Reference Underlying);
- The brokerage commission charged on a trade and any costs such as interest (if applicable) on open positions (i.e. fees and charges); and,
- Any adjustments, e.g. notional dividend adjustment, if applicable;

Generally speaking, when a CFD position is closed, if you held a long position and price of the Reference Underlying has increased such that it is greater than the initial price, IBA pays you. If the difference is negative, i.e. the Reference Underlying has decreased in price below the initial price, you pay IBA. Inversely, if you held a short position and the difference between the initial price and the price when the position is closed is negative, IBA pays you. If it is positive, you pay IBA.

IBA accounts can hold funds in AUD, USD, EUR, HKD and GBP. When a closing trade realizes a profit or a loss, or if there are dividend and other cash flows in another currency (e.g. GBP for UK Share CFDs), the proceeds will automatically be converted and credited in the base currency of the account.

Commissions are calculated in the currency of the Reference Underlying instrument but charged in the Commission Currency (refer to IBA CFD Contract Specifications).

Important: IBA only holds certain limited currencies on behalf of its clients. If a dealing in a CFD is required to be paid for or settles in a currency which IBA does not support, we will undertake a spot foreign exchange transaction on your behalf to meet your settlement obligations for any such transaction or to convert any realised proceeds to a currency which IBA holds. Please refer to IBA's FSG for further details.

7. SIGNIFICANT BENEFITS OF IBA CFDs

The following section outlines significant benefits of IBA's CFDs. In preparation of the following information, IBA has not taken into account your specific objectives, financial position and needs and the information may not apply to you.

Benefit:	**Description:**
Hedging a portfolio (or part of a portfolio)	Investors can use CFDs to hedge (protect) their portfolio, for example, entering into a sold CFD position with respect to shares or particular shares to hedge against a drop in value. Investors can hedge (protect) against adverse currency movements, for example if an investor has a large exposure to currency A, investors may enter into a sold position via CFD on currency A to provide downside protection.
Speculation	CFDs may be used to speculate on movements in the price or level of stock, an index or a currency pair. In addition, due to the low initial outlay, CFDs may be used with other instruments to implement combinations and strategies regardless of the direction of the market in a capital efficient manner.
Profit in rising or falling market	Investors can profit from both rising and falling markets depending on the strategy they have employed. Strategies may be complex and strategies will have different levels of risk associated with each strategy.
Leverage	A CFD is a leveraged product that requires you to deposit a smaller amount of cash as margin rather than paying the full value of the contract. The level of leverage depends on the margin requirement for the individual CFD. For example, for retail clients, the minimum margin requirement for a Share CFD is 20%[12] of the notional value of the contract (i.e. maximum leverage is x5); higher volatility-based margin calculations act to further increase the minimum margin requirement (i.e. reduce the effective leverage) where appropriate. Investors must understand that leverage can also produce increased risks (see Significant Risks below).
Maximum Leverage Ratio's applying to CFDs issued to Retail Clients	Under the Instrument, ASIC introduced maximum leverage ratio's for CFD's opened for retail clients. The maximum available leverage differs per asset class. See below: a. 30:1 for CFDs referencing an exchange rate for a major currency pair;

[12] Margin rates are subject to change at IBA's discretion. The current margin rates will be available on the IBA website. Margin rates may differ depending on your account type and also if your CFD position is long or short.

	b. 20:1 for CFDs referencing an exchange rate for a minor currency pair, gold or a major stock market index; c. 10:1 for CFDs referencing a commodity (other than gold), e.g, Crude Oil, or a minor stock market index; d. 2:1 for CFDs referencing crypto-assets; and e. 5:1 for CFDs referencing shares or other assets.
Diversify portfolios	Given the leverage inherent in CFD trading, investors may be able to diversify their portfolios in a capital-efficient manner and gain tailored market exposure over a range of shares or an index. For instance, the Reference Underlying for IBA's Index CFDs is a futures contract, which typically will have a significantly higher minimum contract size than the corresponding IBA Index CFD. An Investor may also choose to include exposures to multiple currencies without the need to manage delivery of multiple different currencies.

