



INTERACTIVE BROKERS AUSTRALIA PTY LTD

FINANCIAL SERVICES GUIDE

FOR CUSTOMERS INTRODUCED BY HSBC BANK AUSTRALIA LIMITED

1) The purpose and content of this Financial Services Guide

Interactive Brokers Australia Pty Ltd ABN 98 166 929 568 and AFSL 453554 ("IBA", "we", "our", "us") has prepared this Financial Services Guide ("FSG") for persons introduced to IBA by HSBC Bank Australia Limited (AFSL/Australian Credit Licence 232595) ("HSBC") through HSBC's WorldTrader¹ Service.

The contents of this FSG are specific to persons who are introduced to IBA via HSBC's WorldTrader service. This FSG provides information to assist such persons in deciding whether to use the financial services and products IBA makes available and to provide information on what to expect from a relationship with IBA.

In addition, this FSG provides important information about the following topics in the following sections:

- 2) The other documents you may receive from us;
- 3) Important information for customers introduced through the WorldTrader Service and HSBC's contact information;
- 4) Who we are and the financial services you are likely to receive;
- 5) IBA's capacity when we provide financial services;
- 6) IBA's policy on financial advice and order solicitation;
- 7) How we communicate with you and how you provide instructions to us;
- 8) How to monitor your portfolio and important information about corporate actions, voting and dividend reinvestment;
- 9) Execution and clearing and custody arrangements;
- 10) How we handle Client Money;
- 11) Deposits and withdrawals;
- 12) The risks of trading;
- 13) Margins and IBA's right to close positions;
- 14) Fractional Shares;
- 15) Privacy;
- 16) Fees and charges;

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- 17) IBA's employees are remunerated;
 - 18) Potential Conflicts of Interest, Associations and Relationships;
 - 19) The internal and external dispute resolution process that exist for customers introduced by HSBC to IBA and how such customers can access them;
 - 20) Anti-Money Laundering and Counter Terrorism Laws;
 - 21) FATCA; and,
 - 22) IBA's contact details.

This FSG is an important document and the information it contains is current as of the date on the cover page. You should read this FSG carefully and ensure that you understand it and save a copy for your own records

It is important that you understand that information on IBA's website is general in nature and may not have been prepared for customers of HSBC's WorldTrader service specifically, and you should ensure you direct enquiries about the WorldTrader services and IBA's services to HSBC who will be able to assist you with appropriate information.

The information in this FSG and the information set out on websites referenced in this FSG has been prepared without taking into account your individual objectives, financial situation or needs. You should consider the information provided having regard to your own particular circumstances. If you have any questions about the financial services we provide or you need more information please contact us, our contact details are set out in section 3 of this FSG.

From time to time, we may update and change this FSG and when we do so we will publish the latest version to our website. The latest version of this FSG is available on IBA's [website](#).²

2) Other documents you may receive from us.

You will receive other documents from us when you apply to open an account and before we provide you with any financial services or make financial products available to you.

For instance, before you can open an account, you must read and accept our General Terms and Conditions ("**T&Cs**") and the addendums that set out the additional terms which apply to specific services and products we provide. It is important that you read and understand the T&Cs and any product or service specific addendum because they will govern the legal relationship between you and us. The most current version of IBA's terms and conditions is available on IBA's website.³

In addition to this FSG, we may also be required to provide you with other disclosure documents. Where we offer to issue, or arrange for the issue of a financial product, we must provide you with a Product Disclosure Statement ("**PDS**") for the financial product. Any PDS we give you contains important information about the features, benefits, risks and costs of the relevant financial product and is intended to assist you in deciding whether to acquire that financial product. We are not required to give you a PDS if you are acquiring certain financial products such as listed shares, units or shares of ETFs or listed warrants.

² Copy and paste the following address into your browser:
https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration_v2.formSampleView?formdb=4803&lang=en

³ Copy and paste the following address into your browser:
https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration_v2.formSampleView?formdb=4802&lang=en

As a participant of the ASX, ASX 24 and Cboe markets, we will provide you with certain explanatory booklets and information factsheets before you trade certain products, including warrants traded on the ASX and Cboe Australia markets, ASX exchange traded options, or ASX 24 futures.

