



**MiTRADE**

Trade Faster Trade Smarter

# TARGET MARKET DETERMINATION

**MITRADE GLOBAL PTY LTD**

JULY 2023

LEVEL 11, 350 COLLINS STREET,  
MELBOURNE, VIC 3000, AUSTRALIA

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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, CLIENT AGREEMENT AND TARGET MARKET DETERMINATION 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. INTRODUCTION

- (a) Mitrade Global Pty Ltd (“Mitrade”, “we”, “us”, “our”) is the holder of an Australian Financial Services Licence issued by Australian Securities and Investments Commission (ASIC) numbered 398528 and is a product issuer and distributor of margin foreign exchange contracts (referred to as “Margin FX”) and contracts for difference (‘CFDs’). Our registered address is Level 11, 350 Collins Street, Melbourne, VIC 3000.
- (b) This Target Market Determination (‘TMD’) is issued by Mitrade Global Pty Limited (ABN 90 149 011 361, ACN 149 011 361) (‘Mitrade’) and addresses the Design and Distribution Obligations of financial product issuers and distributors under Part 7.8A of the Corporations Act 2001 (Cth). These obligations aim to assist retail clients in obtaining appropriate financial products by requiring product issuers and distributors such as Mitrade, to have a consumer-centric approach to the design and distribution of financial products.
- (c) Mitrade shall take all reasonable steps to ensure that its products are issued and distributed to the Target Market defined below. If you do not meet the criteria of our Target Market and have acquired our products in error, please contact us at [cs.au@mitrade.com](mailto:cs.au@mitrade.com) immediately.

# 2. PURPOSE

- (a) The purpose of this TMD is to describe the target market of Consumers for our Margin FX and CFDs, and to address the Design and Distribution Obligations that apply to TMDs.
- (b) If you are a retail client, you should refer to the relevant Product Disclosure Statement (‘PDS’) and we recommend you read this document before deciding whether to acquire or continue to hold the relevant product. You can get a copy of the relevant PDS from our website.
- (c) You should not base any decision to trade on the contents of this TMD, and this document is not suitable for the purpose of deciding whether to open a Mitrade trading account or trade with Mitrade.

# 3. FINANCIAL PRODUCTS ISSUED BY MITRADE

- (a) **Margin FX and CFDs** are complex and leveraged financial products, which are traded over-the-counter (‘OTC’) and not through a regulated market. CFDs are agreements to exchange the difference in the value of a particular underlying asset. This allows our retail clients to speculate on rising or falling prices of an underlying asset.

(b) Mitrade issues Margin FX and CFDs in respect of the following underlying assets:

Underlying Asset	Website Link
<b>1. FX (Currency Pairs)</b>	<a href="https://www.mitrade.com/financial-products/forex">https://www.mitrade.com/financial-products/forex</a>
<b>2. Indices</b>	<a href="https://www.mitrade.com/financial-products/indices">https://www.mitrade.com/financial-products/indices</a>
<b>3. Commodities</b>	<a href="https://www.mitrade.com/financial-products/commodities">https://www.mitrade.com/financial-products/commodities</a>
<b>4. Shares</b>	<a href="https://www.mitrade.com/financial-products/shares">https://www.mitrade.com/financial-products/shares</a>
<b>5. Cryptocurrencies</b>	<a href="https://www.mitrade.com/financial-products/cryptocurrency">https://www.mitrade.com/financial-products/cryptocurrency</a>

## 4. TARGET MARKET

(a) Mitrade acknowledges that persons who trade in Margin FX and CFDs may do so for a variety of reasons including speculation, that is, with a view to profiting from fluctuations in the price or value of the underlying instrument or currency. Clients who trade on this basis can be referred to as ‘short-term investors’. Traders may wish to trade in Margin FX and CFDs with a view to hedging their exposure to the underlying instrument or currency movements.

(b) The Target Market for our Margin FX and CFDs include consumers who:

- . are at least 18 years of age and below the age of 70;
- . can accept losses that can be as great as the sum of their deposits, including any subsequent deposits;
- . have high investment risk appetites;
- . aim to profit from fluctuations in the price or value of the underlying instrument or currency pairs (i.e. short term investors);
- . wish to hedge their exposure to underlying assets or hedge positions taken in relation to other CFDs;
- . wish to trade Margin FX and/or CFDs on a speculative basis;
- . wish to hedge their exposure to underlying instrument or currency pairs.

