



# Product Disclosure Statement

5 October 2021

# Table of Contents

<b>1</b>	<b>GENERAL INFORMATION</b>	<b>1</b>
1.1	Introduction	1
1.2	Contact Information	1
1.3	Purpose and Content of this PDS	2
1.4	Jurisdiction	2
1.5	Information and Representations	3
1.6	References	3
1.7	Target Market Determination	3
1.8	Personal Advice	3
1.9	Compliance with Australian Financial Services License Financial Requirements	4
1.10	Examples	4
1.11	Regulatory Guide 227	5
<b>2</b>	<b>ASIC PRODUCT INTERVENTION ORDER – CONTRACTS FOR DIFFERENCE</b>	<b>9</b>
2.1	Leverage Ratio Limits	9
2.2	Aggregate Margin Close-out Protection	9
2.3	Negative Balance Protection	10
2.4	No Inducements	10
<b>3</b>	<b>CFD DEALING WITH BCR</b>	<b>11</b>
3.1	Description	11
3.2	Key Features and Benefits of CFDs	11
3.3	Issuer	11
3.4	Opening an Account with BCR	12

3.5	Account Denominations.....	12
3.6	Account Balances .....	12
3.7	Equity .....	12
3.8	CFD Trading.....	13
3.9	Charges & Costs .....	13
3.10	Opening a Position .....	14
3.11	Closing a Position .....	15
3.12	Account Statements.....	15
3.13	Pricing .....	16
3.14	Swap.....	17
3.15	Payments and Withdrawals .....	17
3.16	Stop-Out.....	17
3.17	Discretions .....	18
3.18	Transactions Are Non-Transferrable.....	19
3.19	Irregular / Illegal Trading Definitions and Practices .....	20
<b>4</b>	<b>TYPES OF CFDS.....</b>	<b>21</b>
4.1	Trading Hours.....	21
4.2	CFD Pricing .....	21
4.3	Contract / Trade Size.....	22
4.4	Pip Cost .....	22
4.5	Spread .....	22
4.6	Finance Charges .....	22
4.7	Dividends .....	22
4.8	Expiration .....	22

<b>5</b>	<b>MARGIN</b>	<b>23</b>
5.1	Key Features of Margin	23
5.2	Initial Margin	23
5.3	Variation Margin	23
5.4	Net Equity and Total Margin Requirement	24
5.5	Margin Calls	24
5.6	Stop Out Level, Aggregate Margin Close-Out Protections and BCR's Rights	25
5.7	Changing Margin Percentage, Margin Call Level and Stop Out Level	26
5.8	Monitoring Your Margin	26
<b>6</b>	<b>FEES AND CHARGES</b>	<b>27</b>
6.1	Spread Costs	27
6.2	Commissions on CFD Trades	27
6.3	Swap Charges	28
6.4	Administrative Charges	28
<b>7</b>	<b>SIGNIFICANT RISKS INVOLVED IN DEALING CFDS WITH BCR</b>	<b>32</b>
7.1	Trading Off-Exchange	32
7.2	BCR as a Market Maker	32
7.3	BCR as a Counterparty	32
7.4	BCR's Discretions	33
7.5	Volatile Derivative Markets	33
7.6	Leverage	33
7.7	Margin Requirements	34
7.8	Interest Rate Fluctuations	34
7.9	Loss Caused by the Spread	34

7.10	Systems Risk.....	35
7.11	Regulatory Changes .....	35
7.12	Stop Loss Orders .....	35
7.13	Execution Risk .....	36
7.14	Liquidation .....	36
7.15	Mobile Trading.....	37
7.16	Weekend Risk.....	37
<b>8</b>	<b>TRADING PLATFORM ORDER TYPES.....</b>	<b>38</b>
8.1	Market Order .....	38
8.2	Stop Loss Order.....	38
8.3	Limit Order .....	39
<b>9</b>	<b>DISPUTE RESOLUTION.....</b>	<b>40</b>
9.1	Internal Procedures .....	40
9.2	External Procedures.....	40
9.3	Compensation Arrangements .....	41
<b>10</b>	<b>OTHER CONSIDERATIONS.....</b>	<b>42</b>
10.1	User Agreement.....	42
10.2	Services .....	42
10.3	Eligibility.....	43
10.4	Transactions.....	43
10.5	Communications .....	44
10.6	Client Money.....	47
10.7	Taxation .....	49
10.8	Cooling-off Period .....	50