Finally, you will also receive other important documents from IBA including those required by the different exchanges on which we execute or arrange for execution of your orders or from entities that provide services to you in conjunction with the financial services we offer, such as the clearing services provided by BNP Paribas.

You should keep a copy of the T&Cs, the FSG and any PDS or any other disclosure document which we provide to you for future reference.

IBA does not provide personal advice and therefore we will not provide you with a Statement of Advice ("SOA").

3) Important information about the WorldTrader Service and HSBC contacts details for the WorldTrader Service

Customers of the WorldTrader service:

Customers introduced to IBA through the HSBC WorldTrader Service should take note of the following important information in relation to the products and services available through their IBA account:

- a) The products that you may be able access from IBA are determined by HSBC. This means that you may not be able to access all products that IBA makes available to its other customers. If you have any questions about what products are accessible via the WorldTrader Service, please contact HSBC on the information included in section 3 of this FSG.
- b) The commission rates and fees you pay reflect HSBC's markup on IBA's standard commission and rates. The commission rates applicable to transacting with IBA via HSBC's WorldTrader Service are set out on HSBC WorldTrader website (refer below).
- c) IBA does not pay interest on client money held for or cash balances for customer's introduced through the WorldTrader Service.
- d) Complaints – please direct all complaints to HSBC before contacting IBA. If the complaint relates to a service which IBA provides in conjunction with the WorldTrader Service, HSBC will contact IBA to assist in addressing the complaint.
- e) Communications – please direct all communications to IBA to HSBC who will direct the communication to IBA.

HSBC WorldTrader contact details are as follows:

- HSBC WorldTrader Customer Support on 1300 131 605.
- HSBC World Trader website is: www.hsbc.com.au/investments/worldtrader

4) Who we are and what are the financial services you are likely to receive.

IBA is an Australian financial services licensee which provides online non-advisory brokerage services to clients with direct access to stocks, options, futures, forex and bonds from a single Universal Account. We are a market participant of the ASX, ASX 24 and the Cboe Australia markets and a clearing participant of ASX Clear and ASX Clear (Futures). IBA is an affiliate of the Interactive Brokers corporate group ("IBKR"), which is comprised of a global network of electronic brokers, specializing in routing orders and executing and processing trades in securities, futures, and foreign exchange ("FX") instruments. IBKR affiliates conduct business on more than 150 electronic exchanges and trading venues around the world.

IBA holds an Australian financial services licence (AFSL 453554) and the following are the financial services that you are likely to receive from us:

| Financial Service | Types of Financial Products |
|--|--|
| Provide general financial product advice in relation to: | <ul style="list-style-type: none"> • Basic and non-basic Deposit Products; • Securities; • Derivatives; • Foreign Exchange Contracts; • Government Bonds; • Interests in Managed Investment Schemes (excluding investor-directed portfolio services) |
| Deal in by applying for, acquiring, varying or disposing of a financial product on behalf of another person: | <ul style="list-style-type: none"> • Basic and non-basic Deposit Products; • Securities; • Derivatives; • Foreign Exchange Contracts; • Government Bonds; • Interests in Managed Investment Schemes (excluding investor-directed portfolio services) |
| Deal in by issuing, applying for, acquiring, varying or disposing of a financial product: | <ul style="list-style-type: none"> • Derivatives; • Foreign Exchange Contracts |
| Make a market in a financial product for: | <ul style="list-style-type: none"> • Derivatives; • Foreign Exchange Contracts |
| Custody: | <ul style="list-style-type: none"> • Operate custodial and depository services (other than investor directed portfolio services) |

5) What is IBA's position when you trade with us?

When you instruct IBA to deal or arrange a dealing in a financial product on your behalf, IBA will generally be acting as your agent in executing or arranging that dealing. IBA may transact with you as principal in certain circumstances; where this occurs in relation to an exchange-traded product we will indicate such in the confirmation of the transaction we provide.

When you instruct IBA to deal in an exchange-traded derivative, IBA is the issuer of the derivative acquired on your behalf except in the case of listed warrants where another party is the warrant issuer (the warrant issuer). You should refer to the relevant warrants' disclosure documents for further details in such cases.

