



PRODUCT DISCLOSURE STATEMENT

MITRADE GLOBAL PTY LTD

11 MARCH 2019

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RISK WARNING: CFDS ARE A LEVERAGED PRODUCT AND CAN RESULT IN THE LOSS OF YOUR ENTIRE CAPITAL. TRADING CFDS MAY NOT BE SUITABLE FOR EVERYONE. PLEASE CONSIDER OUR PDS, FSG, RISK DISCLOSURE STATEMENT AND CLIENT AGREEMENT BEFORE USING OUR SERVICES AND ENSURE THAT YOU UNDERSTAND THE RISKS INVOLVED. YOU DO NOT OWN OR HAVE ANY INTEREST IN THE UNDERLYING ASSETS.

ABN 90 149 011 361 | AFSL NO. 398528

1. IMPORTANT INFORMATION

- 1.1. Financial services and products are provided and issued by Mitrade Global Pty Limited ABN 90 149 011 361 (“**Mitrade**”, “**we**”, “**us**”, “**our**”). This Product Disclosure Statement (referred to as the “PDS”) has been prepared to provide you with key information about Mitrade’s financial products, being margin foreign exchange contracts (referred to as “**Margin FX**”) and contracts for difference (“**CFDs**”). Please note that the information contained in this PDS does not constitute a recommendation, advice or opinion and does not take into account your objectives, financial situation or needs. This is an important document and should be read in its entirety.
- 1.2. **We do not provide personal advice.** During the course of your relationship with Mitrade, we may make representations either written or verbal that may be construed as general financial advice. However, at no point will Mitrade provide you with personal financial advice. For that reason, before entering into a Margin FX or CFD transaction, you should obtain independent advice to ensure that any proposed trade or your continued relationship with us is appropriate for your particular financial situation, objectives and needs.
- 1.3. We recommend that you also obtain independent taxation and accounting advice in relation to the impact of foreign exchange gains and losses on your particular financial situation. The taxation consequences of Margin FX or CFD transactions can be complex and will differ for each individual’s financial circumstances, and your tax adviser should be consulted prior to entering into a Margin FX or CFD transaction.
- 1.4. Mitrade holds Australian Financial Services Licence (“AFSL”) No. 398528 and is regulated by the Australian Securities & Investments Commission (“ASIC”). You should be aware that ASIC does not endorse specific issuers, financial products or contracts. ASIC’s regulation of us applies in respect of our Australian financial services activities only and may not apply, depending on your jurisdiction of residence. You should be mindful of the risks of trading Margin FX Contracts and CFDs and note that you can incur losses up to all of your initial deposits. Returns are not guaranteed. Neither ASIC, the Australian Government nor any other person guarantees any monies in your Account.
- 1.5. **You may lose all your initial deposits.** You may incur losses to the extent of your total exposure to us and any additional fees and charges that apply. These losses may be as much as the funds you have deposited in your Account or are required to be deposited to satisfy Margin Requirements.
- 1.6. This PDS does not constitute an offer or invitation in any place outside Australia where or to any person to whom it would be unlawful to make such an offer or invitation. The distribution of this PDS (electronically or otherwise) in any jurisdiction outside Australia may be restricted by law and persons who come into possession of this PDS should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable law. The offer to which the PDS relates is not directed at residents of the United States or any particular country outside Australia and is not intended for distribution to, or use by, any person in any country or jurisdiction where such distribution or use would be contrary to local law or regulation.
- 1.7. Margin FX Contracts and CFDs are considered speculative products which are highly leveraged and carry significantly greater risk than non-g geared investments such as conventional shares. You should read this PDS, the Client Agreement and the Financial Services Guide in their entirety before making any decision to enter into a financial product with us. You should not engage in transactions or enter into Transactions unless you properly understand the nature of the financial products we offer and are comfortable with the associated risks.
- 1.8. If we ask you for your personal information to assess your suitability to trade our financial products and we accept your application to trade, we are not giving you personal advice or any other form of advice. You must not rely on our assessment of your suitability since it is based on the information you provide to us and the assessment is only for the purposes of deciding whether to open an Account for you. You may not later claim that you are not responsible for your losses merely because we have opened an Account for you after assessing your suitability. You remain solely responsible for your own assessments of the features and risks of our financial products and you should seek your own advice on whether our financial products are suitable for you.
- 1.9. This PDS is dated and is effective from the date noted on the front cover. The current Client Agreement and this PDS supersedes all previous oral or written representations, arrangements, understandings and/or agreements between you and Mitrade which related to the Financial Products and services.

2. PURPOSE AND CONTENTS OF THIS PDS

- 2.1 This PDS is designed to provide you with important information regarding the Margin Foreign Exchange (Margin FX) and Contracts for Difference (CFDs) products including the following information:
- who we are;
 - how you can contact us;
 - key features/risks of Margin FX Contracts and CFDs;
 - applicable fees and charges for Margin FX Contracts and CFDs; and
 - our internal and external dispute resolution process.
- 2.2 The information in this PDS is general only and does not take into account your personal objectives, financial situation and needs.
- 2.3 The information in this PDS is current as at 25 January 2019, and may be updated from time to time where that information is not materially adverse to clients. Updated information shall be provided on our website www.mitrade.com at all times. Mitrade may issue a supplementary or replacement PDS as a result of certain changes, which shall be available on our website at all times or shall be distributed in electronic form as required. If the change is an increase in fees and charges, we will notify you at least 14 days in advance of the implementation of changes. Defined terms used in this PDS are defined in the Glossary in section 2.1 or elsewhere in this PDS. If you would like further information, please ask us. Further detail about our services is available on our website www.mitrade.com.
- 2.4 The provision of this PDS to any person does not constitute an inducement, offer or solicitation to someone to whom it would not be lawful to make such an offer. This PDS is a disclosure document prepared in accordance with Australian laws. This PDS has not been approved nor it is required to be approved by ASIC. Mitrade operates in Australia as an Australian financial services provider. This information is not intended for distribution to, or use by, any person in any country or jurisdiction where such distribution or use would be contrary to local law or regulation.
- 2.5 The following summary table is provided for ease of reference. However, please ensure that you read this PDS in its entirety.

Item	Summary	PDS Section reference
Who is the issuer of this PDS and the products?	Mitrade Global Pty Limited ACN 149 011 361, AFSL 398528	3
What are Margin FX Contracts?	A Margin FX Contract is an over-the-counter derivative product which enables traders to leverage a small Margin deposit for a much greater market effect in relation to currencies. A foreign exchange contract involves the exchange of one currency for another. Margin FX Contracts differ from spot and forward foreign exchange trading in that they are legally classified as derivatives rather than foreign exchange contracts, and are cash settled (i.e. no physical delivery is available). Margin FX Contract trading generally involves taking Positions in a foreign currency and instead of those contracts being settled by exchange of the relevant currencies, the Positions are “closed out”. Closing out involves entering into equal and opposite Position with us, which generates a profit or loss on the transaction, which is then settled between us. The resulting profit or loss of the trade is the net result of the difference between the opening and closing exchange rates of each transaction, adjusted for transaction costs.	5,11

Item	Summary	PDS Section reference
What are CFDs?	<p>A Contract for Difference (CFD) is a contract under which the parties agree to exchange the cash difference between the opening value and the Closing Value of the contract. The CFDs we offer are over-the-counter Financial Products that give the holder exposure to price movements of an Underlying Instrument. Like other derivatives, CFDs allow investors to participate in the returns from movements in an Underlying Instrument, without the need to own that Underlying Instrument. CFDs allow you to make a profit or loss from the fluctuation in the Underlying Instrument and the amount of any profit or loss on a CFD Transaction will be the total of the difference between the opening value of the CFD and the Closing Value of the CFD; less any Overnight Funding costs you incur and are required to pay to us in respect of the CFD.</p>	6,11
What fees and charges are payable in respect of a Margin FX Contract and CFD?	<p>The price/rate quoted to clients for Margin FX Contracts and CFDs includes a spread in favour of Mitrade, through which our revenue is generated. The prices/rates quoted to clients may differ from prices available in the primary or underlying markets. Accordingly, due to the spread applied between the bid and offer price, if the underlying value of the contract does not move between purchase and sale, you will make a loss to the extent of Mitrade's spread.</p> <p>You may also incur the additional fees and charges as detailed in section 14 of this PDS.</p>	11,14
How do I open a Margin FX or CFD Account?	<p>Prior to transacting in Margin FX or CFDs, you must read and understand our Client Agreement, FSG, this PDS, Privacy Policy, Risk Disclosure Statement and other applicable disclosure documents (which will be provided to you by Mitrade in the Application Form) detailing the applicable terms and conditions. You must complete, sign and return the Application Form as well as adequately complete our online suitability questionnaire to our satisfaction. Mitrade reserves the right to issue you a demo Account or request you re-do the suitability questionnaire before your Account is approved by Mitrade. Mitrade reserves the right to refuse to open an Account for any reason.</p> <p>Once you have an Account, you may deposit funds with bank transfer, credit card and/or via other payment methods provided by Mitrade.</p>	10,11
How do I place a Margin FX or CFD transaction with Mitrade?	<p>Mitrade accepts Margin FX Contract and CFD transaction instructions electronically, via our on-line trading platform. CFD Positions can be opened by either buying or selling a CFD, depending on whether you require a Long or Short Position. CFD Positions can be closed by taking the equal but opposite Position to the open CFD Position. That is, purchase a CFD to close a Short Position, or sell a CFD to close a Long Position. Mitrade also has the discretion to offer to take your orders via telephone, however this service will need to be prearranged between you and Mitrade.</p>	11

Item	Summary	PDS Section reference
<p>What is Margin?</p>	<p>Your Initial Margin is the amount Mitrade debits from your Account as soon as you open a new Margin FX or CFD Position. This acts as collateral or a security buffer and protects us in the event of a default by you. We will require an Initial Margin calculated as a percentage of the Contract Value. As at the date of this PDS, that percentage will be no less than 0.5% of the Contract Value, however this is subject to change from time to time. You should refer to the website for the latest Initial Margin percentages.</p> <p>The Maintenance Margin is a separate concept to Initial Margin. It refers to any margin used to maintain Equity in the Account above a set percentage of Total Initial Margins on the account. As at the date of this PDS, where Equity falls below 50% of Total Initial Margins, Mitrade may close out your Position without further notice.</p> <p>Where Equity reaches 100% of Total Initial Margins paid on the Account, Mitrade may (but has no obligation to) issue you with a Margin Call. This is a warning on the platform for you to deposit more margin into your Account. Once you receive a Margin Call, you will no longer be able to open new exposures until you pay the Margin Call in cleared funds.</p> <p>If a Margin Call is issued, Mitrade shall have the right to close out your Positions without further notice – notwithstanding the Maintenance Margin or Initial Margin requirements still being met.</p> <p>Even if Mitrade decides to leave your Positions open after issuing a Margin Call, your Positions may still deteriorate further. Once Equity reaches the Maintenance Margin on your account, Mitrade may (without creating an obligation to) issue a 2nd and final Margin Call. This Margin Call is a warning that Mitrade’s right to close out your Positions due to breach of the Maintenance Margin, has been enlivened. Positions may be reduced or closed out by Mitrade without further reference to you in accordance with the terms of the Client Agreement. A Margin Call will not be considered to have been met unless and until cleared funds have been received in the nominated account and Mitrade has updated the trading platform such that your Equity is once again, above 100% of Total Initial Margin.</p> <p>A Margin Call may also be issued where Mitrade changes the Initial Margin percentage. It is your responsibility to ensure you have adequate margin in your Account at all times, notwithstanding any changes to Initial Margin requirements from time to time.</p>	<p>11,12</p>
<p>How are payments made in and out of your Account?</p>	<p>You may transfer funds to us using mainly any of the following methods: bank account - if applicable in your country/region; credit/debit card/e-wallet; or wire transfer (online banking or by filling out a wire transfer form at a bank counter).</p> <p>In no circumstances does Mitrade accept physical cash deposits.</p> <p>You will only be able to withdraw funds available to you after your Margin obligations have been met. As a general rule, we will return your funds back to the originating source in the same method as we have accepted your deposits.</p>	<p>13</p>

Item	Summary	PDS Section reference
Do I pay or receive any financing charges?	<p>In the event of you holding a Margin FX Contract or CFD Position overnight, you may be required to pay an Overnight Funding charge or may be entitled to receive an Overnight Funding payment, depending on underlying interest rate differentials of the applicable currencies.</p> <p>Further details can be found in section 11 and 14 of this PDS.</p>	11,14
What are the key risks of Margin FX and CFDs transactions?	<p>Investment in Margin FX Contracts or CFD products carries a high level of risk and returns are volatile. You should only ever trade with risk capital (i.e. money you can afford to lose) and should obtain independent professional advice to carefully consider whether these products are appropriate for you in light of your knowledge, experience and financial needs and circumstances.</p> <p>We have further explained the significant risks in section 9 of this PDS.</p>	9,12
What are the tax implications of Margin FX trading?	<p>The taxation consequences of trading in Margin FX Contracts and CFDs can be complex and will differ with each individual's financial circumstances. We recommend that you obtain independent taxation and Accounting advice in relation to the impact of Margin FX and CFDs transactions on your particular financial situation.</p> <p>Further details can be found in section 15 of this PDS.</p>	15
Mitrade's powers in the event of default	<p>Mitrade has extensive powers under the terms of the Client Agreement to take action in response to a range of default events. Mitrade may terminate your Account, close out all or any of your Margin FX Contract or CFD Positions, cancel any outstanding orders, void any past transactions, reject new orders or reprice open Positions in its sole and absolute discretion.</p>	12
How do I obtain further information?	<p>Visit our website www.mitrade.com for further information or contact us using the contact details.</p>	3