Please note that clients must be assessed against Mitrade’s client qualification policy prior to being onboarded for the purposes of trading in Margin FX and/or CFDs.

(c) Further details regarding Mitrade’s target market for Margin FX and CFDs trading are set out below:

Criteria	Scope and key attributes
<b>1. Client type</b>	Retail clients.  This target market determination does not apply to wholesale clients, including sophisticated investors and professional investors.

Criteria	Scope and key attributes
<b>2. Preparedness to bear losses</b>	Clients who are prepared to lose amounts that can be as great as the sum of their total deposits. This is because derivatives are high risk investments with volatile returns and the possibility of substantial losses. The volatility of the market and these products creates the real possibility that retail clients could possibly lose all of their initial investment and subsequent deposits.
<b>3. Risk tolerance</b>	Margin FX and CFDs are only suitable for clients with high investment risk tolerance. Please note, all derivatives trading involves risk and there is no trading strategy that can eliminate such risk. Some risks include leverage, volatility, counterparty risk and closing out risks.
<b>4. Client objectives</b>	Our Margin FX, CFDs and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those consumers who: <ul style="list-style-type: none"> <li>. have a short-term investment objective (1 month or less)</li> <li>. wish to trade in Margin FX/CFDs, including for speculative or hedging purposes, wishing to gain exposure to price movements of the relevant underlying assets or other CFD positions already held (e.g. currency pairs, indices, commodities, individual shares, cryptocurrencies, etc);</li> <li>. have a high investment risk tolerance; and</li> <li>. can afford to bear losses that can be as much as all the initial deposits and any subsequent deposits.</li> </ul> Furthermore, Margin FX and CFDs may require constant margin top-ups in the form of 'margin calls' which at times must be met within minutes of sudden adverse market movements. Holding open positions overnight with these products may incur Overnight Funding fees. These products are therefore not appropriate for consumers who intend to hold them for a significant investment timeframe. <p>Our Margin FX and CFDs are designed to be suitable only for consumers with the likely objectives, financial situation and needs described above. This is because our Margin FX and CFDs (and generally) are highly leveraged and volatile, and expected returns may be positive or negative.</p>

- (d) Our products are not compatible with the needs of clients who:
- . are below the age of 18 years or above the age of 70 years
  - . reside in a country which prohibits trading in CFDs;
  - . are seeking capital preservation, long-term investments, to manage future cash flow or portfolio diversification;
  - . are risk-averse;
  - . are seeking regular or otherwise predictable returns on their investments;
  - . do not have the financial situation and preparedness to lose the sum of their deposits;
  - . have not passed Mitrade's client qualification assessment;
  - . do not understand the risks of the products;
  - . solely derive their income from benefits and/or borrowings

- . are vulnerable clients including clients who are vulnerable for any of the following reasons:
  - suffering an age-related impairment
  - suffering any form of cognitive impairment
  - suffering from elder or financial abuse
  - suffering from mental or other forms of serious illness affecting capacity
  - suffering from any form of addiction; or
  - any other personal or financial circumstances causing significant detriment.

## 5. DISTRIBUTION CONDITIONS

- (a) Our products are distributed by:
  - i. Mitrade; and
  - ii. by various third parties, including affiliates, partners, and referrers.
- (b) No party may engage in the distribution of our Margin FX and CFDs unless they have entered into an agreement with us.
- (c) We will take reasonable steps to ensure that:
  - . both we and any distributors distribute the financial products to the target market identified in this TMD;
  - . our distribution strategy is consistent with the identified target market; and
  - . our marketing strategy is targeting potential clients who fall within the target market identified in this TMD.
  - . we assess and aim to identify those clients whose financial situation, trading objectives and risk tolerance, prior trading experience and qualifications and knowledge and understanding of the product or service are not compatible.
- (d) No third party may release marketing materials without obtaining our prior written consent.

### **Our onboarding process**

- (e) Mitrade will verify whether potential clients fall within the identified target market before approving any application and allowing consumers to trade Margin FX and/or CFDs on our trading platform.
- (f) Our application process includes a client suitability assessment designed to assess a prospective client's:
  - . financial situation;
  - . trading objectives and risk tolerance;
  - . prior trading experience and qualifications; and
  - . level of knowledge and understanding.
- (g) The prospective client will be categorized as falling either within our TMD or outside of our TMD during the client suitability assessment process. Persons who do not fall within our defined target market will not be permitted to hold a live trading account with us.
- (h) In addition, clients will need to provide us with all information and assistance that we may require to comply with 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.