When you trade over-the-counter financial products, such as FX contracts, IBA will be your contractual counterparty in those financial products. IBA enters into such contracts as principal and not as your agent. Similarly, if IBA issues you a margin loan, it is lending to you as principal and not as your agent.

Whether IBA is dealing as your agent or with you as principal, your relationship with IBA is governed by its General Terms and Conditions as supplemented by the Addendums to those terms, any other product or service specific terms and conditions we might enter with you from time to time, and the applicable laws.

6) IBA's policy on financial advice and order solicitation

IBA does not provide personal financial product advice and typically does not provide general financial advice. IBA and its staff do not solicit orders or provide recommendations to its clients. IBA (and its staff) will generally only provide factual information to its clients about the market and the products or services IBA makes available.

Any information on IBA's website or provided by IBA via the WorldTrader Applications or Client Portal is intended to be **factual information only**. If such information is taken to be financial advice you must treat this information as general advice only as such information will not have been prepared in consideration of your objectives, financial situation or needs. You should ensure that you consider any such information available from, on or through IBA's website in light of your own circumstances and any disclosures regarding the basis for the preparation of the material (e.g. that it may be a summary of other material prepared by automated electronic means). We strongly recommend that you contact a financial adviser if you require personal financial advice.

If you have any discussions or correspondence with any representative of IBA, it will be technical in nature if it concerns the specific features and functionality of IBA's platform. If your discussions or correspondence with IBA specifically relates to a financial product or financial service offered by IBA, then our staff will provide you with factual information about the products or services. IBA staff will not provide recommendations to you or solicit orders from you, and any information provided will not take into account your objectives, financial situation or needs. When you speak with or correspond with IBA, you are dealing with a representative of IBA and we are responsible for the factual correctness of any information given but you are responsible for the decisions you make about your account and any financial products.

When you speak with or correspond with a representative of HSBC, HSBC is responsible for such representative and not IBA. Neither HSBC nor HSBC staff are authorised to provide any financial advice or solicit orders on behalf of IBA.

7) How we communicate with you and how you provide instructions to us

IBA offers its services primarily via electronic online means and will predominantly communicate with you via the WorldTrader application and portal and our website or in certain circumstances via email. We will provide notices, confirmations, and all information on your IBA account in this manner and it is important that you regularly monitor the WorldTrader application and portal and website for updates on your portfolio and updates from us.

All trading instructions should be provided to IBA through the WorldTrader website and application. IBA will provide details of all trades, including all trade confirmations, via the WorldTrader Website and Client Portal.

If for any reason you cannot access the WorldTrader Website or Application or you require further important details about, for instance, the order types available to clients and how to give instructions to IBA in relation to the financial products, including information about timing of such instructions and entitlement to participate in certain corporate actions, you should refer to the contact information provided to you by HSBC and as set out in section 3 of this FSG.

Important:

You must keep the information you use to access HSBC's WorldTrader Service/Application/Client Portal secure and must not give or disclose it to anyone. IBA does not know whether an unauthorised person is entering orders on your account through the WorldTrader Service/Application/Client Portal and you will be responsible for any transactions which result.

8) How to monitor your portfolio and important information about corporate actions, voting and dividend reinvestment

You are responsible for knowing the terms of all securities, derivatives or other financial products in your account held with IBA. You may monitor your account and portfolio through the WorldTrader application and website and may obtain details of executed past trades, profit and loss statements, and historical portfolio information.

Whilst IBA tries to ensure that the information which it provides to you is correct and up to date, we do not warrant or guarantee that this is the case. The accuracy and correctness of information which we pass on to you may be impacted by, amongst other things, delays in processing of information by the underlying market, failure of a market data vendor or the actions of the issuers of shares in your portfolio. Please refer to our T&Cs for further detail about legal responsibilities.

It is also important that you understand IBA's role in acting as your custodian and passing on information about corporate actions. We will provide information on upcoming voluntary corporate actions within WorldTrader Client Portal, you should monitor Client Portal on a regular basis.

You must ensure you make any election to participate in voluntary corporates actions within the timeframes specified in the corporate action notification or in the absence of a specified timeframe 7 days prior to the closing date.