8. SIGNIFICANT RISKS OF IBA CFDs

You should consider whether investment in CFDs is appropriate to you in the light of your objectives, financial position and needs and you should not trade CFDs unless you are an experienced investor with an appropriate risk tolerance and the capability to sustain losses if they occur. You should read and carefully consider the risks set out in this section before deciding to apply to open a CFDs account.

Risk:	**Description:**
Leverage	The high level of leverage that is obtainable when trading CFDs (due to the relatively low margin requirements) can work against an investor as well as for the investor. Depending on market movements, the use of leverage may lead to large losses as well as large gains, as leverage effectively magnifies both gains and losses. In this sense, CFDs place a significantly greater risk on your investment than non-leveraged products such as conventional share trading. For example, if you purchase a CFD position on shares of ABC and the total value of the CFDs position is AUD50, 000, and if the (initial) margin requirement is

	20%[13], you will require AUD10,000 as margin. If the value of the CFDs position in ABC then drops to AUD35, 000, you will have lost your original AUD10,000 deposit, plus an additional AUD5, 000, which you will be required to pay to IBA as losses on the position (this excludes commissions, spreads and financing costs). *This example does not consider the additional equity you would need to keep the position open.*
Reference Underlying movements	Because the value of CFDs are largely influenced by the value of the Reference Underlying, changes in that Reference Underlying impact your position in CFDs. IBA offers CFDs over a range of Reference Underlying, including indices, currency pairs and, shares. Some of these Reference Underlying are inherently volatile and the prices of which may fluctuate rapidly and over wide ranges. The prices of Reference Underlying will be influenced by, among other things, the earnings and performance of the company or companies whose shares comprise the Reference Underlying or a related index, the performance of the economy as a whole, the changing supply and demand relationships for the Reference Underlying or related instruments and indices, governmental, commercial and trade programs and policies, interest rates, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace. Changes in the Reference Underlying market may also make it difficult to hedge your exposure from CFDs.
IBA Does Not Provide Personal Advice	IBA does not provide personal advice. Our service is "execution only", meaning we are only acting on your instructions and will not advise you on any transaction, nor will we monitor your trading decisions to determine if they are appropriate for you or to help you to avoid losses. You should obtain your own financial, legal, taxation and other professional advice as to whether CFDs are an appropriate investment for you.

[13] Assuming minimum margin of 20% applies. Margin rates are subject to change at IBA's discretion. The current margin rates will be available on the IBA website. Margin rates may differ depending on your account type and also if your CFD position is long or short.

Synthetic products not the same as owning the Reference Underlying	IBA CFDs are designed to deliver the return of the Reference Underlying, including for Share CFDs dividends and corporate actions. While IBA CFDs are designed to replicate the economics of owning the Reference Underlying (or in the case of IBA Index CFDs, the related near month future, or in the case of the Crude Oil CFD the weighted average of the near and next month future), it may not always be possible to perfectly replicate the economics of owning the Reference Underlying. Certain corporate actions may not be economically replicable, and the impact of franking credits may not be same as the gain/loss on the CFD. Index CFDs track the near month futures price of the relevant index, not the index price itself. Crude Oil CFDs track the weighted average of the relevant near month and next month futures contract and include the liquidity providers spread.
CFDs Are Not Traded On A Regulated Exchange And Are Not Cleared On A Central Clearinghouse	CFDs are over the counter contracts and IBA is your counterparty. CFDs are not traded on a regulated exchange and are not cleared through a central clearinghouse. Thus, exchange and clearinghouse rules and protections do not apply to trading CFDs with IBA. You are only able to close out IBA CFDs through us.
You Are Subject To Counterparty Credit Risk on CFD Trades	Since IBA is the counterparty to your CFD trades, you are exposed to the financial and business risks, including credit risk, associated with dealing with IBA. While, IBA has prudent risk management and capital monitoring and manages exposure to clients via automated real time or near to real time monitoring of and automated liquidation in non-compliant accounts, in the unlikely event that IBA were to become insolvent IBA may be unable to meet its obligations to you.