3. NAME OF ISSUER AND HOW TO CONTACT US

- 3.1 The issuer is Mitrade Global Pty Limited ('Mitrade') ABN 90 149 011 361.
- 3.2 Mitrade holds an AFSL (398528) and is authorised to provide financial product advice, deal in financial products by issuing and making a market in relation to:
- derivatives; and
 - foreign exchange contracts;
- for retail and wholesale clients.
- 3.3 Mitrade does not provide managed discretionary Account services.
- 3.4 You can contact us by any of the means listed below:
 Writing to us: Level 17, 350 Queen Street, Melbourne, VIC 3000, Australia;
 Calling us at: + 61 3 9606 0033; or
 Sending an email to: cs@mitrade.com

4. REGULATORY BENCHMARK DISCLOSURE

- 4.1 The Regulatory Guide 227 issued by ASIC requires Margin FX and CFD issuers to publish certain information addressing a range of disclosure benchmarks. These benchmarks are required to be addressed on an 'if not, why not' basis, and are intended to assist retail investors to properly understand the complexity and risks of trading in OTC derivative products, particularly with regard to leverage.
- 4.2 There are 7 disclosure benchmarks required to be addressed. Mitrade's compliance with each benchmark is addressed in the following table:

Benchmark description	Does Mitrade meet this benchmark?	How does Mitrade meet this benchmark?	Relevant sections of the PDS which provide further relevant information
<p>Client qualification</p> <p>Addresses the issuer's policy on investors' qualification for CFD trading</p>	Yes	<p>Mitrade maintains and applies a written policy which sets out the minimum qualification criteria that prospective retail investors will need to demonstrate before we will open an Account for you. Mitrade also maintains a written policy/procedure to ensure such criteria are properly applied, and unsuitable investors are not accepted. We also maintain records of our assessments.</p> <p>Please note that we do not provide personal advice regarding the suitability of trading in these products for your personal financial circumstances and objectives.</p> <p>Mitrade does not accept retail investors unless they are able to demonstrate that they either have previous experience in trading leveraged financial products or have sufficient knowledge and understanding of leveraged financial products. Clients are also encouraged to use our demo account although it should be noted that trading on our demo account will not be regarded as being sufficient trading experience.</p> <p>If the applicant does not meet either of the criteria above, they will be required to satisfactorily answer a suitability questionnaire, which addresses the following criteria:</p> <ul style="list-style-type: none"> • previous trading experience in financial products; • understanding of leverage, Margins and volatility; • understanding of the key features of the product, including that CFDs do not provide investors with interests or rights in the Underlying Instrument over which a Position is taken; • understanding the trading process and relevant technology; • ability to monitor and manage the risks of trading; and • understanding that only risk capital should be traded. <p>During this process, new clients will be required to answer a series of questions designed to assess their knowledge, experience and understanding of OTC derivative products in our online suitability questionnaire. Applicants are allowed an unlimited number of attempts at the suitability questionnaire within 30 days of the application date. However, applicants who do not pass the questionnaire within the 30 days will not be allowed to open an Account.</p> <p>We maintain records of our client assessments.</p> <p>Further details can be found in section 10 of this PDS.</p>	10

Benchmark description	Does Mitrade meet this benchmark?	How does Mitrade meet this benchmark?	Relevant sections of the PDS which provide further relevant information
<p>Opening collateral</p> <p>Addresses the issuer's policy on the types of assets accepted from investors as opening collateral</p>	No	<p>Mitrade does not meet this benchmark because it accepts as collateral for opening the Account, payments by credit card for more than \$1000.</p> <p>Whilst the RG227 benchmark recommends that no more than \$1,000 be accepted by credit card as opening collateral on a new Account, Mitrade has in place a process to address the suitability of credit card deposits as opening collateral. We utilise a tiered range of internal limits established with our payment processor, based on an individual client's annual income, and accordingly may accept between \$1,000-\$10,000 as an initial deposit by credit card.</p> <p>Nevertheless, funding an Account by credit card has additional risks and costs for the client. By using these payment methods, the client would effectively be increasing their leverage by taking credit from their credit card and trading with leverage on their Mitrade Account. This can add to the risks and volatility of their Positions as well as incurring higher interest costs on their Account.</p> <p>If clients lose on their Mitrade products, they might not have other financial resources to repay their credit card account, incurring higher interest costs and possibly defaulting on their credit card terms.</p> <p>Although Mitrade may accept payments of more than \$1000 from credit cards to fund the client's Account and to meet later Margin payments, the client should carefully consider whether this payment method is suitable for his/her trading and limit it to what he/she can afford.</p> <p>Mitrade only permits clients to open an Account and trade with cleared funds (i.e. transfer of cash from your banking account to your Account). It is important to note that an Account may be opened with a cash transfer from the client's bank account or with a credit card (but only to certain amounts for credit cards). No other financial products will be accepted as collateral to open an Account, although we may accept such collateral to meet subsequent Margin Calls in special agreed circumstances.</p>	10
<p>Counterparty risk – hedging</p> <p>Addresses the issuer's practices in hedging its risk from client Positions and the quality of this hedging</p>	Yes	<p>Mitrade maintains and applies a written policy to manage our exposure to market risk from client Positions. This includes strict risk management controls to monitor and manage (hedge) our trading exposures by executing with our hedge counterparty, a trade identical to the client's trade with us. Our risk management policy also includes a process for assessing our hedging counterparties (to ensure they are of sufficient financial standing, are licensed by a comparable regulator, and are of sound reputation).</p> <p>A summary of our policy, which lists our current approved hedging counterparties, is available on our website (and may be updated from time to time as counterparties change).</p>	9

Benchmark description	Does Mitrade meet this benchmark?	How does Mitrade meet this benchmark?	Relevant sections of the PDS which provide further relevant information
<p>Counterparty risk – financial resources</p> <p>Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements</p>	No	<p>Mitrade does not meet this benchmark because we do not conduct stress testing, in light of the myriad of measures we already have in place to manage counterparty risk and ensure we are able to honour our financial commitments to our clients.</p> <p>Since you are dealing with us as principal, you will also be exposed to our counterparty risk. Mitrade maintains a Counterparty Risk Management policy to ensure the ongoing maintenance of adequate financial resources through imposing credit limits, collateral collection and counterparty monitoring. We have processes in place to ensure we monitor our compliance with our licence conditions and ASIC RG 166 (financial) obligations, as well as obtain a review and input from our independent external legal and accounting advisers. Further, our external independent auditor conducts an audit at the conclusion of every financial year.</p> <p>Further information can be found in section 9 of this PDS.</p>	9
<p>Client money</p> <p>Addresses the issuer's policy on client money</p>	Yes	<p>Mitrade maintains and applies a clear policy regarding the use of client money. Please note that money you deposit into your Account is co-mingled with other client money in our client trust Account. Such monies are only applied to client trades/settlement obligations and to pay agreed fees etc, in line with the Governing Law.</p> <p>Since your client money will be comingled with the money of other clients, you will also be indirectly exposed to the counterparty risk of our other clients. If they are unable to settle a transaction with Mitrade, there will be a deficit in the client money trust account which may have to be borne by all clients with funds in that account. Accordingly, a statutory client trust account cannot guarantee absolute protection of your funds.</p> <p>Further details can be found in section 13 of this PDS.</p>	13
<p>Suspended or halted Underlying Instruments</p> <p>Addresses the issuer's practices in relation to investor trading when trading in the Underlying Instruments is suspended or halted</p>	Yes	<p>An Underlying Instrument may be placed in a trading halt on the Relevant Exchange in various circumstances. Additionally, it may be suspended or delisted in certain circumstances. Mitrade may, in its absolute discretion, cancel your order in respect of a CFD transaction which has not yet been opened, change Margin Requirements, adjust the terms of a Position or close any open CFD, where the Underlying Instrument is subject to a trading halt, suspension or delisting.</p> <p>Further details can be found in section 11 of this PDS.</p>	11

Benchmark description	Does Mitrade meet this benchmark?	How does Mitrade meet this benchmark?	Relevant sections of the PDS which provide further relevant information
<p>Margin calls</p> <p>Addresses the issuer's practices in the event of client Accounts entering into margin call</p>	<p>No</p>	<p>Mitrade does not meet this benchmark because we do not have a written policy about our margining practices. Instead, our margining practices are set out here in this PDS.</p> <p>Mitrade endeavours to provide you with timely and sufficient notice of Margin Calls and to facilitate your ability to meet them. However, it is important to note that Mitrade has no obligations to do so and certain market conditions or events may trigger extreme volatility, which requires urgent funds to be deposited to retain your open Positions.</p> <p>Any Margin Call issued by Mitrade entitles it to close out your Positions without further notice – notwithstanding your Initial Margin and/or Maintenance Margin levels being met.</p> <p>A Margin Call may be issued on the trading platform if your Equity reduces to 100% of Total Initial Margin required on your Account. A Margin Call at this level will prevent you from opening any further exposures on your account until you have deposited sufficient cleared funds to increase Equity back above the Total Initial Margin requirements. It will also enliven Mitrade's discretion to close out your Positions without further notice.</p> <p>Even if Mitrade keeps your Positions open after the Margin Call, the Equity on your Account may deteriorate further. If the Equity touches or dips below the required Maintenance Margin, Mitrade shall be entitled to close out your Positions without further notice. Mitrade may or may not issue a 2nd Margin Call at this point notifying you that its right to close out for breach of Maintenance Margin has been enlivened.</p> <p>Margin Calls are made exclusively on the Trading Platform, however, may or may not be accompanied by telephone calls or emails. It is your sole responsibility to check the trading platform frequently to monitor for Margin Calls.</p> <p>We reiterate that trading in CFD and Margin FX Contract products carries a high level of risk and returns are volatile. The risk of loss in trading can be substantial, and you incur losses as much as all your initial deposits you have invested. Accordingly, you should only trade with risk capital (i.e. money you can afford to lose), and which is in excess to your financial needs/obligations.</p> <p>Further information can be found in section 12 of this PDS.</p>	<p>12</p>

5. MARGIN FX CONTRACTS OFFERED BY MITRADE

- 5.1 Mitrade offers Margin FX Contracts over a wide range of currency pairs. Please check our website for the most updated information regarding the range of currency pairs available.
- 5.2 Mitrade's Margin FX products do not result in the physical delivery of the currency but are cash adjusted or closed by the Client taking an equal but offsetting opposite Position i.e. **there is not a physical exchange of one currency for another**. Margin FX products are derivatives, not foreign exchange contracts. Positions will ultimately be closed and the client's Account will be either credited or debited according to the profit or loss of the trade.
- 5.3 Margin FX Contracts volumes are specified in lots, with 1 lot being equivalent to 100,000 units of currency. Mitrade Margin FX Contracts allow you to trade volumes ranging from a portion of a lot to multiple lots. Please check the website for the latest Margin FX Contract trading parameters.

6. CFDs OFFERED BY MITRADE

- 6.1 A contract for difference (CFD) is an over-the-counter derivative product comprising an agreement under which one party is entitled to be paid an amount of money (profit) or has to pay an amount of money (loss), resulting from movements in the price or value of an underlying instrument or security (without actually owning that underlying instrument or security). This transaction concludes with the parties settling the difference between the purchase price and the sale price.

6.2 Type of CFDs

We offer CFDs to our clients on indices, commodities, cryptocurrencies and other CFDs as may be notified to you from time to time.

6.3 Index CFDs

Index CFDs allow you to speculate on the overall performance of a range of shares. Compared to on individual equity or shares, Index CFDs give you exposure to a larger, diversified, market.

Mitrade converts indices into tradable contracts using a multiplier. This multiplier converts each point of the index into a given number of units of the index's local currency. For instance, assuming the Hang Seng Index is trading at 26,465.73 points and a multiplier of 1HKD per point, the value of the contract would be HKD\$26,465.73. You may choose to trade more than 1 contract. For the latest multipliers and currencies used for each index CFD, please refer to our website.

6.4 Commodity CFDs

Commodity CFDs allow you to speculate on the price of commodities such as oil. These CFDs are based on the pricing of commodity futures contracts with Mitrade rolling over corresponding CFD positions as the futures contracts expire.