While IBA does support proxy voting on ASX listed stock, IBA does not provide notice of upcoming shareholder meetings. Further information can be found using the search function on [IBA's website](#).

9) Execution and clearing and custody arrangements.

a) Execution arrangements and Best Execution obligations for Australian markets

IBA is a market participant of the ASX, ASX 24 and Cboe Australia markets ("Australian Markets") and executes orders on your behalf on these markets.

IBA's Best Execution Policy summarises how we handle and execute your orders for equity market products on the ASX and Cboe Australia markets. A copy of this policy is available on IBA's website at www.interactivebrokers.com.au under 'Forms and Disclosures' > 'Disclosures' or by copy and pasting the following address into your browser:

https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration_v2.formSampleView?formdb=3317

b) Clearing arrangements for Australian markets

IBA clears all of the derivatives market transactions (that is, transactions in options and futures) entered into on your behalf on the ASX and ASX 24 markets.

IBA has arranged for a third party, BNP Paribas, ABN: 23000000117, AFSL 238043 ("BNP"), to clear and settle the transactions that IBA executes on your behalf in equity market products on ASX and Cboe Australia. You should refer to the BNP's FSG and Disclosure Statement for further information about the service it provides. IBA provides copies of BNP's FSG and Disclosure Statement when you apply to open an account.

c) Execution and clearing arrangements on international markets

For markets outside of Australia, for example the London Stock Exchange (LSE) or New York Stock Exchange (NYSE), IBA arranges for the execution and clearing of your orders by or through a participant of the relevant financial market who may be an affiliate of IBA.

d) Automatic foreign exchange (FX) conversion service

Clients who trade or seek to trade financial products on international exchanges may be required to meet the obligations for a transaction in a foreign currency and may be entitled to delivery of foreign currency upon settlement. In order to support such customers, IBA offers an automatic "foreign exchange conversion service". This service is automatic and offered in order to simplify how you can trade financial products outside of Australia and denominated in currencies IBA does not support or that do you not presently hold. The terms governing this service are set out in IBA's T&Cs. The following is a description of the elements of the service:

- A. If you do not have a margin account and you undertake a dealing (e.g. buying a security or opening a position) in a financial product in a currency which IBA does not support or which you currently do not hold, then IBA will undertake (a) foreign exchange transaction(s) on your behalf to purchase the amount of currency required (including commissions and fees) to meet the obligations due for your dealing in such financial product and sell one or more other currencies which you do hold to meet your obligations on such foreign exchange transaction(s).

Such foreign exchange transaction will be undertaken at the prevailing spot exchange rates of the relevant currency pair(s) at or around the time of the financial product transaction, plus an adjustment to that rate. The costs and charges IBA apply for automatic currency conversion trades are detailed in the commissions and fees information provided by HSBC for customers of its WorldTrader Service.

IBA will determine which currency(ies) it will sell in its sole discretion having regard to, without limitation, the value of your current balances and the number of transactions IBA (or its hedge counterparties) must undertake or procure to facilitate the delivery of the currency required for your dealing.

If you do not wish for this to occur, then for currencies that IBA supports you holding, you should ensure you have sufficient amount of such currency for each contemplated dealing before undertaking the dealing. For other currencies you should not undertake the transaction.

- B. If IBA receives an amount of money for you or if you close a position in financial product (e.g. sell a security or close a derivative position) and such money or the proceeds, if any, are or will be in currency other than AUD, USD, GBP, HKD or EUR, (non-supported settlement currency) then IBA will undertake a foreign exchange transaction on your behalf to purchase the non-supported settlement currency and sell to you an amount of the base currency of your Account as determined by it. The foreign exchange rate for such transaction will reflect the rate and fees determined by IBA plus the markup applied per HSBC's fees and charges for its WorldTrader Service.
- C. Automatic conversion of 'nominal balances'. In addition to the element of the service described in B above, IBA will automatically undertake a transaction to 'convert' amounts of any currency held for you in an Account (other than amounts in the base currency of the Account) to the nominated base currency of your Account, where the total value of the amount held for you in respect of the Account is less than USD \$5 or equivalent in non-USD currency (nominal balance). This service is currently provided at no cost.