10.9	Force Majeure.....	50
10.10	Company Rights .....	51
10.11	Errors.....	51
10.12	Conflicts of Interest.....	51
10.13	Indemnity .....	52
10.14	Website Use & Access.....	53
10.15	Legal Restrictions .....	54
10.16	Anti-Money Laundering Policy.....	54
10.17	Miscellaneous .....	54
10.18	Privacy.....	55
10.19	Additional Information.....	57
<b>11</b>	<b>GLOSSARY .....</b>	<b>58</b>

## 1 GENERAL INFORMATION

### 1.1 Introduction

This Product Disclosure Statement (PDS) is dated 5 October 2021. The issuer of this PDS and Contracts-for-Difference (CFD or CFDs) referred to in this document is Bacera Co Pty Ltd (BCR). 'BCR' is a registered business name of Bacera Co Pty Ltd, and was recorded on the ASIC register 22 October 2017. The terms 'Bacera', 'BCR', 'we', 'us' or 'our' in this PDS is in reference to Bacera Co Pty Ltd, ACN 130 877 137, AFS License Number 328794. The terms 'you' or 'Client' contained within this PDS refer to you or any other user or prospective user of BCR products and services. BCR is incorporated, registered, and authorised to conduct business in Australia. BCR holds an Australian Financial Service License issued by the Australian Securities and Investments Commission (ASIC). ASIC takes no responsibility for the contents of this PDS.

The information contained in this PDS does not constitute a recommendation or opinion and does not take into account your personal financial objectives, needs, or situation. The PDS is a document that sets out the significant features of BCR's financial products, including their benefits, costs, and risks. The purpose of this PDS is to provide you the Client with sufficient information to make an informed decision regarding using BCR's financial products and services. This PDS, the Terms and Conditions (T&C), Financial Services Guide (FSG) and our Target Market Determination (TMD) are important documents. You should read this PDS, the T&Cs, the FSG and our TMD in their entirety before making any decision to deal with us. A copy of this PDS, the T&Cs and the FSG can be downloaded from our website at [au.thebcr.com](http://au.thebcr.com).

The English version of the PDS overrides all other versions of the PDS to the extent of any inconsistencies. BCR will amend the PDS in the event that our policies are altered or changed. In the event that any adverse or potentially adverse changes are made to the information contained within the PDS, BCR will post a new PDS on our website. You should keep a copy of the PDS, the Financial Services Guide (FSG), and any other supplementary or replacement documents provided by BCR for your reference.

**CFDs are speculative products, and their leveraged nature places a significantly greater risk on your investment than non-leveraged investment instruments trading on a regulated exchange, such as conventional share and commodity trading. You may incur losses in addition to any fees and costs that apply. You will find more about risk factors associated with trading in CFDs in Section 5 of this PDS.**

**As BCR is issuing these CFDs, you are not trading on a regulated public exchange but are dealing with BCR as counterparty to every transaction. Thus, you are exposed to the financial and business risks, including credit risk, associated with dealing with BCR. That is, if BCR were to become insolvent it may be unable to meet its obligations to you. You will find more information about risk factors associated with trading in CFDs in Section 5 of this PDS.**

### 1.2 Contact Information

Registered Address:

Business Addresses:

L1, 12-14 O'Connell Street  
Sydney, NSW 2000  
Australia

Level 24, 171 Sussex Street  
Sydney, NSW 2000  
Australia

### **1.3 Purpose and Content of this PDS**

This PDS seeks to explain our products in a clear, concise and effective manner. Given that CFDs are relatively new investment instruments, you can refer to our glossary located at the end of this PDS to assist you with understanding the terms and concepts involved in CFD trading. Before trading in the products referred to in this PDS you should give consideration to your financial situation, objectives and needs. We recommend that you take all reasonable steps to fully understand the possible outcomes of trades and strategies, and consult independent legal and financial advice in relation to doing business with BCR. You should also be aware of the risks involved and be satisfied that trading in our products is suitable for you in view of your financial circumstances.

As CFDs are high risk and highly leveraged investments, retail and wholesale investors should only trade in these products if they understand the nature and risks of the trading and can afford losses without adversely affecting their lifestyle. The risk factors associated with trading CFDs are set out further in Section 5 of this PDS.

### **1.4 Jurisdiction**

The information provided by BCR is intended for residents of Australia and is not directed at any person in any country or jurisdiction where such distribution or use would be contrary to local law or regulation. Therefore, the distribution of this PDS may be restricted in certain jurisdictions outside Australia. