

# Direct Debit Supplement to Interactive Brokers LLC Customer Agreement

This Supplement (the "Supplement") to the Interactive Brokers LLC Customer Agreement is made between Customer ("you") and Interactive Brokers LLC ("IBKR", "we", or "us") and sets forth the conditions under which IBKR agrees to permit you to direct debit funds from your IBKR brokerage account ("Brokerage Account") via an external account at a U.S. bank or other U.S.-resident financial institution ("External Account") using the Automated Clearing House (ACH) network (the "Service"). You agree to be legally bound by the terms and conditions set forth in this Supplement.

You understand and agree that you continue to remain bound by the terms and conditions of the IBKR Customer Agreement (as amended from time to time, the "Customer Agreement") which governs your Brokerage Account, of which this Supplement forms a part (such Customer Agreement, together with this Supplement and any other supplements, annexes, schedules or exhibits, the "Agreement"), and that all terms and conditions in the Customer Agreement, including, without limitation, the "Mandatory Arbitration" provision thereof, shall also govern the relationship between IBKR and you with regard to the Service and any other service, transaction or relationship contemplated by this Supplement. Unless otherwise defined, capitalized terms used but not defined in this Supplement shall have the meanings assigned in the Customer Agreement.

- 1. General Features of the Service:** Through the Service, you may instruct another U.S. financial institution or payment system (the "External Correspondent") to direct debit your Brokerage Account in a specified amount for the benefit of an External Account, and that debit will be submitted to IBKR through its agent bank by the External Correspondent for payment via the ACH network (a "Direct Debit"). Direct Debits may be withdrawn up to the available cash balance in your Brokerage Account (the "Available Cash Balance"), subject to any limits under Section 7 of this Supplement. In addition, if your Brokerage Account is a margin account, to the extent that you do not have sufficient Available Cash Balance, your Brokerage Account will automatically make available funds, by incurring a new margin debit in your Brokerage Account, up to your cash withdrawal limit (subject to any limits under Section 7 of this Supplement), pursuant to the terms of your Customer Agreement (the "Margin Spending Limit" and as added to your Available Cash Balance, your "Spending Power").
- 2. ACH Authorization:** You hereby authorize IBKR to (i) honor Direct Debit instructions received via the ACH network by our agent bank with respect to your Brokerage Account (a remotely-initiated transfer of funds from your Brokerage Account to an External Account) and (ii) initiate returns of erroneous, unauthorized, or duplicate Direct Debit entries or Direct Debit entries that exceed your Spending Power. This authorization will remain in full force and effect until IBKR has received written notification from you of its termination. IBKR must receive this

notification of termination in a time and manner so as to give IBKR and the other financial institutions a reasonable opportunity to act on your instructions.

We will send you a notification in writing (a "Debit Notice") anytime we receive a Direct Debit request for your Brokerage Account. Currently, we will send Debit Notices by SMS text message. In the future we may offer other ways to receive Debit Notices. We may add such other methods to the terms of this Agreement at any time by notifying you in writing or by providing notice on our website at [www.ibkr.com](http://www.ibkr.com) of such change.

You should immediately review any Debit Notice you receive from us. If you do not recognize the transaction in any such Debit Notice, you should notify us immediately (but in any event no later than 2pm Eastern Time on the Business Day (Monday through Friday, excluding federal and legal banking holidays) following the day of our Debit Notice) by cancelling the transaction via the functionality in your IBKR mobile app on your smartphone ("IBKR Mobile"). We may provide alternative means to cancel a Direct Debit in the future. We will notify you in writing or provide notice on our website of any such alternative mechanism (the term IBKR Mobile, as used below, shall encompass any such alternative mechanism as well), and such notice shall serve to amend the terms of this Agreement to encompass such alternative method.

If we receive a Direct Debit request for your Brokerage Account in excess of a certain threshold dollar value (the "Threshold Amount"), we will automatically reject such request unless you explicitly authorize and approve such specific Direct Debit via IBKR Mobile by no later than 2pm Eastern Time on the Business Day following the day of our Debit Notice, and we will note that fact in our Debit Notice to you for such Direct Debit.

The Threshold Amount is currently \$1,000, but we may change that at any time without notice to you. We will endeavor to notify you in writing promptly of any such change to the Threshold Amount, but our failure to so notify you will not negate any such change or result in any liability to you.