IBA Has the Right to Liquidate Your Positions without Notice In the Event of a Margin Deficiency	You must monitor your account so that at all times the account contains sufficient equity to meet IBA's Margin Requirements. IBA does not have to notify you of any failure to meet Margin Requirements prior to IBA exercising its rights under its Agreement with you, including but not limited to its right to liquidate positions in your account(s). Unlike the practice of some other brokers and dealers who allow "grace periods" for margin compliance, IBA generally will not issue margin calls; generally will not allow a grace period for you to meet intraday or other margin deficiencies; and is authorized to liquidate account positions immediately in order to satisfy Margin Requirements, without prior notice. In the event that a retail client's CFD trading causes him, her or it to incur a liability to IBA, under the Addendum [E] Supplemental Terms for CFDs, IBA will only have recourse to the cash and financial products in the IBA account. In other words, a retail client's CFD trading with IBA cannot cause him, her or it to lose more than the assets in the custody of IBA. Of course, if you wish to avoid further losses on any CFD position, which may otherwise cause IBA to liquidate the cash and financial products in your IBA account, you must close out the position yourself and not rely on IBA to do so. However, wholesale or professional clients cannot assume that IBA's general policy to liquidate positions with a margin deficiency will prevent them from losing more than they have deposited with IBA. Among other things, markets may "gap" down and IBA may not be able to close out a position at a price that would avoid losses greater than the margin deposit. Likewise, IBA in its sole discretion delay or decide not to liquidate a position with a margin deficit.

IBA Has the Right to Change or Increase Its Margin Requirements at Any Time	In order to protect the firm and all of our clients, IBA may modify Margin Requirements for any or all clients for any open or new positions at any time, in IBA's sole discretion. If we increase our margin requirements, it may prevent you from adding positions or hedging existing positions if you have insufficient equity. If margin requirements increase on your existing CFDs, you will have to deposit additional equity in advance or your positions may be liquidated.
Retail clients: margin close-out protection	Under the Instrument, as soon as market conditions allow, IBA is obliged to liquidate open CFD positions when the equity in a retail client's account falls to less than either 50% of the initial margin originally required to open the position, or 50% of the maintenance margin required to maintain the position - whichever is greater. This means that, in the event that a particular open CFD position drops in value to the point that 50% of the initial margin has been consumed, as soon as market conditions allow, IBA's systems will endeavour to promptly close these open CFD positions in order to preserve as much of the initial margin as is possible. While this may preserve some of your initial margin deposit, it may also crystalize losses.
CFDs Carry Liquidity Risk and Close-out difficulties.	IBA is not obligated to provide quotes for any CFDs at any time, and IBA does not guarantee the continuous availability of quotations or trading for any CFDs. IBA may in its sole discretion cease quoting CFDs and/or cease entering new CFD transactions at any time based on lack of market data, halts or suspensions or errors or illiquidity or volatility in the market for the Reference Underlying, IBA's own risk or profit parameters, technical errors, communication problems, market or political or economic or governmental events, Acts of God or Nature, or for other reasons. Accordingly, it may at times become difficult or impossible to close out an open CFD position.

Contingent orders difficult.	Placing of contingent orders (such as a 'stop-loss' order) may not always limit your losses to the amounts that you may want. For example, if the price of the Reference Underlying asset moves suddenly, your stop loss order may not be filled, or may be filled at a different price to that specified by you, and you may suffer additional losses as a result.
Currency risks	When you deal in a CFD where the Reference Underlying is denominated in a currency other than the base currency of your account or a cash flow currency, all margins, profits, losses and financing credits and debits in relation to that CFD will first be determined in the currency of Reference Underlying and converted back to your base currency or a cash flow currency to settle such payments. Accordingly, your profits or losses will be affected by fluctuations in the exchange rates between the account currency and the currency in which the CFD is denominated. IBA applies a margin "haircut" to reflect this risk, and so the Margin Requirement on the CFD will effectively increase. Where the currency of the Reference Underlying is different to a cash flow currency, the inherent exchange rate risk (loss or gain) will be crystallised when you or IBA close a position. Losses (or gains) on FX positions will be in addition to any losses (or gains) on the product itself. Further, if IBA needs to perform a spot FX conversion to settle a dealing entered into on your behalf, the inherent exchange rate risk (loss or gain) will be crystallised. These losses (or gains) may be in addition to any losses (or gains) on the product itself.