When trading Commodity CFDs, 1 lot is equivalent to 1 underlying futures contract. Contract size of a Commodity CFD depends on the specific commodity being traded. For oil, it may be specified in barrels, for metals, it may be specified in ounces. Please see our website for the exact contract sizes offered by Mitrade.

6.5 Cryptocurrency CFDs

Cryptocurrency CFDs are structured similar to Margin FX Contracts in that prices will be stated relative to a fiat currency. There will be no physical exchange of fiat currency for cryptocurrency – all transactions are settled in fiat currency. Mitrade does not operate a digital currency exchange provider business.

When trading cryptocurrency CFDs with Mitrade, 1 lot refers to 1 unit of cryptocurrency. However, you should check the website for the latest cryptocurrency CFD trading parameters.

For further information about cryptocurrency CFDs, see s 9.3(24).

6.6 Expiry and Roll Overs

- (1) Mitrade does not set expiry for our products. For more information please visit our website or our Platform. For instruments based on futures contracts (such as indices and most commodities), Positions will be automatically rolled over (carried forward) to the next contract when the current contract expires. Mitrade will adjust the difference in price between the two contracts. The date and time of the rollover is shown on each instrument's details section on the Mitrade Platform.
- (2) If the new contract is trading at a premium to the expiring contract (higher price), long (buy) Positions will receive a negative adjustment, and short (sell) Positions will receive a positive adjustment. However, if the new contract is trading at a discount to the expiring contract, long (buy) Positions will receive a positive adjustment, and short (sell) Positions will receive a negative adjustment. In addition, Positions may be charged a spread at the time of rollover.
- (3) Open Positions will be rolled over indefinitely until you decide to close them (subject to your compliance with margin obligations and our rights to close out Positions).

7. PURPOSES OF TRADING MARGIN FX CONTRACTS AND CFDs

- 7.1 People who trade in Margin FX Contracts and CFDs may do so for a variety of reasons. Some trade for **speculation**, that is, with a view to profiting from fluctuations in the price or value of the underlying instrument or currency. For example, Margin FX Contract traders may be short-term investors who are looking to profit from intra-day and overnight market movements in the underlying currency. Margin FX Contract traders may have no need to sell or purchase the underlying currency themselves, but may instead be looking to profit from market movements in the currency concerned.
- 7.2 Others trade in Margin FX Contracts to hedge their exposures to the underlying currency. Foreign exchange exposures may arise from a number of different activities such as:
 - (1) Companies or individuals that have international business and trade, are exposed to currency risk. This can be due to purchases (or sales of) physical commodities (such as machinery) or even financial products (such as investing in securities listed on an international stock exchange).
 - (2) An exporter who sells its product priced in foreign currency has the risk that if the value of that foreign currency falls then the revenues in the exporter's home currency will be lower.
 - (3) An importer who buys goods priced in foreign currency has the risk that the foreign currency will appreciate thereby making the cost, in local currency terms, greater than expected.
 - (4) A person travelling to another country has the risk that if that country's currency appreciates against their own, their trip will be more expensive.

In each of the above examples, the person or the company is exposed to currency risk.

- 7.3 Currency risk is the risk that arises from fluctuations in exchange rates. Mitrade offers its clients the facility to buy or sell foreign exchange derivative products to manage this risk. This enables clients to protect themselves against adverse currency swings.
- 7.4 The risk of loss in trading in derivatives and/or leveraged products can be substantial. A client should carefully consider whether trading such products is appropriate for them in light of their financial situation, needs and objectives.

8. KEY BENEFITS ASSOCIATED WITH TRADING MARGIN FX CONTRACTS AND CFDS

8.1 Some of the key benefits of trading in Margin FX Contracts and CFDs include:

- (1) **Hedging:** You can place a leveraged Margin FX trade to protect your exposure to the price movements in an underlying currency or bullion price.
- (2) **Speculation:** In addition to using our trading facilities as a hedging tool, you can benefit by using the quoted underlying currency or asset prices offered by us to speculate on changing price movements. Speculators seek to make a profit by attempting to predict market moves and buying a contract that derives its value from the movement of an Underlying Instrument for which they have no practical use. The examples of CFDs below illustrate trades where a client is entering into a speculative trade, based upon a belief that the market will move in a particular direction.
- (3) **Access to the world markets at any time:** When using our online Trading Platform, you gain access to and trade on, systems which are updated on a real time basis. You can see the time that an instrument is open for trading in the instrument details screen in our Trading Platform.
- (4) **Real time streaming quotes:** Our online Trading Platform contains real time quotes provided by Mitrade. You may check your Accounts and Positions in real time and you may enter into CFDs transactions based on Mitrade's quotes that are based on real-time information.
- (5) **Control over your Account and Positions:** When using our trading facilities, we allow you to place stop orders on your trades. This means that if the market moves against you, we will close out your Position in accordance with your Order. However, please refer to section 9 below, which highlights the risk to you in a volatile market.

9. KEY RISKS ASSOCIATED WITH TRADING MARGIN FX CONTRACTS AND CFDS

- 9.1 Trading in Margin FX and CFD products carries a high level of risk and returns are volatile. The risk of loss in trading can be substantial, and you can lose your entire capital invested. You should obtain independent professional advice and carefully consider whether Margin FX or CFD products are appropriate for you in light of your knowledge, experience and investment objectives, financial needs and circumstances.
- 9.2 It is also important that you read and understand the terms and conditions of the Client Agreement and this PDS before entering into any Margin FX or CFD transactions.
- 9.3 Some of the key significant risks involved in Margin FX and CFD trading include, but are not limited to, the following:

(1) Macro-economic Risk

The general state of the Australian and international economies as well as changes in taxation policy, monetary policy, interest rates and statutory requirements are some of the factors which may influence currency markets.

(2) Market Risk

This is the risk that the markets move against you. External market forces can cause markets and prices to change quickly. Such forces include changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the marketplace. As the price of your Position is based on an Underlying Instrument, these factors may affect your Position and our ability to execute, settle or close out transactions on your behalf.

Holding both long (i.e. bought) and short (i.e. sold) Positions is not necessarily less risky than holding a simple long (i.e. bought) or short (i.e. sold) Position. You may incur further losses holding Positions of both directions than holding Positions of one direction.

You should be aware that if you acquire a product for trading or speculative purposes (that is where you do not have a risk you need to protect yourself from), you will be fully exposed to movements in the Underlying Instrument.

(3) Market or Exchange Intervention

The rules of the relevant market (if any) or Exchange govern the trading in the Underlying Instrument and so will indirectly affect the dealing in the products offered by Mitrade. All of the rules of each relevant Exchange may be relevant to Mitrade contracts, so you should consider those rules. The details of those rules are outside the control of Mitrade and they may change at any time and without notice to you.

(4) Conflict of Interests

Trading with Mitrade carries an automatic risk of an actual conflict of interest because Mitrade is acting as principal in its Positions with you and Mitrade sets the price of the contracts. Mitrade may also be transacting with other persons or other market participants. Mitrade does not guarantee that the price given to you is the best price. You can reduce the risks to you of unfavourable pricing or opaque pricing by monitoring Mitrade's contract pricing and by monitoring the underlying market. Mitrade also mitigates this risk by retaining external legal advisors, ongoing Board supervision and implementing compliance procedures. Further details can be found in section 16 of this PDS.

(5) Loss by Spread

Since Mitrade charges a spread on some transactions, the price will have to move in your favour before you can break even. That is, even if the price does not move, you will be making a loss when entering the transaction.

(6) Slippage

In fast moving or illiquid markets, slippage may occur. Slippage occurs when market prices do not follow a "smooth" or continuous trend and are typically caused by external factors such as world, political, economic and corporate related events. Should slippage occur in the Underlying Instrument on which your product is based, you may not be able to close out your Position or open a new Position at the price at which you have placed your order. Further, in instances of slippage, any conditional orders opened on your Account will be filled at the next best available price which may be substantially different from the price selected when entering your conditional order.

(7) Margin Call

Should the price of the Margin FX Contract or CFD move against you, you may receive a Margin Call from us preventing your Account from opening any further exposures and enlivening our discretion to close out your open Positions without further notice. Should we make a Margin Call, you must increase your Equity to above 100% of Total Initial Margin required to remove the trading restrictions on your Account and prevent your Positions from being closed out. In the event your Equity touches or falls below Maintenance Margin levels, we may also reduce or close all your open Positions without further notice and you will be liable for any shortfall. Positions are marked-to-market with payments being settled daily to Account for market movements. You must be in a Position to fund such requirements at all times. Margin Calls must be addressed as soon as possible and are only considered paid once we receive cleared funds in our account. While Mitrade will already have an absolute discretion to close out open Positions once a Margin Call is issued, Mitrade may (in its absolute discretion), delay exercising that right to give you an opportunity to address the Margin Call. In rare circumstances, the markets could move against your Position giving Mitrade no time to make a Margin Call before your Account has breached the Maintenance Margin, allowing Mitrade to liquidate your Positions in order for Mitrade to protect the Positions of itself and other clients.

(8) Leverage

As these products are highly leveraged, a small price movement in the price of the Underlying Instrument on which they are based can result in substantial profits or losses exceeding your Initial Margin. In addition, you could be required to pay further funds representing losses and other fees on your open and closed Positions. The prices of our products may be volatile and fluctuate rapidly over wide ranges. Price fluctuations may be as a result of uncontrollable events or changes in a variety of conditions as described above under Market Risk.

(9) Liquidity

There may be periods where certain currency pairs or CFDs become illiquid. The lack of liquidity may prevent you from taking Positions in FX or CFDs or from liquidating from unfavourable Positions resulting in you incurring a loss.

(10) Guaranteed Stop Orders unavailable

Certain products can be traded in conjunction with our limit and stop loss orders which are designed to either optimise your exposure to the market or limit your loss by instructing that trades be executed at pre-determined price levels. Stop losses are instructions placed by you with Mitrade to close out an open Position if a market trades through a specific level. Stop loss orders are often used to attempt to limit the amount which can be lost on a Position. You should be aware that stop losses are not guaranteed and the execution of such orders will depend on market volatility and liquidity. So, whilst stop losses generally allow you to control potential losses should the market move against you, please be aware that stop loss orders are not guaranteed and may not always limit your losses the way you anticipate.

(11) Our Right to Close Out and Place Restrictions

- (1) Should you fail to pay any amounts due and payable, including Margin Calls, or keep your Equity above Maintenance Margin levels, Mitrade has an absolute right to close out Positions.
- (2) You acknowledge that the trading of Margin FX Contracts or CFDs over certain Underlying Instruments on the Mitrade Platform may become volatile in a very short time period and without any prior warnings. Due to the high degree of risk involved, you acknowledge and agree that we reserve the right to close all or any open Transactions with respect to any Underlying Instrument that we determine is volatile in our sole discretion (having regard to our legitimate interests), at the price quoted on the Mitrade Platform at such time without notice.
- (3) We reserve the right to require you to close out Transactions in a timely manner in the event that the product is removed from the Mitrade Platform. Where Transactions remain open for more than 7 days following our requirement for you to close them out, we reserve the right to close such Transactions on your behalf at the last available price.
- (4) If we receive a chargeback from your credit card issuer or with respect to any other payment method for any reason, you acknowledge that we reserve the right to:
 - (a) immediately close any or all of your open Transactions whether at a loss or a profit and liquidate your Account with or without any notice;
 - (b) cancel, re-price, adjust or void past transactions;
 - (c) immediately place restrictions on your Account with or without any notice, including: (i) the restriction on making deposits using any payment method to your Account; (ii) the restriction on requesting withdrawals from your Account; and (iii) the restriction on opening new Positions on the Mitrade Platform; the duration of the restrictions will be set at Mitrade's discretion; and/or
 - (d) terminate the Client Agreement.
- (5) Mitrade reserves the absolute discretion to terminate the Client Agreement with immediate effect or void or re-price or close out a Position at any time, for any value if in the sole opinion of Mitrade, you are suspected of Unauthorised Activities, market manipulation, false trading, market rigging, fictitious transactions, wash trading, insider trading, short selling, breaching the financial services laws or breaching the AML/CTF laws.
- (6) Under the Client Agreement you also indemnify Mitrade and its employees, agents and representatives against certain losses and liabilities. You should read the Client Agreement carefully to ensure you understand these powers and responsibilities.

(12) Electronic Trading Platform Risk

You shall be responsible for providing and maintaining the means by which to access the electronic trading platform, which may include without limitation a personal computer, modem and telephone or other access line. While the internet and the World Wide Web are generally reliable, technical problems or other conditions may delay or prevent access thereto. If you are unable to access the internet and thus, the electronic trading platform, it will mean you may be unable to trade in a product offered by Mitrade when desired and you may suffer a loss as a result. Should the system be unavailable, clients may place their orders via telephone with a representative of Mitrade. Furthermore, Mitrade reserves the right to suspend the operation of the electronic trading platform or any part or sections of it. In such an event, Mitrade may, at its sole discretion (with or without notice), close out your open contracts at prices it considers fair and reasonable at such a time. Mitrade may impose volume limits on clients' Accounts, at its sole discretion.