e) Custody arrangements

IBA provides custodial services for its clients in conjunction with its primary brokerage business. IBA may appoint a sub-custodian to hold financial products in certain circumstances who may be affiliates or third-party providers. Where you place orders to acquire securities through either of the ASX or Cboe Australia markets, IBA has arranged for a third-party sub-custodian, BNP, to hold such securities for IBA. For products transacted on financial markets outside of Australia, IBA will appoint an affiliate within IBKR as a sub-custodian to hold any securities or resulting positions for IBA who in turn may appoint another affiliate or a third party. In either case, IBA will hold the benefit of financial products held through such sub-custody arrangements on your behalf in

accordance with the T&Cs.

The name of and contact information of the entities (other than IBA) who hold products are set out on IBA's website [here](#). This information is updated from time to time, please regularly review the information at this webpage.

Your positions in derivatives or securities will generally be held in an omnibus account together with the positions of other clients of IBA and the clients of the relevant sub-custodian/broker (as the case may be).

10) How we handle Client Money

a) General

The following section provides a general overview of how IBA handles client money. You should ensure you review IBA's T&Cs to understand how we hold client money and when it may be used. IBA will handle the client money it receives in accordance with the rules set out in Part 7.8 of the Corporations Act 2001 (Cth) (Client Money Rules) and any applicable rules of the markets and clearing houses of which it is a participant and the terms of its agreement with you. As at the date of this FSG, IBA holds client money in Australian dollars (**AUD**), U.S. dollars (**USD**), Euro's (**EUR**), Hong Kong dollars (**HKD**) and Pounds Sterling (**GBP**). IBA does not support holding any other currencies at this time.

Client money received by IBA from you (or on your behalf) will be deposited into a trust account for holding client money in accordance with the Client Money Rules. In certain circumstances, for instance if you instruct us to deal in ASX 24 futures, client money may be deposited into a client segregated account. We may hold client money across multiple trust accounts to manage exposure to individual banks and to facilitate your dealings in different financial products. In all cases, the money IBA holds in its client money accounts is held on trust for its clients.

IBA only uses client money in accordance with the Corporations Act and the terms of our T&Cs, such uses include but are not limited to:

- paying the fees and charges to which you have agreed, for example fees for brokerage or fees charged by HSBC;
- discharging the obligations incurred by IBA on your behalf as a result of your trading, such as settlement costs and margins obligations for exchange traded derivatives;
- investing client money account funds into permissible investments limited to deposits at interest with an Australian Authorised Deposit-Taking Institution ("Bank"); and,
- meeting other costs arising from your instructions, for example to make payments required to execute your instructions to participate in certain corporate actions.

IBA may withdraw money held for you to pay to (i) itself amounts that you owe to IBA for the services it provides, the products it issues to you and (ii) HSBC in accordance with HSBC's fees and

charges for the WorldTrader Service.

IBA will retain the interest earned on any client money held in a client money account, invested on deposited at interest with (a) Bank(s) or held with any third party (such as an offshore broker, custodian or clearinghouse). When IBA invests client money on deposit with a Bank, it does so for itself and not for you. Any losses on the principal amount of money invested with a Bank or any fees levied against such permissible investments will be attributed to IBA as principal and not the client money invested.

Important:

Money may be paid to clearing houses directly by IBA (such as ASX Clear (Futures)) or to participants or foreign exchanges to meet margin and settlement obligations. Money paid out to and held by participants of international exchanges, or the clearing house of the relevant international exchange will not be held by IBA according to the Australian Client Money Rules, rather it will be held in accordance with the rules of the relevant jurisdiction. In particular, money held by such third parties may not have the same level of protection afforded to client money in Australia in the case of the insolvency, bankruptcy, or failure of such third-party broker or clearing house.

All currency exchange risks from your dealings remain your responsibility. Except where we have entered into a FX trade with you at an agreed price, any conversion from one currency to another required to be made for performing or executing any payment instruction, paying for or settling a dealing in any financial product on your behalf may be effected by IBA in the manner and at the time and at the exchange rates that IBA determines in its absolute discretion.