You Will Pay Commissions and Financing Charges among Other Costs of Trading CFDs	IBA will charge commissions on your CFD trades. In addition, you will pay a market (or bid-ask) spread on your CFDs transactions, meaning that the price you pay to buy a CFD generally will be some amount higher than the price you receive when you sell the CFD, even if the price of the CFD has not otherwise changed during the time you held it. You will also pay financing charges (interest) on your long CFDs positions (you may receive a rebate on your short CFDs or pay interest, depending on interest rates). All of these costs will lower the total return (or increase the loss) on your investment in the CFDs
Risk of Interest Rate Fluctuation	Interest rates fluctuate, which will affect the financing charges (or rebates) you will pay (or may receive) on your long (or short) CFD positions. This will also affect your total profits or losses.
IBA Has the Right to Correct Trade Errors	IBA may cancel, adjust or close out CFDs after confirmation to you to correct errors, including but not limited to CFDs transactions executed at a time and price at or near which trades in the market for the Reference Underlying were cancelled or adjusted by exchanges or market centers, CFDs transactions subject to technical errors in IBA's platform, and CFDs transactions not reasonably related to the correct market price for the Reference Underlying of the CFDs.
IBA's Rights To Adjust, Modify and/or Close-Out CFDs Transactions In The Event Of A Corporate Action Affecting The Reference Underlying	In the event of a Corporate Action affecting the Reference Underlying of a CFD (e.g. splits, spin-offs, rights offerings, mergers and acquisitions, etc.): IBA in its sole discretion will determine the appropriate adjustment or modification or action to take, if any, and when, with respect to the CFDs to preserve the economic equivalent of the rights and obligations of the parties;

	As an addition or alternative to the foregoing, IBA reserves the right in its sole discretion to close out your open CFDs positions in the Reference Underlying prior to the Corporate Action.
Risk of Disruption or Interruption of Access to IBA's Electronic Systems and Services	IBA relies on computer software, hardware and telecommunications infrastructure and networking to provide its services to Clients and without these systems, IBA cannot provide the services. These computer-based systems and services such as those used by IBA are inherently vulnerable to disruption, delay or failure, which may cause you to lose access to the IBA trading platform or may cause IBA not to be able to provide CFD quotations or trading, or may negatively affect any or all aspects of IBA's services. Under the IBA Trading Agreement, you accept the IBA systems and services "As-Is" and our liability to you is limited. You must also maintain alternative trading arrangements in addition to your IBA account for execution of your orders in the event that IBA's electronic system and services are unavailable.
Capital loss	By trading in CFDs, you are exposed to the risk of losing capital. Speculators should not risk more capital than they can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.
Default	If you fail to meet your obligations to us under your agreement with IBA (T&Cs), including but not limited to failure to meet IBA’s margin requirements at any time or any other action or inaction which we have agreed constitutes a default under the T&Cs, we may, in addition to any other rights which we may have against you, and without giving prior notice to you, take any action (which may include entering into risk reducing positions by closing out some or all of your open positions and or exercise open positions), or refrain from taking action, which we consider reasonable in the circumstances in connection with the open positions in your Account with us and you must account to us as if those actions were taken on your instructions and you are, without limitation, liable for any deficiency and are entitled to any surplus which may result.

Automatic liquidation on margin shortfall	IBA will generally close positions automatically upon a margin deficit arising, or as required by the Instrument in the circumstances where the greater of 50% of a retail client's initial margin to open a CFD position or 50% of the maintenance margin to maintain a position has been consumed. 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.
Time Zone Difference for Australian Clients dealing in Reference Underlying which trade on non-Australian 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 centers in Europe and the United States. If you are dealing in CFDs with Reference Underlying on these markets, your orders will likely be executed outside of normal Australian business hours and/or during the Australian nighttime. 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 CFDs in your account.
Risks associated with trading in Share CFDs at times outside of regular trading hours for the exchange(s) upon which such shares are traded.	Trading in Share CFDs where the Reference Underlying share is traded outside of ordinary trading hours[14] presents special characteristics and a set of unique risks: • **Liquidity Risk and Close-out difficulties**. Where after-hours trading results in a lack of market data, illiquidity or volatility in the market for the Reference Underlying share. IBA may in its sole discretion cease quoting such CFDs and/or cease entering new CFD transactions at any time based on its own risk or profit parameters. • **Risk of Changing Prices**. Prices of Reference Underlying shares traded in the after-hours market may not reflect prices at the end of regular trading hours, or upon the opening of the next morning. As a result, the prices at which share CFDs are quoted may diverge during the extended trading hours versus

[14] Outside of the normal trading hours relevant to the exchange(s) upon which shares are traded

	regular market hours. • **Risk of unlinked markets**. Variations may exist in the Reference Underlying share prices displayed between concurrently operating extended hours trading systems. As a result, the prices at which share CFDs are quoted may diverge in one extended hours trading system versus another extended hours trading system. • **Risk of News Announcements**. The release of financial news during extended trading hours may affect prices of Reference Underlying shares, and when combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of the Reference Underlying share. As a result, the prices of Quotes for Share CFDs may be distorted during extended hours trading versus regular trading hours. • **Risk of Wider Bid-Ask Spreads**. The bid-ask spread refers to the difference in price between what you can buy a security for versus what you can sell the security for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal bid-ask spreads in the Reference Underlying. As a result, the Quotes for Share CFDs may be inferior during the extended trading hours versus regular trading hours. • **Trade Date / Corporate Actions**. The trade date for Reference Underlying shares traded during regular trading hours (ie. 9.30am–4pm New York time) or during the extended trading hours session (ie 4pm–8pm New York time) is the date on which the order is executed. However, the trade date for trades executed during the overnight trading session (ie 8pm-4am the following morning (New York time)) is the date of the morning when the overnight session ends (even if the trade is executed before midnight). As a result, if the purchase of the share CFD takes place during the overnight trading session, it may be excluded from the relevant corporate action (and any applicable adjustment) even if the transaction may have

	technically occurred on the calendar day prior to the ex-dividend date. • During after-hours-trading, IBA may provide quotes based on prices from various Electronic Communications Networks ("ECNs"), exchanges or other trading systems including the IBKR ATS[15] (collectively "After-Hours-Trading Facilities"). Quotations provided during After-Hours Trading may be different than quotations provided during an exchange's regular trading hours. Likewise, it is possible that the quotations displayed by IBA from After-Hours-Trading Facilities may be less favourable than those on other After-Hors-Trading Facilities to which IBA (or its affiliates) does not have access. Last trade information provided by IBA may not reflect the prices of the most recent trades on all of the various After-Hours-Trading Facilities.
Risk of Regulatory and Taxation Changes	Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have an adverse effect on the value of your CFDs, the tax you pay on your CFDs, and the total return on your CFDs.
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.

[15] For more information about IBKR Eos ATS ("IBEOS"), please see the FAQ https://www.interactivebrokers.com/lib/cstools/faq/#/articles/377199603

9. IBA'S MARGIN REQUIREMENTS

9.1 Overview:

This section provides an overview of IBA's offering and how we determine and enforce our margin requirements:

i) Single universal account

When you open an Account with IBA, you open a single account through which you may elect to trade not only CFDs, but other products such as shares, futures and foreign exchange contracts (subject to IBA's eligibility criteria).

When we calculate your margin requirements, we have regard to all the positions, assets and liabilities in your Account as a whole.

You should also note that there are no margin offsets for positions in CFDs, unlike holding the relevant Reference Underlying directly.

A summary with examples on how IBA calculates CFD margins is available via the following link to IBA's website: www.interactivebrokers.com.au under Trading >> Margin.

ii) Risk based portfolio analysis

We determine the margin requirement for your Account by risk based portfolio analysis models, also having regard to the margin called by ASX or any International Exchanges and Clearing Houses.

iii) 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 margin requirements throughout and 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 via the various trading interfaces (for example TWS). For more information about real-time margin monitoring, please visit our webpage: www.interactivebrokers.com.au under Products >> Margin >> Real-time Monitoring

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 required and/or payable.