(13) Regulatory Risk

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in Margin FX Contracts or CFDs, as may any regulatory action taken against Mitrade.

(14) Mitrade Risk

Investors must deal directly with Mitrade to open and close Positions. Given you are dealing with Mitrade as counterparty to every transaction, you will have an exposure to us in relation to each transaction. This is common to all OTC financial market products. To mitigate this risk, we have implemented procedures to monitor our compliance with our license conditions and our financial obligations under ASIC's Regulatory Guide 166.

(15) Credit Risk

- (a) The obligations of Mitrade to make payments in respect of the contracts, are unsecured obligations of Mitrade, which means that you are subject to our credit risk. If we were to become insolvent, we may be unable to meet our obligations to you. You may become unsecured creditors in an administration or liquidation and will not have recourse to any Underlying Instruments in the event of Mitrade's insolvency.
- (b) Mitrade may also be unable to operate its business as a result of a regulatory impediment such as Mitrade ceasing to hold an Australian Financial Services Licence or because ASIC imposes a stop order on the PDS. However, Mitrade manages this risk by implementing effective policies and procedures and robust controls to comply with licence conditions and financial services laws.

(16) Counterparty Risk - Credit risk

- (a) Mitrade enters into arrangements with third party execution and clearing providers for the facilitation of transactions and settlements. Generally, retail and wholesale client money is not used in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives by Mitrade or on behalf of people other than the client. Mitrade uses house funds for the purposes of entering into hedge transactions to manage its exposure to you.
- (b) Clients may be indirectly exposed to the financial risks of our counterparties and organisations with whom Mitrade holds client funds. If the financial condition of Mitrade or assets of our counterparties or the parties with which we hold client assets deteriorate, then clients could suffer loss. Mitrade uses reputable counterparties such as established financial institutions with good credit standing along with adequate financial resources. In selecting the counterparties, Mitrade considers public information, credit agency reports and the most recent financial statements showing the paid up capital, assets and liabilities of those counterparties. In addition, Mitrade undertakes searches of the relevant regulators' databases to confirm that the proposed counterparty holds all the necessary licenses and/or authorities. We also use credit limits to manage our exposure to each counterparty.

(17) Counterparty Risk - Hedging

- (a) We maintain strict management over our counterparty risk and use of hedging. Hedging is the practice of offsetting counterparty risk, in this case being the risk of exposure to Positions generated when you enter into a Transaction with us. We hedge risk by entering into hedge trades with Liquidity Provider(s) (or "counterparties"), where we hold margin with Liquidity Providers. This creates an element of risk to clients as we are exposed to these counterparties and their potential insolvency or otherwise whilst they hold our funds. We regularly assess the financial stability of our Liquidity Providers to reduce risk where possible. Each trade you place with Mitrade triggers Mitrade to place an identical, corresponding trade with its hedge counterparty on a back to back basis.

It is important to note that our hedging activities may not eliminate all risk to you.

- (b) Within our risk management framework, we have assessed the market risk and counterparty risk arising from entering into Contracts with you (and our other clients) and our hedging counterparty, and applied controls to mitigate those risks. Such controls include, but are not limited to:
 - (i) the enforcement of leverage limits based on the Account Equity of the client and the instruments being traded; and
 - (ii) the selection and maintenance of one or more hedge counterparty relationships.
- (c) We maintain and implement a Hedging Counterparty Policy, which identifies our Liquidity Providers and sets out in detail the factors we take into account when selecting Liquidity Providers or hedging counterparties. Our Hedging Counterparty Policy is available on our website (www.mitrade.com). It may be updated from time to time as counterparties change.

(18) Counterparty Risk – Financial Resources

- (a) As an issuer of OTC derivatives, we comply with the specific financial requirements imposed on our AFSL as set out in ASIC Regulatory Guide 166 and other regulatory financial obligations. The goal of these requirements is to ensure that we meet the minimum level of financial resources required by law to conduct business and meet any liabilities as and when they may arise. We monitor our exposure on a daily basis using real-time software tools and prepare detailed financial reports on a monthly basis to ensure the applicable financial requirements are met.
- (b) We are required to have our accounts audited at least annually. The latest results of our financial audit process on record are available by contacting a Mitrade representative or via our support email cs@mitrade.com.

(19) Foreign Exchange Risk

- (a) Your Account is maintained in the currency you have nominated, that is, the Base Currency. Where you deal in a product that is denominated in a currency other than the Base Currency, all Initial and Maintenance Margins, profits, losses, interest rate payments/receipts and financing credits and debits in relation to that product are calculated using the currency in which the product is denominated.
- (b) Accordingly, your profits or losses may be affected by fluctuations in the relevant foreign exchange rate between the time the order is placed and the time the Position is closed, liquidated, offset or exercised.
- (c) Upon closing a Position that is denominated in a currency other than the Base Currency of your Account, the foreign currency balance will be converted to the Base Currency of your Account. Any conversion will be at the exchange rate quoted by Mitrade. Until the foreign currency balance is converted to the Base Currency, fluctuations in the relevant foreign exchange rate may affect the unrealised profit or loss made on the Position.

(20) Market Information Risk

- (a) Mitrade may make available to you through one or more of its services, a broad range of financial information that is generated internally or obtained from agents, vendors or third party providers. This includes, but is not limited to, financial market data, quotes, news, analyst opinions and research reports, graphs or data (Market Information). Market Information provided by us by email or through our website is not intended as advice. Mitrade does not endorse or approve the Market Information and we make it available to you only as a service for your own convenience. Mitrade and its third party providers do not guarantee the accuracy, timeliness, completeness or correct sequencing of the Market Information or warrant any results from your use or reliance on the Market Information.
- (b) Market Information may quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances. Neither Mitrade nor the third party providers are obligated to update any information or opinions contained in any Market Information and we may discontinue offering Market Information at any time without notice.

(21) Operational Risk

- (a) Operational Risk is inherent in every transaction, for example, disruption to Mitrade's operational processes such as communications, computers, networks or external events may lead to delays in the execution of or settlement of a transaction.
- (b) Mitrade relies on a number of technology solutions to provide you with efficient services. Prior to engaging these providers, Mitrade has performed due diligence and entered into service agreements with each provider.

- (c) A disruption to the Mitrade electronic trading platform may mean you are unable to trade in a product offered by Mitrade when desired and you may suffer a loss as a result. An example of disruption includes the “crash” of our computer-based trading system. Mitrade mitigates this risk by conducting regular backups and using appropriate IT protections.

(22) Risk Capital

You could lose all of the Initial Margin that you deposit to establish or maintain a Position. All derivatives trading involves risk and there is no trading strategy that can eliminate it entirely. The placing of contingent orders (such as a stop-loss order) may not always limit your losses to the amounts that you may want. Market conditions may make it impossible to execute such orders. In cases where you are speculating we suggest that you do not risk more capital than you can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.

(23) Investment decisions

You are solely responsible for any orders you place with us, and as such, the performance of any investment in Margin FX or CFDs using your Account will depend mainly on your own investment decisions.

(24) Cryptocurrency Risk (CFDs)

- (a) Mitrade does not buy or sell cryptocurrency nor does it operate as a digital currency exchange provider. Our contracts are, of course, only for differences in the changes of the prices of those units as they trade in their underlying markets without creating any direct equity interest in them, as with all CFDs.
- (b) Cryptocurrencies are digital currencies. Cryptocurrencies are also high risk and their value fluctuates significantly. Having a cryptocurrency as the Underlying Instrument is different to having other assets as the Underlying Instrument such as conventional foreign exchange pairs. It is important to note that while the instrument structure and specifications of such offerings are substantially similar to that of other CFDs or indeed Margin FX Contracts, the underlying markets are themselves very different. Broadly, although a variety of these different markets have become collectively known as “cryptocurrencies” or digital currencies, each cryptocurrency is different and subject to its own rules of creation, storage and transfer of ownership of their various units. It is beyond the scope of this PDS to describe the mechanics behind these underlying cryptocurrency markets. You should familiarise yourself with the operations of the cryptocurrency markets on which the CFDs you wish to trade are written, prior to trading. If you choose to invest in the high risk asset of cryptocurrencies through a high risk financial product such as CFDs you do so in the knowledge that you are exposed to the risk of loss.
- (c) We base the price of our cryptocurrency contracts on the underlying market, made available to us by the exchanges and market-makers with which we trade. These may be non-regulated, de-centralised digital exchanges. Accordingly, price formation and price movements of the cryptocurrencies depend solely on the internal rules of the particular digital exchange, which may be subject to change at any point in time and without notice. This often leads to a very high intra-day volatility in the prices of the cryptocurrencies which may be substantially higher compared to other instruments. Therefore, by trading CFDs in cryptocurrencies you accept a significantly higher risk of loss of your invested amounts which may occur within a very short time frame as a result of sudden adverse price movements of the cryptocurrencies. In particular, you should be aware that the pricing formation rules of the cryptocurrency exchanges are not subject to any regulatory supervision and may be changed at the relevant digital exchange’s discretion at any time. Similarly, such digital exchanges may introduce trading suspensions or take other actions that may result in suspension or cessation of trading on such exchanges or the price and market data feed becoming unavailable to us. The above factors could result in a material adverse effect on your open Positions, including the loss of all of your invested amounts. Where a temporary or permanent disruption to or cessation of trading occurs on any digital exchange from which we derive our price feeds for the relevant cryptocurrency, your Positions in such cryptocurrency will be priced at the last available price for the relevant cryptocurrency, and you may be unable to close or liquidate your Position or withdraw any funds related to such Position until the trading on the relevant digital exchange resumes (if at all). You accept that where trading resumes again at either the relevant original digital exchange or on any successor exchange thereof, there may be significant price differential (price gapping) which may impact the value of your CFD Positions in the relevant cryptocurrencies and result in significant gains or losses. In the event that the trading resumes on any other successor exchange than the relevant original digital exchange, Mitrade reserves the right to perform adjustments in order to neutralise the effect of the price difference of the two exchanges. Where trading does not resume, your entire investment will potentially be lost.

- (d) When you trade CFDs on cryptocurrencies, you need to be aware of the risk of a hard fork occurring. A hard fork is when a single cryptocurrency splits in two and occurs when a cryptocurrency's existing code is changed, resulting in both an old and new version of the cryptocurrency. Mitrade reserves the right to determine which blockchain (ledger of cryptocurrency transactions) and cryptocurrency unit has the majority consensus behind them and use this as the basis for cryptocurrency contracts. If the hard fork results in a viable second cryptocurrency becoming tradeable on exchanges we have access to, then in our absolute discretion, we may create an equivalent Position or cash adjustment on client Accounts to reflect its value. When a hard fork occurs, there may be substantial price volatility around the event, and we may suspend trading throughout if we do not have reliable prices from the underlying market. We will endeavour to notify you of potential forks, however it is your responsibility to make yourself aware of the forks that could occur. We may enforce a limit on the total amount of cryptocurrency exposure that each client is allowed to maintain. This information is available on our website or from our Helpdesk upon request. Any client with a notional size above this limit is at risk of having their cryptocurrency Positions reduced in our sole and absolute discretion.
- (e) Should you open a Position on a cryptocurrency CFD that extends over a weekend, you will be subject to increased priced volatility due to the weekend gap, since cryptocurrency markets operates 7 days a week while we are only open 5 days a week. As such, the gapping risk is increased upon opening hours for the Cryptocurrency CFDs.

10. SETTING UP YOUR ACCOUNT WITH MITRADE

- 10.1 Trading Margin FX Contracts and CFDs is a high risk, geared investment strategy and we do not consider it suitable for everyone. Investors applying for an Account must qualify through a set of assessment criteria which are set out in detail in our Client Qualification Policy. The assessment may be completed as part of the Account opening process when applying for an Account, and will be determined according to our Client Qualification Policy. The assessment may be conducted on-line or by telephone depending on the application channel, type and other relevant factors.
- 10.2 If applicable, an Account may be opened for applicants who pass the assessment, however those applicants who fail the assessment within the prescribed timeframe will not have an Account opened; both will be notified accordingly. In addition, those applicants who fail the first attempt at the assessment may be offered education to assist with understanding our Account. Applicants who initially fail the assessment may be reassessed in part or whole, or may re-apply for an Account and re-sit the assessment. Applicants are also encouraged to utilise our demo account for simulated trading, but please note that we do not consider trading on our demo account to be sufficient experience in demonstrating your suitability.
- 10.3 Before you begin dealing with us you must complete an Application Form either on-line or by hard copy and be approved by us. Before completing the Application Form you should read this PDS, including the Client Agreement. The Application Form requires you to disclose personal information. You should refer to the Client Agreement and the Privacy Policy on our website which explains how we collect personal information and then maintain, use and disclose that information between our Associated Companies or third parties, and privacy issues specific to your use of our website.
- 10.4 You warrant that the information (including financial information about yourself) provided to us in your Application Form (and at any time thereafter) is true and accurate in all respects. You acknowledge that we will rely upon the information you provide to us in making a judgement about you as a potential client.
- 10.5 We will only deal with you, if in our sole judgement, you have qualified for an Account as determined by our Client Qualification Policy. If in our sole judgement we consider that you have qualified, we will not be liable in any way to you or have any dealings or transactions between us set aside modified or varied if such experience, knowledge and understanding is found to be insufficient or that we were in error in making our judgement.
- 10.6 You will be deemed to be a retail client upon signing up to trade with us and your funds will be treated as derivative retail client money. If you are eligible to be classified as a wholesale client under the Governing Law, we may (but have no obligation to) re-classify you as a wholesale client, without notice. If this is to occur, your client money will be treated accordingly.