11) Deposits and withdrawals

Customers of the WorldTrader service must make all deposits and withdrawals (subject to the T&Cs and your current freely withdrawable funds) via your linked HSBC bank account in Australian dollars (AUD) only. IBA does not accept deposits by cheque or in cash.

You should ensure that you follow the instructions provided by HSBC on how to deposit and withdraw funds carefully to ensure that there are no delays in attributing deposits to your IBA account or withdrawing funds to your HSBC bank account.

Please note that there may be restrictions on the currency you can fund or withdraw from your IBA account. Please check with HSBC's WorldTrader service.

12) Risks of Trading

The risks of loss inherent in trading in financial products will vary depending on the financial product traded and you must consider what is appropriate for you in the light of your financial circumstances, objectives and needs.

Trading in exchange-traded derivatives such as options, can carry greater risk than non-leveraged investments, such as shares, due to the inherent leverage in such products. You could gain or lose considerable amounts of money trading derivatives. Trading with any other form of leverage, may also result in losses surpassing your original investment.

13) **Margins and IBA's right to close positions**

Important:

IBA will not generally issue margin calls, will not credit your account to meet intraday margin deficiencies and may liquidate positions in your account in order to satisfy margin requirements without prior notice to you. You will not be able to pre-liquidate positions or control the timing or order of any liquidation action we take.

When we refer to "margins" we are referring to the margin requirements for maintaining certain derivative positions. This type of trading allows clients to utilise leverage to increase their exposure. IBA requires that its clients always meet the minimum opening and ongoing margin requirements for their trading activities.

IBA calculates its own margin requirements, and these margin requirements may differ from (and may exceed) exchange margin requirements.

IBA provides you with ongoing information as to the margin requirements and your account status, for instance if an account is approaching margin non-compliance. You must monitor your account via the WorldTrader application and portal to ensure it continually meets IBA's margin requirements.

Prior to trading any financial products on margin or financial markets which require you to maintain margins, you should contact HSBC's WorldTrader service at the contact details noted in section 3 of the FSG, ensure you have obtained and understood any PDS we may have produced and ensure you understand the T&Cs which sets out rights and obligations between you and IBA.

14) **Fractional Shares**

IB supports holding fractional shares in certain stocks and ETF. If you have enabled Fractional Share Trading Permission on your account, you will be able to purchase, hold and close fractional share positions through HSBC's WorldTrader service, including if those fractional positions are allocated as a result of a mandatory corporate action.

Fractional share position quantities are reflected using decimals and will be displayed in all systems and reports. Clients using FIX or WebAPI services that do not support the reflection of fractional shares positions and/or the receipt of executions in fractions, should reach out for assistance in upgrading their session(s) if adding either of these features is required.

Some mandatory corporate actions in stocks and warrants (such as stock dividends, stock splits, mergers, etc.) may result in fractional share positions, instead of being paid cash in lieu. If you receive fractional shares but do not have Fractional Share Trading Permission enabled in your

account, IBA or its affiliates, as applicable, will initiate a closing transaction to liquidate the fractional position. In most instances the fraction will be liquidated on the business day following the allocation. In some cases, liquidation may be blocked or delayed causing the fractional position to remain in your account (e.g., if a trading restriction is placed on the security).

It is important that you understand that you cannot transfer fractional positions outside of IBA, However, you are able to sell fractional share positions via IBA (subject to any restrictions on trading the relevant security).

For more information about fractional shares, please refer to the Interactive Brokers Fractional Share Trading Disclosure on the IBA website.

15) **Privacy**

IBA collects personal information from you including but not limited to your name, address, contact details including your email address, tax file number, banking details and information on transactions carried out through IBA by you or any agent you appoint. IBA may use cookies, which also collect information from you. All of the information which you submit during an account opening (aside from the TFN) may be viewed or accessed by HSBC.

IBA collects personal information from you as required by the laws to which we are subject (for instance Anti-Money Laundering laws and taxation laws) in order to provide you financial services (including custody services) and verify your identity. IBA will not sell, disclose or rent personal information collected without your consent.

IBA may be required by the law to disclose information about you to external parties including regulatory bodies. In such cases, IBA must fully cooperate with the relevant request.

Clients of IBA may update personal details via the WorldTrader Client Portal. You may choose to withhold certain information, but this may mean that IBA is unable to provide you financial services.