iv) New positions must be covered in advance

IBA's margining methodology means that we do not permit you to execute a transaction if the equity in your account is insufficient to cover the required minimum margins we impose on the account (margin deficit). IBA determines this by simulating the consequence of any transaction you propose to undertake. For example, if your margin requirement would increase as a result of an initial margin payment obligation under a CFD, and there were insufficient assets in your account to cover the initial margin obligation, IBA's system would reject the order to execute the transaction concerned.

v) 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. securities). 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.

vi) Consequences of a margin deficit

If your account does go into margin deficit due to your open CFD positions, (that is, if there are insufficient assets in your Account to cover maintenance margin requirements, or where the Instrument requires that we close a retail client's open CFD positions due to more than the greater of 50% of the initial margin of 50% of the maintenance margin having been consumed), then IBA will liquidate all, or part of, the assets held in your Account, or otherwise close your open positions to eliminate the deficiency.[16]

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, for example via IB's trader workstation (TWS). IBA will generally liquidate positions in your account in order to satisfy margin requirements.

Any losses resulting from IBA closing out your CFD positions will be debited to your account. If you are a wholesale or professional client, you may be required to provide additional funds to IBA to cover any shortfall.

You should carefully review the T&C's to understand your rights and obligations and IBA's rights and obligations.

9.2 IBA Share CFDs Margin Requirements[17]

IBA establishes a risk-based margin for each individual Share CFD, based on the observed historical volatility of the Reference Underlying share. Specifically, IBA calculates five

[16] The Instrument requires that IBA liquidate retail clients' open CFD positions in the first instance, and to the extent that a margin deficiency still exists subsequent to all CFD positions being closed, IBA will then commence liquidating such other positions in the account as are necessary to return the account to margin compliance.
[17] Margin rates are subject to change at IBA's discretion. The current margin rates will be available on the IBA website. Margin rates may differ depending on your account type and also if your CFD position.

historical standard deviations to determine the standard maintenance margin, subject to a minimum margin requirement of 10%. The resultant margin rates apply position by position, without correlation-based offsets.

	Initial Margin	Maintenance Margin
IBA Share CFDs	1.25 x Maintenance Margin	Risk-based calculation described below (minimum 10%)

IBA may apply higher margin rates for very large positions, Reference Underlying positions with large recent price run-ups and in other circumstances at IBA's discretion.

Further detail can be found on our website.

9.3 IBA Index CFDs Margin Requirements[18]

IBA Index CFDs are margined at the same rates as the related future, adjusted for contract size, subject to a minimum of 5% or 5 standard deviations, whichever is higher. IBA also offers intraday[19] margin rates on Index CFDs at a level consistent with that of the related futures contract.

Intraday rates are generally set at 50% of the overnight rate and are offered during a period that begins at the start of liquid trading hours and ends 15 minutes before the end of liquid hours.

Further detail can be found on our website.

9.4 IBA Forex CFDs Margin Requirements

Respecting retail clients, IBA Forex CFDs margin requirements range from a maximum 30:1 leverage for major currencies (AUD, USD, JPY etc.) to a maximum 20:1 leverage for minor currency pairs).

Further detail can be found on our website.

9.5 IBA Metals CFDs Margin Requirements

IBA's margin rates are set out on its website.

London Gold: Respecting retail clients, the Instrument mandates a maximum leverage of 20:1 for CFDs referencing London Gold.

London Silver: Respecting retail clients, the Instrument mandates a maximum leverage of 10:1 for CFDs referencing London Silver.

[18] Margin rates are subject to change at IBA's discretion. The current margin rates will be available on the IBA website. Margin rates may differ depending on your account type and also if your CFD position is long or short.
[19] "Intraday" means intraday with reference to the trading hours specified by IBA for the CFD.

9.6 IBA Crude Oil CFDs Margin Requirements

Respecting retail clients, the Instrument mandates a maximum leverage of 10:1 for CFDs referencing a commodity.

9.7 Calculating margin requirements:

The following section provides an example overview of how IBA determines whether an account meets its margin requirements for CFDs. You should note that this is merely an example, and actual calculations for an account may vary or be more complex.

i) Net Liquidation Value (NLV) for CFDs

The basis for determining the margin sufficiency of an account is the calculation of net liquidation value or NLV. NLV = the Real-Time Cash Value of your account+ Open Trade Equity (OTE) (of your CFDs positions).