- 10.7 If you download and sign an electronic Application Form from our website, you should note that you will be deemed by us to have acknowledged that you have either downloaded and read the electronic versions of this PDS and the Client Agreement or received personally and read the paper copies of those documents.
- 10.8 The distribution of this PDS may be restricted in certain jurisdictions outside Australia. Persons into whose possession this PDS comes are required to inform themselves of, and to observe, such restrictions. This PDS does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation.
- 10.9 You may deposit funds, as opening and ongoing collateral, through electronic or telegraphic transfer, by credit card or debit card, or other funding methods that we may make available. All funds must be cleared funds in our bank account before they will be counted towards the balance on your account. Please be aware that using a credit card to fund your Account may pose the risk of increasing leverage from the combined effect of utilising a credit facility to fund a leveraged Account. We may agree to accept other assets as collateral in fulfilment of your Margin Requirements but, if we agree to do this, the holding of these assets will be subject to a further written agreement between you and us.
- 10.10 Unless agreed otherwise by us, you agree that any deposits to Mitrade will be made from a bank account, debit or credit card, or other facility accepted by us held in the same name as your Mitrade Account. You also agree to provide us with information that we reasonably require to comply with our anti-money laundering and counter-terrorism obligations, which may include documents relating to any deposits into your Mitrade account. Where it is evident, or subsequently becomes evident, to us that funds have been transferred by a third party into your Mitrade account, we may, at our absolute discretion, return the funds back to the account they were deposited from.

11. TRADING MARGIN FX CONTRACTS AND CFDs WITH MITRADE

11.1 Mitrade Trading as Principal

- (1) Mitrade will regularly state, via the electronic trading platform, the price at which it is prepared to deal with you as principal. This is known as being a 'market maker'. When dealing in Margin FX Contracts and CFDs, as with all over-the-counter derivatives, Mitrade is the issuer and a market maker, not a broker. Accordingly, each transaction agreed and entered into with you will be entered into as principal, not as agent. Should you decide to transact with Mitrade then Mitrade will enter into a legally binding contract with you (as principal) i.e. it will be the counterparty to the transaction and each contract purchased (or sold) by you will be an individual agreement made between you and Mitrade.

11.2 Open and Close a Position/Contract

- (1) How to open a Position/Contract

A Position (also known and referred interchangeably herein as a Contract) is opened by either buying (going long) or selling (going short) a Margin FX Contract or CFD.

BUYING – If you expect the Underlying Instrument to rise, you buy the Margin FX Contract or the CFD

SELLING – if you expect the Underlying Instrument to fall, you sell the Margin FX Contract or the CFD

- (2) How to close a Position/Contract

To close a 'long' Position you sell, and to close a 'short' Position you buy. You can hold a Position for as long as you like. This may be for less than a day, or for months. Mitrade does not set expiry dates for CFDs and Positions will be automatically rolled over to the next contract period unless you close the Positions.

Mitrade CFDs can be closed, provided you do so before the last time for dealing each day. Last times for dealing for all products are available in the Product Details or upon request from our dealers. It is your responsibility to make yourself aware of the last time for dealing for any CFDs in which you deal. If a Position has not been closed prior to the last time for dealing, it will automatically roll over to the next contract period. The Closing Price will generally be the last traded price at or prior to the close or the applicable official closing quotation or value in the relevant underlying market as reported by the Relevant Exchange; minus any commission or spread which is applied to the CFD when it is closed. Pricing is always subject to Mitrade's discretions.

11.3 Leverage

Leverage is a key feature of CFD and Margin FX Contract trading. Our products allow you to trade on rises and falls in a notional volume of currencies and other instruments while only putting up a small amount of your own money. With CFDs, you only have to put in a portion of the market value of the underlying instrument when making a trade. The remaining value of the instrument is covered by Mitrade. Even though you only put up a portion of the value, you are entitled to the same gains or losses as if you had paid 100%. The actual percentage of the market value that you will be asked to put in will vary for different underlying instruments. As at the date of this PDS, the maximum leverage offered by Mitrade is 1:200. It is your sole responsibility to frequently check the website for the latest leverage requirements as amended from time to time.

11.4 Calculation of Profit and Loss

(1) Margin FX Contracts:

- (a) The profit or loss from a Margin FX Contract is calculated by keeping the units of the base currency constant and determining the difference in the number of units of the term currency.
- (b) The amount of any profit or loss made on a Margin FX Contract will be the net of:
 - (i) the difference between the price at which you opened the Contract and the price at which you closed the Contract; and
 - (ii) the costs of daily financing
- (c) Further trading examples can be found in section 11.7 of this PDS.

(2) CFDs

- (a) When you close a CFD, you are either entitled to an amount of money or will be required to pay an amount of money, depending on the movements in the price of the CFD with reference to the Underlying Instrument.
- (b) The amount of any profit or loss made on a CFD will be the net of:
 - (i) the difference between the price at which you bought the CFD and the price at which you sold the CFD;
 - (ii) the costs of daily financing; and
 - (iii) any other fees, adjustments or benefits relating to the CFD.
- (c) Further trading examples can be found in section 11.7 of this PDS.

11.5 Long And Short Positions

- (1) You can open both long and short Margin FX and CFD Positions with Mitrade. Should you open a long Position, your intention would be to profit from a rise in the price of the Underlying Instrument, and you would suffer a loss should the price of the Underlying Instrument fall. Conversely, should you open a short Position, your intention would be to profit from a fall in the price of the Underlying Instrument, and you would suffer a loss should the price of the Underlying Instrument rise.
- (2) In order to close an open long or short Position, you need to select the Position and you can choose to close part of, or all of the Position. The closure of a Position will generally result in a profit or loss being realised in your Account.
- (3) You should note that Mitrade is not obliged to accept your orders. Generally, this would occur should you exceed the limits imposed on your Account by Mitrade, or where there are insufficient funds in your Account to meet your Margin obligations, but there may be other reasons as determined by Mitrade in its sole and absolute discretion.
- (4) The rates quoted for a Margin FX Contract or CFD by Mitrade include a spread which favours Mitrade. This spread is not an additional charge or fee payable by you. These spreads will differ depending on various factors including but not limited to market volatility, the Margin FX Contracts and CFDs traded.

11.6 Overnight Funding Fee

- (1) Any open Transaction held by you at the end of the trading day on which the relevant Underlying Instrument is traded or over the weekend when the relevant underlying market is closed, shall automatically be rolled over to the next business day to avoid an automatic close out and physical settlement of the Transaction. You acknowledge that, when rolling such Transactions to the next business day, an Overnight Funding Fee will be either added to or subtracted from the balance of your Account. The Overnight Funding Fee is a constant percentage of the Position value and is based on a number of factors including amongst others, whether the Transaction is a Buy or a Sell, interest rates, instrument differentials, daily price fluctuations and other economic and market related factors. The Overnight Funding Fee for each Instrument is displayed on the Mitrade Platform. In deciding whether to open a Transaction for a specific Instrument, you acknowledge that you are aware of the Overnight Funding Fee.
- (2) You hereby authorise us to add or subtract an Overnight Funding Fee to or from the balance of your Account for any open Transactions that have accrued an Overnight Funding Fee, in accordance with the applicable rate thereto, each day at the time of collection specified on the Mitrade Platform for each individual Instrument, as applicable. Further trading examples can be found in section 11.7 of this PDS.

11.7 Trading Examples of Margin FX Contracts and CFDs

- (1) Important information about the examples in this PDS

The examples in this PDS are solely intended to illustrate how our products operate. They are not intended to give any representation about the performance of particular shares or other underlying products. Nor are they intended to give any representation about the volatility of particular Underlying Instruments in general.

- (2) Margin FX Contracts

Margin FX Contracts allow you to gain exposure to movements in currency rates. They are opened in the same way as other CFDs. We will quote a bid and offer price for an exchange rate.

Example: Buying EUR/USD at a loss

You think that EUR will appreciate against the USD in the near future. You see that the price quoted on the EUR/USD currency pair by Mitrade is 1.13588/1.13594 (bid/offer). You want to sell it later at a higher price. The currency pair of EUR/USD is leveraged on 1:200 ratio, which is 0.5% of the Contract Value. In this example the Base Currency of your Account is EUR.

- (a) Opening the Position

1 lot = EUR 100,000

Buy 1 EUR/USD contract (i.e. 1 unit) at offer price: $1.13594 \times 100\,000 = \text{USD } 113,594$

Initial Margin = $113,594 \times 0.5\% = \text{USD } 567.97$

Estimated Maintenance Margin = $50\% \times 567.97 = \text{USD } 283.99$

Generally, Maintenance Margin is equal to half of the Initial Margin, however both Initial Margin and Maintenance Margin are subject to changes as a result of the market movements of the Underlying Instrument.

- (b) Overnight Funding

This long Position is held open after market closure and you are required to pay an Overnight Funding Fee based on interest rate differentials. In this example, EUR/USD has a daily Overnight Funding BUY of -0.0185%.

Interest paid by you: Contract Value x daily Overnight Funding rate

$\text{USD } 113,594 \times (0.0185\%) = \text{USD } 21.02$ (daily)

(c) Closing the Position

The next day the price of EUR/USD has decreased to 1.13147/1.13153. The Position has not moved in your favour and you decide to cut your losses and close the Positions by selling at the bid price.

Sell 1 lot at the bid price: 1.13147

Opening transaction: EUR 100 000 x 1.13594(Offer) = USD 113594

Closing transaction: EUR 100 000 x 1.13147 (Bid) = USD 113147

Gross loss on trade: = USD 447

Total loss = Gross loss + Interest paid = USD 468.02 (USD 447 + USD 21.02)

(3) Commodity CFDs

Mitrade also offers a range of CFDs on the price of various commodity futures. These are often generally referred to as Commodity CFDs. Details of these products are listed in the instrument details on the Mitrade Platform. There is no commission to pay on these types of CFDs. We quote an "all-in" price therefore the only charge is the spread, which is the difference between our bid and offer price.

Example: Selling 1 lot of Oil CFDs

You think that Oil will depreciate in the near future. You see that the prices quoted on Mitrade platform are \$85.60/\$85.65. You decide to sell 100 barrels which means you decide to sell 1 lot. You want to buy it later at a lower price in order to close this Position. The Oil contract is leveraged on 1:150 ratio, which is 0.67% of the Contract Value. In this example the Base Currency of your Account is USD.

(a) Opening the Position

Sell 1 lot at bid price: \$85.60(Bid)

Contract Quantity: 1 lot

Leverage: 1:150

Total Contract Value: 85.6 x 1 lot x 100 (Barrels) = USD 8560

Contract Value = 85.6 x 1 x 100 (Barrels) = USD 8560

Initial margin payable: \$85.6 x 1 lot x 100 (Barrels) x 0.67% = USD 57.35

Maintenance Margin = 50% x USD 57.35 = USD 28.68

Generally, Maintenance Margin is equal to half of the Initial Margin, however both Initial Margin and Maintenance Margin are subject to changes as a result of the market movements of the Underlying Instrument.

(b) Overnight Funding

This Position is held open after market closure and you are paid or debited an Overnight Funding Fee based on interest rate differentials. In this example, we assume that the daily Overnight Funding for oil is -0.015% for Buy and +0.015% for Sell.

Interest earned by you: Contract Value x daily Overnight Funding rate

USD8560 x 0.015% = \$1.284 USD (Daily)

(c) Closing the Position

The next day the price of Oil has jumped suddenly to \$75.50/\$75.55. The trade has moved against you. Assuming your entire Account was issued a Margin Call, Mitrade closes your Position to protect you from incurring further losses:

Buy 1 lot at the offer price: \$75.55 (Offer)

Total Contract Value: $75.55 \times 1 \text{ lot} \times 100 \text{ (Barrels)} = \text{USD } 7555$

Contract Value at opening price: $85.6 \times 1 \times 100 \text{ (barrels)} = \$ 8560$

Difference/Realised loss: $\text{USD}8560 - \text{USD}7555 = \text{USD}1005$.