IBA is bound by the Privacy Act 1988 and Australian Privacy Principles when we collect personal information from you. We take your privacy seriously, please review our Privacy policy which may be viewed by

- accessing this link: [Privacy Policy](#) or
- by pasting the following link directly into your browser:

https://gdcdyn.interactivebrokers.com/Universal/servlet/Registration_v2.formSampleView?for mdb=3311.

We have taken steps to ensure that your personal information is kept both private and secure.

If you have a complaint, you may submit that to HSBC's WorldTrader Services as per the contact information in section 3 of this FSG.

16) **Fees and Charges**

a) Commission and Fees

IBA charges commission and fees when you buy or sell or enter into or close out most positions in financial products. As at the date of this FSG, IBA does not charge any specific separate fees for the custody services it provides. As a customer introduced to IBA via HSBC's WorldTrader service, the fees and charges that you pay will be different to the fees, charges, interest and commission rates published on IBA's website.

The amount of the commission or fee payable to IBA depends on several factors including the product traded. For example, commission may be calculated as a percentage of the trade value with a set minimum charge per order, or as a dollar amount per contract. Due to the breadth of products and exchanges IBA provides access to, we cannot set out all our fees in this FSG.

For the most current commission and fee information for each pricing structure and type of products, please contact HSBC WorldTrader service on the details set out in Section 3 of this FSG.

You may also request particulars of remuneration (including commission) or other benefits within a reasonable time after receiving this FSG and before any financial service is provided.

b) HSBC's fees

HSBC charges for the WorldTrader platform and application and has appointed IBA as their agent to collect fees from you in relation to the WorldTrader Service or on their behalf for services rendered by them. As part of the arrangement between you, HSBC and us, you authorise us to collect HSBC's fees from client money held for you by IBA.

HSBC determines their fees independently and they are applied as a markup on IBA's commission and product prices, and as such their fees are reflected in the prices you pay when transacting with or through IBA.

HSBC's fees and charges are separate and in addition to any amounts which you must pay IBA for the services IBA provides although fees and charges information will be reported as a consolidated amount (IB's fees and charges plus the HSBC's markups) on statements and confirmations IBA provides to you via the WorldTrader website and in some circumstances the WorldTrader application.

HSBC is responsible for disclosing information about the fees and charges for the WorldTrader service to you.

c) Interest

Under the arrangement with HSBC, IBA does not pay interest to customers on cash balances if they are introduced by HSBC through the WorldTrader service.

Interest *is* charged to you when your account balance is in debit (i.e. negative), for instance if you owe money to meet margin requirement on the products you have bought or sold or where IBA has met other obligations on your behalf. Typically, IBA accounts accrue interest daily and posts actual interest

on the third business day of the following month.

For the most current commission and fee information, information and details on how interest calculations and how to read your statement, for each pricing structure and pricing on products, please contact HSBC on the details set out in Section 3 of this FSG.

d) Administrative fees and charges

IBA charges certain administrative fees for matters such as order cancellation and modifications, trade busts (cancellations) and adjustments, prime broker take-ups, deposits and withdrawals, exercise and assignments, American Depository Receipts (“ADRs”) and stop payments. Exchange related fees are not uniform and may differ depending on the relevant exchange. Please contact HSBC’s WorldTrader Service on the contact information section out in Section 3 of this FSG.

e) Taxes

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

Certain of IBA's services will be subject to Goods and Services Tax (“GST”). Where GST was payable on a service (and the relevant commission payable by you), this will be disclosed in the statements and reports we make available to you.

f) Market Data

The market data you receive from in connection with the WorldTrader Service is determined by HSBC. You should direct queries about the data to HSBC.

g) Clearing House Fees

Clearing houses (such as ASX Clear and ASX Clear (Futures)) usually charge a transaction fee per contract (opening or closing trades) and exercise and assignment fees. Fees for opening or closing a position are typically included in the commission payable. Exercise and assignment fees are not typically included in commissions and may be separately payable by you. Where such fees are payable, they will be disclosed in your transaction confirmation.

These clearinghouse fees may be tax deductible, and you should consult with your tax adviser or accountant.