OTE is the running, unrealized P&L of an open position. It is not cash, but counts towards the NLV of your account. The P&L is realized and paid or charged to your actual cash when you close the position.

Real-time cash value is the aggregate value of all cash positions converted to the base currency of your account. It includes the cash you have deposited, and accumulated realized P&Ls, interest, dividends, etc.

ii) Initial Margin (IM)

IBA performs a pre-trade check reflecting real-time position values to ensure that a new trade is margin-compliant. A trade is allowed if the Initial Margin (IM) for existing positions + IM for the new trade < Available Funds. In our example, the client could increase his position to maximum 400 assuming an initial margin rate of 10%[20]:

Item	Description	Value
a	Starting Cash	100
b	New CFD Position	600
c	Realized P&L	0
d	Ending cash (a + c)	100
e	OTE	0
f	NLV (d + e)	100
g	IM 12.5% (b x 12.5%)	75

[20] Assuming minimum margin of 10% applies. Margin rates are subject to change at IBA's discretion. The current margin rates will be available on the IBA website. Margin rates may differ depending on your account type and also if your CFD position is long or short.

h	Available Funds (f - g)	25
i	Buying Power (h/12.5%)	200
j	MM 10% (b x10%)	60
k	Excess Funds (f-j)	40

iii) Ongoing (Maintenance) Margin

IBA monitors real time position values and determines margin sufficiency as follows: Net Liquidation Value – Maintenance Margin requirement (MM) = Excess Funds. If Excess funds become negative at any time the IBA system will immediately and automatically liquidate positions until Excess Funds become >=0.

Item	Description	Value	Price-5%	Price - 10%	Price - 10%
a	Starting Cash	100	100	100	100
b	New CFD Position	600	570	540	500
c	Realized P&L	0	0	0	-10
d	Ending cash (a + c)	100	100	100	90
e	OTE	0	-30	-60	-40
f	NLV (d + e)	100	70	40	50
g	MM 10% (b x 10%)	60	57	54	50
h	Excess Funds (f-g)	40	13	-14	0
			Compliant	Start Liquidation	End Liquidation

Further detail can be found on our website, www.interactivebrokers.com.au .

10. 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), and the related Regulations (Client Money Rules). Where required, IBA will pay such client money into a trust 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.

IBA is entitled to all interest earned on any client money held in a trust account or with any third party or clearing house. 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 CFDs.

Important: IBA only holds certain limited currencies on behalf of its clients. If a dealing in a CFD is required to be paid for or settles in a currency which IBA does not support, we will undertake a spot foreign exchange transaction on your behalf to meet your settlement obligations for any such transaction or to convert any realised proceeds to a currency which IBA holds. Please refer to IBA's FSG for further details.

11. FEES, CHARGES AND MINIMUMS

The following is a summary description of the costs associated with trading in CFDs along with other relevant fees and charges. The fees and charges payable will differ depending on the CFD concerned. Please refer to IBA's website, www.interactivebrokers.com.au for information on what fees and charges are payable, see under Pricing >> Commissions which sets out all fees payable for trading CFDs. Relevant fees and charges associated with a transaction in CFDs will be set out IBA's statements.

11.1 Commissions for IBA CFDs

The following section provides an overview of the commissions payable for CFDs trades. For the most current commission rates please refer to www.interactivebrokers.com.au under Pricing >> Commissions >> CFDs.

i) Share CFDs

Commissions are charged either as a percentage of the notional value or on a cents per share basis and are subject to a minimum charge. Share CFDs use a Volume-Tiered pricing structure in which all exchange and regulatory fees are included (unless otherwise noted on IBA's website).

ii) Index CFDs

IBA charges a transparent commission, rather than widening the spread of the related future. Depending on the index, commission rates are 0.005% - 0.01%.

iii) Forex CFDs

IBA charges a transparent commission, rather than widening the spread. Depending on the monthly traded value, commission rates are from 0.002% - 0.0008%.

In addition conversion trades for non-base currency P&Ls incur a nominal fee on a sliding scale : 0-25K: no charge, 25K-100K @ $10/million, 100K+ @ $5/million. Daily cap @ $20, monthly cap at $100.

iv) Metals CFDs

Commission rates are only 0.015% for London Gold and 0.03% for London Silver.

v) Crude Oil CFDs

Commission rates are 0.015%.

11.2 Financing costs for IBA CFDs (Contract Interest)

IBA calculates contract interest daily on all open CFDs positions held at the close of the Regular Trading Hours of the relevant CFD.

Different rates and methodologies apply depending on the type of CFD – the below information while accurate as at the date of this PDS is indicative only. Please refer to IBA's website for current margin and financing rates.

i) Share CFDs

The contract interest on Share CFD position is determined by a balance-tiered pricing structure by currency (not all currencies have tiered structures). You pay interest on long CFDs positions and receive interest on short positions. IBA adds a spread to the long interest and deducts a spread from the short interest.

Note that in the current interest environment the IBA spread exceeds the base rate in many currencies, in which case a short position pays interest rather than receives it. In case of negative base rates long holders pay the IB spread, i.e. the base rate is ignored, and short holders pay the base rate plus the IB spread.

Interest is calculated daily on all open CFD positions held at the close of the trading session, and is applied as a blended rate based on notional balances. Details are available on the Margin Rates & Financing – IBKR Share CFDs page on our website.[21]

ii) Index CFDs

[21] https://www.interactivebrokers.com.au/en/trading/ibkr-share-cfds.php

Overnight financing rates are benchmark +/- 1.5%.

iii) Forex CFDs

Overnight financing rates are calculated based on the benchmark rate differential. Details are available on the Margin Rates & Financing – IBKR Forex CFDs page on our website.[22]

iv) Metals CFDs

Overnight financing rates are just benchmark +/- 1.5%.

v) Crude Oil CFDs

There are no financing charges.

11.3 Additional charges

i) Share CFDs: borrow charge

An additional borrow charge is levied on short CFDs Positions, determined for each stock individually based on market borrow rates. IBA will provide non-binding, indicative borrowing rates to clients. Borrow rates may change without notice over the life of the short position based on market conditions.

ii) Mark ups and intermediary billings

Financial advisers and brokers may charge their clients for services rendered either through automatic billing, electronic invoice or direct billing. If you are a client of a financial adviser or broker, they determine the mark-up on IBA's standard fees and commission and this mark-up may be modified from time to time. You will be provided notice with details of any mark ups on IBA's standard fees and commissions charged by your financial adviser or broker at account application and when they are changed by your financial adviser or broker. The available billing methods including caps and limitations are described at the IBA website at www.interactivebrokers.com.au under Pricing.

iii) 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 (this is distinct from the Contract Interest on IBA's CFDs). Interest is calculated daily based on your positions, margin requirement and balances on your daily statement for that date. Interest is generally posted once a month on your Account. This generally occurs within five business days following the end of the month. See www.interactivebrokers.com.au under Pricing >> Interest and Financing.

iv) Administrative fees and charges

IBA charges certain administrative fees for matters such as order cancellation and

[22] https://www.interactivebrokers.com.au/en/trading/ibkr-forex-cfds.php

modifications, trade busts (cancellations) and adjustments, prime broker take-ups, deposits and withdrawals, exercise and assignments, American Depository Receipts (ADRs), and stop payments. The list of administrative fees and charges is available on the IBA website. See www.interactivebrokers.com.au under Pricing >> Other Fees.

v) Taxes

Transaction taxes, such as value added taxes might apply in some jurisdictions. The taxation implications of trading in CFDs will depend on your particular circumstances and we recommend that you obtain your own independent taxation advice. See section 13 for further information regarding taxation.

vi) 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, News and Market Data for further information on the costs of accessing such data through IBA.

vii) 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.

12. DISPUTE RESOLUTION

12.1 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 Pty Ltd 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.

12.2 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
Internet: www.afca.org.au
Email: info@afca.org.au

13. TAXATION

Interactive Brokers does not provide tax advice. It is important to note that a client's tax position when trading CFD's 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 CFD's.

13.1 Goods and Services Tax (GST)

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

13.2 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.