Total amount payable: $\text{USD } 1005 - \text{USD } 1.284 = \text{USD } 1003.716$

Assuming your account balance is only \$900.00 at the time of the Margin Call, this loss will take your Account into negative balance. Mitrade will provide relief in the form of its Negative Balance Protection policy by taking your Account balance back up to 0, however, you will be blocked from any further trading unless agreed upon with Mitrade.

(4) Index CFDs

Stock Index CFDs allow you to gain exposure to a large number of different shares in one single transaction. There is no commission payable on opening or closing an Index CFD, however Overnight Funding adjustments may be applicable. We offer a wider range of European, US and Asian Index CFDs.

Example: Buy 1 lot of AUS200 CFD

You think that the S&P ASX 200 market in Australia is oversold and are anticipating a recovery. You decide to buy AUS200 CFD. You see that the prices quoted on the Mitrade platform are 4972/4975. You decide to buy 1 lot. The AUS200 contract is leveraged on 1:200 ratio, which is 0.5% of the Contract Value. In this example the Base Currency of your Account is AUD. The multiplier is 10 AUD per index point.

(a) Opening the Position

Opening Price: $4975 \text{ points} \times \text{AUD}10$

1 lot = index price in AUD

Initial margin payable: $4975 \times 10 \times 0.5\% = \text{AUD } 248.75$

Maintenance Margin = $50\% \times \text{AUD } 248.75 = \text{AUD } 124.38$

Generally, Maintenance Margin is equal to half of the Initial Margin, however both Initial Margin and Maintenance Margin are subject to changes as a result of the movements of the Underlying Instrument.

(b) Overnight Funding

This Position is held open after market closure and you are required to pay an Overnight Funding Fee based on interest rate differentials. In this example, we assume that the Overnight Funding is -0.075% per day.

Interest paid by you: $\text{Contract Value} \times \text{daily Overnight Funding rate}$

$= 49,750 \times 0.075\% = \text{AUD } 37.31$

(c) Over the next 2 days the AUS200 price rises to 5022/5025. You decide to close your Position and sell your Position at 5022.

Contract Value at Opening Price: $\text{AUD } 49,750$

Contract Value at Closing Price: $\text{AUD } 50,220$

Difference/Gross Profit on Trade: $47 \times 10 = \text{AUD}470$

Interest paid by you: $\text{AUD } 37.31 \times 2 = \text{AUD } 74.62$

Net Profit on Trade: $\text{AUD } 470 - \text{AUD } 74.62 = \text{AUD } 395.38$

(5) Cryptocurrency CFDs

Mitrade also offers cryptocurrency CFDs. Risks associated with cryptocurrency CFDs are detailed in section 9.3(24) above.

Example: Buy 5 lots of BTC/USD

You think that BTC will appreciate against the USD in the near future. You see that the price quoted on the BTC/USD currency pair by Mitrade is 4036/4071 (bid/offer). You want to sell it later at a higher price. The currency pair of BTC /USD is leveraged on 1:20 ratio, which is 5% of the Contract Value. In this example the Base Currency of your Account is USD.

(a) Opening the position

Opening Price: USD 4071 per bitcoin

1 lot = 1 unit of cryptocurrency

Contract Quantity: 5 lots

Contract Value at opening price: $4071 \times 1 \times 5 = \text{USD } 20,355$

Initial margin payable = $4071 \times 5 \text{ lot} \times 1 \text{ contract} \times 5\% = \text{USD } 1017.5$

Maintenance Margin = $4071 \times 5 \text{ lot} \times 1 \text{ contract} \times 2.5\% = \text{USD } 508.875$

Generally, Maintenance Margin is equal to half of the Initial Margin, however both Initial Margin and Maintenance Margin are subject to changes as a result of the movements of the Underlying Instrument.

(b) Overnight Funding

This position is held open after market closure and you are required to pay an Overnight Funding Fee based on interest rate differentials. In this example, we assume that the Overnight Funding is – 0.01% per day.

Interest paid by you: $\text{Contract Value} \times \text{daily Overnight Funding rate} = 20,355 \times 0.01\% = 2.03\text{USD (daily)}$

(c) 4 days later, the BTC/USD price rises to 4100/4135. You decide to close your position and sell your position at 4100.

Contract Value at Opening Price: $4071 \times 1 \times 5 = 20,355\text{USD}$

Contract Value at Closing Price: $4100 \times 1 \times 5 = 20,500 \text{ USD}$

Difference/Gross Profit: $20,500 - 20,355 = 145 \text{ USD}$

Interest paid by you: $2.03 \times 4 = 8.12 \text{ USD}$

Net Profit on Trade: $145 - 8.12 = 136.88 \text{ USD}$

11.8 Stop Loss and Take Profit Orders

- (1) We may, in our sole discretion, allow you to specify a closing price for a Transaction through a Stop Loss and Take Profit order, subject always to the clauses of the Client Agreement, and any other terms and conditions we may implement from time to time.
- (2) Upon your offer and our acceptance of your Order, you hereby authorize us to close the Transaction at the Stop Loss price or Take Profit price, as applicable, and as agreed in the Order, without further instruction from or notification to you. We may, in our sole discretion, close the Transaction when the price quoted by us on the Mitrade Platform equals or exceeds the price accepted by us for such an Order.
- (3) We may, in our sole direction, allow you to request the opening or closing of a Transaction, including a Stop Loss and Take Profit Order, within a specific time period determined by you. If we have accepted such a request, we may in our sole discretion, close the Transaction within such specific time period. You acknowledge and agree that we shall not be obliged to close such Transaction outside such specific time period or which does not otherwise comply with any other limitations agreed upon with respect to such Transaction.
- (4) We may, in our sole discretion, accept an offer to place a trailing stop in relation to a Stop Loss. You acknowledge that the original price level set forth in a Stop Loss may be amended as the market on the Mitrade Platform moves in your favour. Whilst your trailing Stop Loss is still in effect, you agree that each change in the market by at least one pip in your favor shall constitute a new offer by you to raise the level of your trailing Stop Loss by one pip. Changes in a Pip will be rounded to the nearest absolute value in your Base Currency.

- (5) You acknowledge and agree that due to market volatility and factors beyond our control, we cannot guarantee that an Order will be executed at the level specified in your Order, for example, an Order may be closed at a worse price than as originally specified by you in such an Order. In such an event, we will close the Transaction at the next best price. For example, with respect to a Stop Loss, in the case of a long position, the price may suddenly decrease below the Stop Loss price, without ever reaching the specified price. In the case of a short position, the price may suddenly increase above the Stop Loss price, without ever reaching the specified price.
- (6) With respect to a Take Profit, where the price for the Underlying Instrument moves to your advantage (for example, in relation to a long position, if the price goes down as you buy or the price goes up as you sell), you agree that we can (but we are under no obligation to) pass such price improvement on to you. For example, in the case of a long position, the price of the Underlying Instrument may suddenly increase above the Take Profit price, without ever reaching the specified price. In the case of a short position, the price of the Underlying Instrument may suddenly decrease below the Take Profit price, without ever reaching the specified price.

11.9 Balance on your Account

- (1) The following figures on your Account are calculated in real time and are detailed as follows:

Balance: (which does not include the unrealised P&L of the current open positions)

= Deposits - Withdrawals + Realised Total P&L of closed positions (but does not include the unrealised P&Ls on the open positions)

Available Balance: (which means amount available to be used for new positions or to withdraw)

= Balance + Unrealised Total P&L on open positions + daily Overnight Funding rate for all open positions x number of days - Total of Initial Margins

Net P&L: (which means the profit and loss for all open positions)

= the total of (P&L + daily Overnight Funding rate x number of days)

Equity: (which means the current account valuation when all positions are liquidated)

= Balance + Net P&L

Your 'Available Balance', 'Net P&L' and 'Equity' are constantly calculated in line with the market movements. If the 'Equity' touches or falls below the total of Initial Margin requirements you will receive an alert when you log onto your Account and your positions are at risk of being liquidated. If the "Equity" touches or falls below the total of Maintenance Margin requirements your positions are at immediate risk of being liquidated.

It is your responsibility to ensure that your account is sufficiently funded at all times, especially during volatile periods.

If your positions are denominated in a currency other than the base currency of your Account, they will be continually valued and converted to your base currency.

11.10 Negative Balance Protection

Negative Balance Protection is an automated adjustment of your account balance(s) to zero in case they become negative after a stop out. When trading financial products on margin, it is possible to reach an account deficit state, i.e. a situation when the account's balance is negative, for instance where a leveraged exposure loses more than the value of the Equity on the Account.

This Negative Balance Protection policy is a right to be exercised by Mitrade and not an obligation. If you have more than one Account, the balances will be netted first.

At its sole and absolute discretion, Mitrade may reduce the netted negative balances down to 0.

Mitrade may take as much time as it requires to investigate and make any determination or exercise any discretion including but not limited to whether it will provide negative balance relief to clients. Mitrade shall not be liable for any losses due to delay.

Mitrade reserves the right to terminate your Account, reject your orders, refund your deposits or otherwise block you from entering further exposures after exercising its right to provide negative balance relief. Should you still wish to trade with Mitrade, you must notify Mitrade.

The Negative Balance Protection must not be relied upon as protection against your losses. It is your sole responsibility to have in place sound risk management practices when trading with Mitrade.

11.11 Currency Conversion

If any of your Positions are denominated in a currency other than the Base Currency of your Account, the details of these Positions (including Initial Margin Requirement, Maintenance Margin Requirement, running P&Ls and realised P&Ls) will be continually valued in your Base Currency based on the applicable Mitrade foreign exchange rate. Your statement will also value all your Positions in your Base Currency.

11.12 Use of Mitrade's Electronic Trading Platform

- (1) Mitrade provides an electronic trading platform which enables clients to trade in our products i.e. clients are provided direct access to Margin FX and CFD rates over the internet. The terms of use applicable to utilising our electronic trading platform, are detailed in the Client Agreement you are required to execute prior to trading. Some of the key provisions include the following:
 - (a) Mitrade reserves the right, in its sole discretion, to institute or change any policies at any time relating to the use of our electronic trading platform. Any such changes will be advised to you directly via our electronic trading platform, email or our website.
 - (b) Clients are granted a non-exclusive and non-transferable licence to use the electronic trading platform subject to the terms of the Client Agreement.
 - (c) Clients shall only use our electronic trading platform for its internal business or investment purposes.
 - (d) Clients shall not permit any third party to copy, use, modify, disassemble, translate or convert in connection with use of our electronic trading platform or distribute the platform to any third party.
 - (e) Our electronic trading platform may be used to transmit, receive and confirm the execution of orders, subject to market conditions and applicable rules and regulations.
 - (f) Mitrade consents to the Client's access and use in reliance upon the Client having adopted procedures to prevent unauthorised access to and use of the electronic trading platform, in any event, the Client agrees to any financial liability for trades executed through the electronic trading platform.
 - (g) Where a Client is granted access to the electronic trading platform, the Client acknowledges and warrants that it has received a password granting it access to the electronic trading platform; is the sole owner of the password provided; and accepts full responsibility for any transaction that may occur on an Account opened, held or accessed through the use of the password provided to the Client by Mitrade.
 - (h) Clients agree to accept full responsibility for the use of the electronic trading platform and for any orders transmitted through the electronic trading platform. Mitrade must be notified immediately should a Client become aware of any unauthorised use, loss or theft of the Client's username, password or Account numbers; or inaccurate information with respect to the content of statements including, cash balances, open Positions or transaction history.
 - (i) The electronic trading platform is provided on an "as-is" basis and Mitrade makes no express or implied representations or warranties to the Client regarding its operation or usability.
 - (j) Mitrade does not warrant that access to or use of the electronic trading platform will be uninterrupted or error-free, or that the service will meet any particular criteria with respect to its performance or quality nor do we make any warranty as to the timeliness, sequence, accuracy, completeness, reliability or content of any information, service or transaction provided through the use of the electronic trading platform or the results obtained from its use. Mitrade expressly disclaims all implied warranties, including without limitation warranties of merchantability, title, fitness for a particular purpose, non-infringement, compatibility, security or accuracy.
 - (k) Under no circumstances, including negligence, will Mitrade be liable for any direct, indirect, incidental, special or consequential damages including, without limitation, business interruption or loss of profits that may result from the use of, unavailability of, or inability to use the electronic trading platform.
 - (l) Clients agree that the use of the electronic trading platform is at the Client's risk and the Client assumes full responsibility for any losses resulting from the use of or materials obtained via the electronic trading platform.

- (2) Please note that Close-Outs are implemented on our electronic trading platform at the sole discretion of Mitrade, and no liability for the direct or indirect consequences thereof shall be accepted by Mitrade in relation thereto.