Please refer to information on fees and charges provided by HSBC.

h) Product-specific fees and charges

There may be fees and charges payable by you in respect of a specific financial product which we issue to you. HSBC will provide information on what fees and charges are payable by you to transact products via the WorldTrader Service.

17) How are IBA's employees remunerated

The directors and employees of IBA are paid a salary and bonus dependant on their individual performance and the performance of IBKR as a whole. No IBA employee or representative earns a commission for the trading undertaken by IBA clients. All commissions are earned by IBA.

18) Potential Conflicts of Interest, Associations and Relationships

IBA does not, nor do any affiliates within the IBKR, have any relationships or associations with any product issuer that could reasonably be expected to be capable of influencing us in the provision of financial services.

Unless otherwise disclosed, IBA generally acts on its own behalf when providing financial services to you. Depending on what products you acquire from or through IBA, we may act as your agent (for instance, when we acquire or arrange for the acquisition of exchange traded financial products on your behalf) or as principal ourselves (for instance, when we issue OTC CFD's or FX contracts or lend money to you).

IBA does not generally undertake any principal trading in financial products that we acquire as your agent, except where we must correct error positions.

IBA hedges all FX contracts by entering into a back-to-back hedge transaction with its hedge counterparty at or around the same price at which IBA enters into the FX contract with you. IBA's hedge counter-party is an affiliate of IBA and receives a portion of the commission charged by IBA to you. IBA and hedge counter-party may gain or lose on hedge transactions.

IBA executes trades on the markets of which it is a member on behalf of its clients and on behalf of offshore affiliate brokerage entities within IBKR (typically these will be trades originated for or on behalf of the clients of the relevant offshore affiliate). IBA handles all orders it receives in accordance with the allocation policy set out in its T&Cs.

19) The internal and external dispute resolution process that exist for customers introduced by HSBC to IBA and how such customers can access them

If you have a complaint about the WorldTrader service or IBA's services provide in conjunction with the WorldTrader Service, or about privacy, you should submit your complaint to HSBC at the following:

- HSBC's WorldTrader Customer Support on 1300 131 605.
- HSBC's WorldTrader website is: www.hsbc.com.au/investments/worldtrader

If the complaint relates to IBA's provision of brokerage, custody, or product issuance, then HSBC will refer the complaint to IBA's teams who will review the complaint and provide a response back to HSBC who will then provide a response back to you.

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 as quickly as possible.

Please note that while IBA maintains a complaint handling process as an AFS licensee, as part of the arrangement with HSBC all customers introduced by HSBC to IBA, are directed to contact HSBC first.

a) The Australian Financial Complaints Authority

If you are not satisfied with how your complaint is resolved 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

b) Compensation arrangements

Financial services offered by IBA relating to its business as a participant of the markets operated by ASX or Cboe Australia, e.g., when we act as your agent and execute transactions on these markets on your behalf, are covered by a professional indemnity insurance policy ("Policy"), which satisfies the requirements for compensations arrangements set out under section 912B of the Corporations Act⁴.

All other financial services offered by IBA are instead covered by an ASIC approved alternative compensation arrangement. Respecting these other financial services that are covered by the ASIC-approved alternative compensation arrangement, please note that cover is available for claims related to the conduct of IBA representatives/ employees - even if they no longer work for IBA at the time that you make the claim (provided that they did so when the conduct allegedly occurred).

You should refer to the FSG that HSBC provides for information regarding WorldTrader service.

20) Anti-Money Laundering and Counter Terrorism Laws

IBA must meet strict identification requirements before we provide designated services to you. When you apply for an account with IBA via the WorldTrader service, you will be notified of what information we need during the account opening process.

We may be legally required to disclose information we have obtained about you to regulatory or law enforcement agencies under Anti-Money Laundering laws. IBA may decline to carry out a transaction or an instruction if we have reasonable grounds to believe it may breach

⁴ Subject to the terms and conditions of the Policy, its coverage may include losses or damages suffered by retail clients as a result of breaches by IBA of its relevant obligations under its Australian financial services licence.

Australian law or the law of any other country.

21) 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 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.

22) IBA's location and contact details:

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| 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 |
| Telephone: | +61 (2) 7251 0088 |