We may, from time to time, add additional security measures, in our sole discretion, with or without notice to you. Such security measures may, in some instances, result in a Direct Debit being delayed or rejected. We will not be liable to you for any loss or damages you incur as a result of our delay or rejection of your Direct Debit as the result of such security measures.

3. **Use and Purpose:** For security reasons, we may limit the amount or number of transactions you can make using the Service. You may not use the Service for any illegal transaction. If we suspect that you have used the Service to conduct an illegal transaction, we reserve the right to cancel your enrollment in the Service. We reserve the right to decline any Direct Debit request at any time, even if there is sufficient Spending Power available in the Brokerage Account to settle the transaction, if, in our sole discretion, we believe that a transaction is for an improper purpose, is fraudulent, or is otherwise not within the terms of the Service as set forth by IBKR from time to time. IBKR will not be liable for any incidental or consequential damages incurred by you or any other person as a result of IBKR declining any Direct Debit request under such circumstances.

4. **Available to Withdraw:** Your Spending Power may fluctuate from day to day because it is dependent upon changes in the Available Cash Balance (and, in the case of margin accounts, available Margin Spending Limit) in your Brokerage Account. Promptly after IBKR is notified of a Direct Debit request, your Spending Power is reduced. You promise not to make a transaction that

exceeds your Spending Power. If you attempt to make a transaction that will exceed your Spending Power, the transaction will normally be declined. If, for any reason, such transaction is not declined, you agree to be responsible for such transaction to the full extent permitted under the applicable Agreement(s).

5. **Payment for Direct Debit Transactions:** On a daily basis, IBKR will receive notice of the direct debit transactions you have initiated using the Service. Funds will automatically be withdrawn from your Brokerage Account to satisfy the debits that are settling that day. You authorize IBKR to charge your Brokerage Account in order to pay for transactions that you initiate through an External Account. Each transaction shall be considered to be your direction to us to charge your Brokerage Account in order to settle the Direct Debit transaction you have initiated. When you make a payment using the Service, the charge or reduction to your Spending Power generally occurs immediately upon receipt by IBKR of the Direct Debit request.

6. **Payment of Items:** All transactions made using the Service will be accumulated daily, and charged to your Brokerage Account in any order we may choose. We will debit your Brokerage Account in the transaction amount on the day a transaction settles, including any fees or other charges associated with the transaction. If you do not have a sufficient Available Cash Balance at the time a transaction settles, if you have a margin account, we will settle the transaction by increasing your current margin debit (if any), up to your Margin Spending Limit. If you do not have sufficient Spending Power to settle a Direct Debit request, we will decline the request. If we inadvertently approve and settle a Direct Debit for which you lack sufficient Spending Power, you hereby authorize us to attempt to reverse the transaction with the External Correspondent. If we are unable to do so, you understand that you will be liable for the full amount of the Direct Debit, even if it exceeded your Spending Power at the time of settlement.

You understand that margin transactions carry substantially increased risk, including the risk that we will be obligated to liquidate your Brokerage Account in part or whole if your Brokerage Account falls below its minimum maintenance margin level, and that you will be charged interest on any margin debit you incur. You understand that IBKR generally will not issue margin calls in connection with margin deficiencies and that you may not be able to transfer funds into your Brokerage Account quickly enough to prevent liquidation in the event that your Brokerage Account falls below maintenance margin requirements on either an intraday or overnight basis. **Please read the section of your Customer Agreement titled "Margin" for more details about the risks of margin trading and IBKR's policies in connection with margin deficits, margin calls, and liquidation.**

7. **Limitations on Frequency and Dollar Amounts of Transactions:** For security reasons, we may further limit the number or dollar amount of Direct Debit transactions you can make per day, or the maximum amount of any single Direct Debit transaction, using this Service. Current limits can be found at <https://www.ibkr.com>.

8. **Recurring Transactions:** If you intend to use this Service for recurring transactions, you should monitor your balance and ensure you have funds available in your Brokerage Account to cover the transactions. "Recurring transactions" are transactions that are authorized in advance by you to be charged to your Brokerage Account at substantially regular intervals. We are not responsible if a recurring transaction is declined because you have not maintained a sufficient balance in your

Brokerage Account to cover the transaction. If you have authorized an External Correspondent or merchant to make a recurring transaction and you do not expect to have sufficient Spending Power in your Brokerage Account to cover the transaction, you also should contact the applicable External Correspondent or merchant in order to stop the recurring transaction.