11.13 Suspended or Halted Underlying Instruments

- (1) An Underlying Instrument may be placed in a trading halt on the Relevant Exchange in various circumstances. Additionally, it may be suspended or delisted in certain circumstances. Mitrade may, in its absolute discretion, cancel your order in respect of a CFD transaction which has not yet been opened, adjust the terms of a Position, change Margin Requirements or close any open CFD, where the Underlying Instrument is subject to a trading halt, suspension or delisting.
- (2) When you place an order for a CFD or Margin FX Contract with us, we simultaneously place a corresponding identical, back to back order to purchase or sell the relevant product to hedge our market risk. Mitrade has the discretion as to when and if it will accept an order. Without limiting this discretion, we may elect not to accept an order in circumstances where our corresponding identical, back to back hedge order cannot be filled.
- (3) Accordingly, Mitrade may at any time determine, in our absolute discretion, that we will not permit the entry into CFDs or Margin FX Contract transactions over one or more Underlying Instruments, securities or currencies and reject your offer to transact with us.

11.14 Confirmations and Statements

- (1) Margin FX Contracts and CFDs opened or closed via the Mitrade Platform will be confirmed on-screen. Statements are at all times available for you to download from the Mitrade Platform and we will send you email notification regarding the availability of the statement should you choose to receive such notification by changing your settings on the Platform. If you elect to receive statements by post we reserve the right to levy an administration charge. Confirmations will give the details of any Transactions that you open or close with us. Your statements will include a summary of the financial Position of your Account and details of all transactions on your Account for the statement period. We make every effort to ensure that all details are correct. However, it is very important that you read your statements and contact us if you disagree with the contents or if you do not receive your statements within 48 hours of the trade.
- (2) You need to be aware of your Account balance, your Margin Requirements for open Positions, and whether you are approaching your Maintenance Margin. Your statement will also show whether your Account has any excess funds available.
- (3) When we send you a Confirmation or a statement you must review it and advise us of any mistake or inaccuracies within 48 hours or you will be deemed to have accepted them, and they will be binding on you.
- (4) Any queries about your Confirmations and statements should be made to our Customer Services Department. Any failure to advise of a mistake or inaccuracy will not preclude your right to make a complaint in accordance with our dispute resolution procedure (see section 19) but we reserve the right to rely upon the clauses of the Client Agreement.

11.15 Specialist Language Services

If you have been dealing with us in a language that is not English, for example using some of our specialist Chinese or other foreign languages speakers, then please note that these foreign languages services may not be available at all times. English is the primary language in which our services are provided and the binding language of all our contractual documents. There may be occasions where you must take action in relation to your account and a representative who is fluent in that foreign language is not available. It is your responsibility to be able to monitor your Positions and your account at all times.

12. MARGIN

Margin FX Contracts and CFDs are subject to Margin obligations i.e. you must deposit funds for security/margining purposes. You must pay all Margin payments required by us in respect of your Account.

12.1 Initial Margin requirements

Where you enter a Transaction, you will be required to pay an Initial Margin (an initial deposit/up-front payment). An Initial Margin means an amount of collateral that is required from you as security to enter into a Margin Position. We will require an Initial Margin calculated as a percentage of the Contract Value. The Initial Margin will vary depending on various factors such as but not limited to, market volatility and the liquidity of the Underlying Instrument on which the product is based and is determined at Mitrade's discretion. As at the date of this PDS, the Initial Margin will be no less than 0.5% of the Contract Value (note this is subject to change – refer to our website for the latest Initial Margin percentages). Once a Position is opened, the Initial Margin is paid once and is not marked to market – it will remain as the amount initially paid to open the Position, regardless of the Contract Value at any given time.

However, Mitrade reserves the right to change the Initial Margin percentage in its sole and absolute discretion from time to time. This may (but is not necessarily) be due to changes in the volatility of the market or the perceived risk of the specific Margin FX Contract or CFD. It is therefore vital that you frequently monitor the website and the trading platform for any such changes. Where a change in Initial Margin occurs, an email notification may be issued (even where you have already paid the Initial Margin and meet the Maintenance Margin), informing you of the new rates which will apply to both existing and new Positions. Such changes to Initial Margin may trigger a Margin Call if you have not met the new margin requirement, and in this case, a separate Margin Call email may be sent to you. You will be prevented from opening any further exposures on your Account and Mitrade will have the discretion to close out your open Position unless and until the new Initial Margin amount is paid to Mitrade in cleared funds for all your open Positions. This figure is calculated as the new Initial Margin percentage multiplied by the Contract Value as at the date of the Margin Call.

12.2 Maintenance Margin requirements

- (1) In order to maintain your open Positions you are required to keep sufficient Equity on your Account to meet the Maintenance Margin. This is a requirement to maintain Equity above 50% (or as amended on the website from time to time) of the Total Initial Margin paid on the entire Account. If Equity falls below the Maintenance Margin level, Mitrade shall be entitled to close out your Positions in its sole and absolute discretion, regardless whether you received any prior Margin Calls. For the avoidance of doubt, if you have paid \$1000 in Initial Margins, your Equity must not touch or fall below \$500. Assuming your Positions remain unchanged from when you opened them, you may meet the Maintenance Margin with the \$1000 already paid as Initial Margin. Should your Positions deteriorate to an Equity of \$400, you will need to deposit (at the very least), an additional \$101 to bring your Equity back above the Maintenance Margin level, notwithstanding the \$1000 already paid in Initial Margin. Given the dynamic nature of financial markets you may in practice, wish to deposit a slight buffer in addition to making up the shortfall, in case your Positions move further against you and increases your margins further.
- (2) Margin Calls
 - (a) Margin Calls will be made on a net Account basis i.e. should you have several open Positions, then Margin Requirements are calculated across the group of open transactions. A first Margin Call may be triggered once Equity reaches 100% of the Total Initial Margin paid in the Account. Should Mitrade decide to issue a Margin Call in this instance, your Account will be prevented from opening any further exposures and Mitrade shall be entitled to close out your Positions without further notice unless and until you increase Equity in the account back above 100% of the Total Initial Margins paid. Deposits must be received as cleared funds.
 - (b) A second Margin Call may be triggered once Equity reaches the Maintenance Margin on your Account. Should Mitrade decide to issue a Margin Call in this instance, you will receive a warning that Mitrade's rights to close out your Positions due to breach of Maintenance Margin has been enlivened and that your Positions are at imminent risk of close out.
 - (c) Mitrade has no obligation to issue any Margin Call. It is your sole responsibility to frequently check your Margin Requirements in your Account. You acknowledge that Mitrade may close out your Positions without further notice once your Equity falls below the Maintenance Margin level regardless whether you have received a Margin Call or not. It is your responsibility to ensure you have sufficient Maintenance Margin and Initial Margin prior to opening any new exposures, regardless whether you have received a Margin Call or not. Given the dynamic nature of financial markets you may in practice wish to deposit a slight buffer in addition to making up the shortfall, in case your Positions move against you and increases your margins further.

- (d) Margin using stop orders – attaching a stop order to a Margin FX or CFD Position will not reduce your deposit requirements.

12.3 Notifications regarding Margin Requirements

Your current margin Position (and any deficit) can be viewed when you are logged onto your Account or can be obtained from our dealers by contacting us. You acknowledge that the issuing of Margin Calls is a service provided on a best endeavours basis and our failure to notify you in no way negates your obligation to monitor your margin Position and pay any shortfall. If you do not pay us any shortfall and your Account deteriorates to or below the Maintenance Margin, the Client Agreement gives us significant rights against you that you should be fully aware of. These rights include, but are not limited to, closing your open Positions without prior notice to you.

12.4 Failure to meet Margin Requirements

- (1) We have no obligation to provide notification when your Account is approaching a Margin Call and you are responsible for monitoring your Accounts at all times. If your Account deteriorates to or below the Maintenance Margin, then we may in our absolute discretion and without creating an obligation to do so, Close-Out all or some of your open Positions and reduce the resulting realised losses from any excess funds held in your Account without notice to you. Any losses resulting from us Closing Out your Positions will be debited to your Account and we may require you to provide us with additional funds.
- (2) This process may be performed by our internal automated Close-Out Monitor ('COM') system or our dealing desk may, at our discretion, Close Out some or all open Positions until the Maintenance Margins paid on your Account are fully covered by Equity. When closing Positions, our automated COM system or our dealing desk operates on a best endeavours basis and closes the Positions with the largest running losses and applies the First In First Out ('FIFO') policy for the Positions with the same running losses. Exceptions may apply dependant on market conditions and other factors including but not limited to, accounts with multiple Positions that are held with or without stop orders. It is important to note that any open Positions are deemed to be at risk of being Closed-Out as soon as your Account falls to or below the Maintenance Margin.
- (3) Mitrade has the right to limit the size of your open Positions, whether on a net or gross basis under any appropriate circumstances as determined by Mitrade. Mitrade also has the right to refuse any request made by you to place an order to establish a Position at any time at Mitrade's discretion without having to give you a notice.

13. CLIENT MONEY

13.1 Trust Account

- (1) Any money received from you will be deposited and held by us on trust in a segregated trust Account established, maintained and operated in accordance with the Australian Client Money Rules. We treat all client money as retail client money for segregation purposes and we do not use client money for the purpose of meeting obligations incurred by us when hedging with other counterparties. A statutory trust such as the segregated client money account does not guarantee absolute protection of your money. Your money may be held in multiple trust accounts and are comingled with other clients' money. This means that a short fall in client money owing to one client may impact on the funds available to other clients. You may reduce this risk by minimising the amount of money that is kept in the client money account.
- (2) Mitrade will not be liable for the solvency or any act or omission of any bank holding the trust accounts.
- (3) All client money held by Mitrade is fully segregated. We deal with client money in full accordance with the Client Money Rules set out in Part 7.8 of Division 2 of the Corporations Act ("Australian Client Money Rules") and ASIC Regulatory Guide 212: Client Money Relating to OTC Derivatives. Client money is paid into a trust account that we maintain with an authorised deposit-taking institution ("ADI").
- (4) Generally, Mitrade does not use client money for the purpose of meeting obligations incurred by us when hedging with other counterparties. Any obligations incurred by us in relation to such transactions are funded by Mitrade from our own funds.

However, we reserve the right, to the extent permitted by law to use wholesale client money (excluding that of sophisticated investors) in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives by Mitrade (including dealings on behalf of people other than Mitrade).

- (5) We are solely entitled to any interest or earnings derived from client money being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules with such interest and earnings being payable from the segregated trust account as and when we determine.

13.2 We will only make a withdrawal from client money trust account to:

- (1) process a withdrawal for a client upon request;
- (2) withdraw fees which we are entitled to charge as part of a deposit or withdrawal transaction;
- (3) process a payment to us which we are entitled to as a result of a client trading with us; and
- (4) process a payment that is authorised by law or in accordance with the Operating Rules of a licensed market.

14. FEES AND CHARGES

We may change these fees by notice on our website from time to time. Where the change is an increase in fees or charges, we will provide at least 30 days' notice prior to effecting the change.

14.1 Spreads

- (1) We may charge spreads (the difference between the bid and the ask price) on your trades in favour of Mitrade. Details of spreads can be found on our website. For Margin FX Contracts the spreads will be charged in the quote currency of the instrument being traded, which can then be converted into the base currency of the Account in order to determine your cost of trading.
- (2) Spreads vary according to various factors including but not limited to, the market concerned and are subject to variation, especially in volatile market conditions, and we may change our spreads at any time. The applicable spreads are provided in our website and our Platform. Because dealing spreads may depend upon activity in an underlying market, the spread when you close a CFD may be different to the spread when you opened it.

14.2 Payments of Margin

- (1) Margin is not a cost; however, Margin is the amount of capital required in your Account for you to open a Transaction. The way that we calculate Margin varies based on the Underlying Instrument being traded. Initial Margin requirements will be displayed on our Platform and we recommend that you check the details of your Contract to understand the amount of Margin required.
- (2) You can use the following formula:

Lot size or desired volume x Margin Percentage x opening price = Initial Margin required

Example:

You want to open 1 lot AUD/USD (1 lot = 100,000 base currency of AUD/USD with a leverage level of 1:200. The prevailing price for AUD/USD is 0.76001.

Your calculation for initial Margin Requirement would be $1 \times 100,000 \times 0.005 \times 0.76001 = \text{USD } \380 .

If the base currency of your Mitrade Account is denominated in a currency other than USD, the Margin Requirement will be converted to your base currency based on the applicable Mitrade foreign exchange rate.

14.3 Overnight Funding Fee

- (1) Any open Transaction held by you at the end of the trading day, over the weekend or when the relevant underlying market is closed, shall automatically be rolled over to the next business day to avoid an automatic close and physical settlement of the Transaction. You acknowledge that, when rolling such Transactions to the next business day, an Overnight Funding Fee will be either added to or subtracted from the balance of your Account. The Overnight Funding Fee is a constant percentage of the Contract Value and is based on a number of factors including, amongst others, whether the Transaction is short or long, interest rates, Instrument differentials, daily price fluctuations and other economic and market related factors. The Overnight Funding Fee for each Instrument is displayed on the Mitrade Platform. In deciding whether to open a Transaction for a specific Instrument, you acknowledge that you are aware of the Overnight Funding Fee.
- (2) No interest is paid or received if you open and close a Position in the same trading day.