**Marketing review and approval processes**

- (i) Mitrade’s marketing materials are approved by Marketing staff who have received robust training to ensure compliance with Mitrade’s distribution conditions. Mitrade has a marketing approval process in place assisting us in:
  - . taking reasonable steps to ensure that our products are marketed to persons reasonably likely to fall within Mitrade’s target market;
  - . ensuring that the relevant disclosures and risk warnings are included in accordance with our Marketing Policy; and
  - . undertaking internal review process and obtaining approval from Mitrade compliance team and/or senior management.
- (j) No changes can be made to any marketing material after it has been approved, unless it is submitted for a second review and receives separate approval.
- (k) No distributor may release marketing materials without obtaining our prior written consent.

**Agreements, review and monitoring of distributors**

- (l) We have adequate arrangements in place in order to monitor our distributors including, but not limited to:
  - . conduct due diligence on distributors to verify their selling practices align with our TMD;
  - . agreements to ensure that distributors are aware of our obligations and performing their distribution practices in line with ours;
  - . provide training and resources to ensure compliance with distribution conditions; and
  - . ongoing monitoring and review of our distributors, including audits of their websites, marketing content and marketing practices.

## 6. REVIEW AND MONITORING

- (a) We will review this TMD in accordance with the below.

<b>Initial Review</b>	Within one year of the effective date
<b>Periodic Reviews</b>	At least annually from the initial review
<b>Review triggers or events</b>	<p>Any event or circumstances that would suggest the TMD is no longer appropriate. This may include but not limited to:</p> <ul style="list-style-type: none"> <li>• We have determined that there are significant dealings (issuing of Margin FX and CFDs) in relation to the financial products, which are not consistent with the target market or this TMD. This trigger occurs where significant distribution is occurring outside the target market, and does not refer to any one particular dealing in Margin FX and CFDs.</li> <li>• A material change to the client onboarding criteria</li> <li>• A large volume of complaints</li> <li>• We have detected significant issues with the distribution of our Margin FX and CFDs through our monitoring of our own day-to-day activities</li> <li>• External events such as adverse media coverage or regulatory attention, and</li> <li>• Any other event/circumstance occurs and we reasonably believe that is not consistent with the TMD.</li> </ul>

- (b) Where a review trigger has occurred, this TMD will be reviewed within 10 business days.
- (c) As a minimum we will monitor the following information as they occur in relation to this TMD:

<b>Complaints</b>	All complaints in relation to Margin FX and CFDs
<b>Consumer feedback</b>	Where relevant, consumer feedback in relation to Margin FX and CFDs
<b>Recorded communications</b>	Samples of written details from clients, such as emails and live chat

- (d) Where there is a significant dealing in a financial product that is not consistent with this TMD, Mitrade will notify ASIC as soon as practical, and in any case, within 10 business days after becoming aware.

## 7. Distributors – Information Collecting and Reporting Requirements

- (a) As part of the process of monitoring and reviewing the TMD to determine whether it is still appropriate, each Distributor must provide the following information to us on a quarterly basis, within 10 business days of the end of each calendar quarter – 31 March, 30 June, 30 September and 31 December, each year:
  - . Complaints data – information about the complaints received, including the number of complaints received;
  - . Consumer feedback (including regarding performance of the products);
  - . Requests for information that the distributor has received from clients;
  - . Volume of sales; and
  - . Web analytics.

## 8. GENERAL AND CONTACT INFORMATION

- (a) Mitrade reserves the right to amend the TMD at any time if such amendment is needed as a result of any changes to the law or regulations, regulatory guidance, or for any reason we consider as a proper reason to amend the TMD.
- (b) The TMD is readily available on our website for your reference. Please refer to our website for the latest information.
- (c) For more information about this TMD, please contact us using the details

below: Mitrade Global Pty Ltd

Address: Level 11, 350 Collins Street, Melbourne, VIC 3000

Phone: + 61 3 9606 0033

Email: [cs.au@mitrade.com](mailto:cs.au@mitrade.com)



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