9. **Authorization to Share Information With Third Parties:** We will not reveal any information to third parties about your Brokerage Account or any transaction information in connection with your participation in this Service, EXCEPT you hereby authorize us to share information concerning your transactions: (1) with our affiliates and agents for the purpose of servicing your participation in the Service; (2) where it is necessary for completing your transactions or providing you other services; (3) to other persons and entities in order to resolve disputes arising from transactions; or (4) in any other circumstances contemplated by our Privacy Policy, as furnished to you separately and updated or amended from time to time by us.

10. **Your Liability:** You should tell us AT ONCE (by calling 1-866-532-4654) and submit a Written Statement of Unauthorized Debit to Interactive Brokers LLC (by mailing Interactive Brokers Direct Debit, 209 S. LaSalle Street, 10th Floor, Chicago, IL 60604 or electronically via Account Management) if you believe any unauthorized Direct Debit transactions have been made in your Brokerage Account.

If you tell us within 2 Business Days after you learn of an unauthorized Direct Debit transaction and/or the loss or theft of your IBKR Mobile credentials, you can lose no more than \$50 if someone initiated a Direct Debit and/or used your IBKR Mobile credentials to approve a Direct Debit without your permission. If you do NOT tell us within 2 Business Days after you learn of an unauthorized transaction and/or of the loss or theft of your IBKR Mobile credentials, and we can prove we could have stopped someone from engaging in an unauthorized Direct Debit if you had told us, you could lose as much as \$500.

If your statement shows Direct Debits that you did not authorize, tell us at once. If you do not tell us within 60 calendar days after the statement showing the first unauthorized transaction was made available to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

11. **Our Liability:** If we do not complete a transfer to or from your Brokerage Account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance: (1) if, through no fault of ours, you do not have enough Spending Power to make the transfer; (2) if the system was not working properly and you knew about the breakdown when you started the transfer; (3) if circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken; (4) there may be other exceptions stated in our Agreement with you.

12. **Unauthorized Transaction:** In case of errors or questions about your Direct Debits, telephone us at 1-866-532-4654, or write us at Interactive Brokers LLC, ATTN: Interactive Brokers Direct Debit, 209 S. LaSalle Street, 10th Floor, Chicago, IL 60604, or log into your Brokerage Account as soon as you can. We must hear from you no later than 60 calendar days after the FIRST statement showing the

error becomes available. When you contact us: (1) Tell us your name and Brokerage Account number; (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information; (3) Tell us the dollar amount of the suspected error; (4) Fill out and sign the Written Statement of Unauthorized Debit that will be provided to you and submit it to Customer Service electronically. If you report an unauthorized transaction to us orally, we will still require you to submit a Written Statement of Unauthorized Debit (as set forth above).

We will tell you the results within three Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

13. **No Warranty:** In the event that you pay a third-party, directly or indirectly, for any goods or services through the use of the Service, we are not responsible for the delivery, quality, safety, legality or any other aspect of such goods or services. Any disputes regarding any such goods or services must be addressed to the merchants from whom any such goods and services were purchased.
14. **Notices:** Notices and other communications relating to your Brokerage Account in connection with your use of the Service (including, without limitation, communications relating to your Spending Power) will be provided electronically in accordance with your Customer Agreement.
15. **Termination of the Service:** IBKR or you may terminate the Service contemplated under this Supplement at any time. You shall remain responsible for authorized charges that arise before or after termination of the Service. In the event of termination for whatever reason, you shall promptly destroy all property relating to the Service.
16. **Disputes Involving Your Brokerage Account:** This Supplement shall be treated for all purposes as forming a part of the Customer Agreement. Any dispute between you and IBKR, arising from any of the services contemplated by this Supplement, shall be governed by the pre-dispute mandatory arbitration provision of the Customer Agreement.

**THE CUSTOMER AGREEMENT, WHICH THIS SUPPLEMENT FORMS A PART OF, CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE IN PARAGRAPH 34. BY SIGNING THIS SUPPLEMENT, I ACKNOWLEDGE THAT THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE AND THAT I HAVE RECEIVED, READ AND UNDERSTOOD THE TERMS THEREOF.**