14.4 Inactivity Fee

- (1) Where you have not opened or closed a Position on your account for a period of 180 days, it will be deemed inactive. This will occur regardless of any deposits, withdrawals, issued orders that have not been executed, fees and charges paid or any other evidence indicating the contrary. The period of inactivity will be deemed to commence on the calendar day after the last open or close transaction on your account. If your account remains inactive after 180 days, you will be liable to pay a fee ('Inactivity Fee') in return for the provision of administrative and information services and the continued availability of your Account.
- (2) You shall pay Inactivity Fees as agreed with you from time to time or we may deduct such Fees from any funds held by us on your behalf. Inactivity Fees may change by notice on our website from time to time.
- (3) The Inactivity Fee will be equal to the lower of the remaining balance in your account or USD \$10 (or equivalent), levied monthly in arrears and in the Base Currency of your Account.
- (4) Your Account may be closed upon the earlier of the complete depletion of the balance of your account or once the account has been inactive for a further 12 months after the initial 180 day inactivity period.

14.5 Other Fees

Other services such as payment processing, credit card or telegraphic transfers may attract a fee. Please visit our website www.mitrade.com for further details and applicable costs.

14.6 Payments to third parties and employees

- (1) Any payment by Mitrade to third parties and/or its employees must comply with financial services regulation in Australia and the Future of Financial Advice ('FOFA') reforms and must not be 'conflicted remuneration'.
- (2) Employees of Mitrade are not remunerated on a commission basis. No related body corporate of Mitrade nor any director of Mitrade or its related bodies corporate receive any commission or other benefits attributable to the OTC derivatives products offered by us. Our staff are remunerated by salary with a discretionary bonus element based on the discretion of senior management having regard to completion of relevant compliance training, adherence to compliance policies, standards of service to clients and feedback from them, their contribution to the firm in general and reaching a range of personal performance targets.

14.7 Changes in fees and charges

The fees and charges may change from time to time and will be reflected on our Website as required. For an increase in fees or charges, we will give you at least 30 days' notice before the change takes effect. For any other changes, we will give you notice as soon as practicable after the change occurs but not more than 3 months after. Please refer to our Website for more information about the fees and charges applicable to your Account.

15. TAXATION

15.1 Introduction

- (1) If you trade in Margin FX Contracts or CFDs, you may be subject to Australian taxation. This section outlines general information about significant Australian income tax and GST implications of trading derivatives.
- (2) The information contained in this section is of a general nature only and is not intended to constitute legal or taxation advice and should not be relied upon as such. Mitrade recommends that you obtain independent professional taxation advice on the full range of taxation implications applicable to your own personal facts and circumstances.

15.2 Tax consequences of trading margin FX and CFDs

- (1) The ATO has not issued any specific Tax Ruling or Determination in respect of Margin FX Contracts. However, they are similar in nature to CFDs in that they are both cash settled derivatives which provide the investor with exposure to price movements in Underlying Instruments traded on markets, without directly investing in those Underlying Instruments.
- (2) The taxation of CFDs is set out in ATO Tax Ruling TR 2005/15. Under TR2005/15, if you enter into a CFD Position in the ordinary course of your business or for profit-making purposes, it is likely that any profit derived or loss incurred by you will be included in, or allowed as a deduction from, your assessable income.

15.3 Goods and Services Tax

- (1) GSTD 2005/3 states that no GST should be payable in relation to your trading of Margin FX or CFDs with Mitrade. However, GST may apply to certain fees and costs charged to you.

16. DISCLOSURE OF INTERESTS

16.1 Mitrade is a market maker, not a broker, and accordingly and unavoidably will always act as principal for its own benefit in respect of all Margin FX Contracts and CFD transactions with you. Mitrade will conduct transactions to hedge its liability to you in respect of your Margin FX Contract or CFD Positions by undertaking a corresponding identical, back to back transaction with its hedge counterparty. Such trading activities may impact (positively or negatively) the prices at which you may trade Margin FX Contracts and CFD products.

17. ETHICAL CONSIDERATIONS

Our Products do not have a managed investment component. Labour standards or environmental, social or ethical considerations are not taken into account by us when making, holding, varying or Closing Out our Financial Products.

18. CHANGING YOUR MIND – COOLING OFF PROVISIONS

There are no cooling-off arrangements for our Financial Products. This means that you do not have the right to return the Financial Product, nor request a refund of the money paid to acquire the Financial Product. You are bound by the Client Agreement when you enter into a Contract.

19. COMPLAINTS

19.1 Mitrade maintains a complaints handling procedure, which can be accessed on our website. You agree that we will investigate any complaints received in accordance with our complaints handling procedures. Any complaints will firstly be investigated by our Customer Services Department. If the Customer Services Department is unable to resolve the complaint to your satisfaction, you may refer your complaint to the Compliance Department.

19.2 If you are unsatisfied with the outcome of our final response and your complaint cannot be resolved by us through our internal complaints handling procedures, you may refer the dispute to the external and independent dispute resolution scheme, being the Australian Financial Complaints Authority (AFCA).

19.3 Before AFCA will deal with your complaint, you must have firstly lodged a complaint with us and we are entitled to have 45 days to investigate your complaint and provide you with a final response.

Therefore, if you have a complaint about our services please firstly contact us using the details below to inform us about your complaint. You may do so by telephone, email or letter.

Mitrade Global Pty Ltd
Level 17, 350 Queen Street
Melbourne, VIC 3000
Phone: + 61 3 9606 0033
Email: cs@mitrade.com

If you remain unsatisfied with the outcome of our final response, you may escalate your complaint to AFCA, details of which are:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Australia
Phone: 1800 931 678
Email: info@afca.org.au
Website: www.afca.org.au

20. PRIVACY POLICY

Your privacy is important to us. The information provided by you to Mitrade in connection with your Account will primarily be used for the processing of your Account application and for complying with certain laws and regulations. We may use this information to send you details of other services or provide you with information that we believe may be of interest to you. Full details of our Privacy Policy are available from our website www.mitrade.com.

21. GLOSSARY

“Account” means the account of your dealing in the Financial Products issued by Mitrade, which is established in accordance with the Client Agreement, this PDS and other applicable disclosure documents;

“Agreement” means the Client Agreement, this PDS and the FSG, which together govern our relationship with you;

“AML/CTF Act” means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and all regulations, rules and instruments made under that legislation, as updated, replaced or amended from time to time;

“Application Form” means the form available on our website which must be completed in order to open an Account;

“Authorised Person” means a person authorised to bind you under this Client Agreement;

“Base Currency” means the main currency used in a given Account to display account information such as Margin Requirements, Account balance and fees and charges;

“Business Day” means a day on which trading banks in Melbourne, Australia are open for business, excluding any public holidays and weekends;

“CFD” is a Contract For Difference which is an over-the-counter derivative product comprising an agreement under which one party is entitled to be paid an amount of money (profit), or has to pay an amount of money (loss), resulting from movements in the price or value of an Underlying Instrument or security (without actually owning that Underlying Instrument or security);

“Client” means you, the counterparty or prospective counterparty to Mitrade’s Margin FX Contracts and CFDs;

“Client Agreement” means the document containing the terms and conditions governing Mitrade’s relationship with you;

“Client Money” means the money that our clients have deposited with us and which is held by us under the Australian Client Money Rules;

“Close of Business” means the time at which the market of the Exchange, on which the Underlying Instrument over which a CFD is quoted, normally closes on any Business Day;

“Closing Notice” means in relation to a CFD the notice given by one party to the other to close any CFD in accordance with the Client Agreement and this PDS;

“Closing Price” means in relation to a CFD, the Underlying Instrument Price as determined by Mitrade at the time Mitrade receives the Closing Notice;

“Closing Value” means in relation to a CFD the Closing Price multiplied by the Contract Quantity;

“Collateral” means any property (including securities or other assets by agreement under special circumstances) deposited with Mitrade by you;

“Confirmation” means the email sent to you from Mitrade on or up to 2 business days after the transaction containing the identification details of the product issuer and you, the date of the transaction, description of the transaction, amount payable and any taxes or stamp

duty applicable to the transaction;

“Contract” means any contract whether verbal or written, for the purchase or sale of a financial product, entered into by you. Used interchangeably with ‘Position’;

“Contract Value” means in relation to a CFD the Underlying Instrument Price multiplied by the Contract Quantity;

“Contract Quantity” means in relation to a CFD the number of Underlying Instruments to which the CFD relates;

“Corporations Act” means the Corporations Act 2001 (Cth);

“Corporations Regulations” means the Corporations Regulations 2001 (Cth) as updated, replaced or amended from time to time;

“Event of Default” means each of the following:

- (a) you fail to meet a call for Margin or make any other payment when due under this Client Agreement;
- (b) you are not contactable by Mitrade (and have not made alternative arrangements) within the time specified by Mitrade in order for Mitrade to obtain instructions (where required);
- (c) you die or become of unsound mind, or the partnership, trust or company is dissolved or ceases to exist for any reason;
- (d) you suspend payment of its debts, make any composition with your creditors, have a receiver appointed over some or all of your assets, take or has any proceedings taken against you in bankruptcy or takes or allows any steps to be taken for its winding up (except for a solvent amalgamation or reconstruction approved in advance in writing by Mitrade) or anything similar to any of these events happens to you anywhere in the world;
- (e) you fail in any respect fully and promptly to comply with any obligations to Mitrade under this Client Agreement or otherwise or if any of the representations or information supplied by you are or become inaccurate or misleading in any material respect;
- (f) any guarantee, indemnity or security for your obligations is withdrawn or becomes defective, insufficient or unenforceable in whole or in part;
- (g) any security created by any mortgage or charge binding your assets becomes defective, insufficient or unenforceable in whole or in part;
- (h) this Client Agreement has been terminated;
- (i) the Client engages or is suspected of engaging in Unauthorised Activities; or
- (j) it becomes or may become unlawful for Mitrade to maintain or give effect to all or any of the obligations under this Client Agreement or otherwise to carry on its business or if Mitrade or you are requested not to perform or to close out a transaction (or any part thereof) by any governmental or regulatory authority whether or not that request is legally binding.

“Financial Product” includes the Margin FX Contracts and Contracts for Difference issued by Mitrade;

“Governing Legislation” means the Corporations Act 2001 and the regulations made under it and all applicable financial services laws (as defined by section 761A of the Corporations Act 2001) as well as ASIC regulatory guides;

“Initial Margin” means an amount required to be deposited by you with Mitrade to open a Position, calculated as a percentage of the Contract Value as at the time the Position is opened;

“Long Party” means the party identified as having notionally bought the Underlying Instrument with a view that the price of the Underlying Instrument will increase;

“Maintenance Margin” means the level at or below which Mitrade shall have the discretion to close out Positions without further notice, regardless of whether any Margin Calls have been issued;

“Margin” means Initial Margin or Maintenance Margin or both;

“Margin Call” means a call normally made on you in the form of a pop-up alert via the Mitrade Platform, restricting you from opening up further exposures and allowing Mitrade to close out your Positions without further notice unless and until you bring your Equity back above 100% of the Total Initial Margins paid on the Account;

“Margin FX Contract” means a contract between you and us under which you may make a profit or incur a loss arising from fluctuations in the price of the foreign currency;

“Margin Percentage” means the percentage rate of Initial Margin applicable to your Contract as specified by us in our sole discretion and published on our website;

“Margin Requirement” means the amount of money that you are required to pay to us and deposit with us for entering into a trade and/or maintaining open Contracts;

“Operating Rules” shall mean the rules, regulations, customs and practices from time to time of any exchange, clearing house or other organisation or market involved in the execution or settlement of any financial product transaction or contract;

“Overnight Funding” means the charge either added or subtracted from the balance of your Account when rolling transactions over to the next business day;

“PDS” means the Product Disclosure Statement, which is part of the Agreement;

“Position” means any contract whether verbal or written, for the purchase or sale of a financial product, entered into by you. Used interchangeably with ‘Contract’;

“Relevant Exchange” means, in relation to a CFD transaction, the financial market on which the reference security which forms the subject of the CFD is quoted and is able to be traded. If the reference security is quoted on more than one financial market, Mitrade will advise you of the Relevant Exchange for the purposes of the CFD, at the time the CFD is entered into;

“Short Party” means the party identified as having notionally sold the Underlying Instrument with a view of the price of the Underlying Instrument decreasing;

“Underlying Instrument” means the instrument which we list as being the reference on which our Margin FX Contract and CFD prices are based. An Underlying Instrument could be an index, commodity, currency, cryptocurrency or other instrument or asset or factor the reference to which the value of a financial product is determined;

“Underlying Instrument Price” means in relation to a CFD the current price of the Underlying Instrument;

“Total Initial Margins” means the total of all Initial Margins paid for trades currently open on an Account at any given time;

“Trust” means where you are a trust, the trust identified in the Application Form;

“Trust Deed” means where you are a trust, the trust deed governing the Trust as varied, substituted, supplemented or resettled from time to time; and

“Unauthorised Activities” means the term as defined in the Client Agreement.



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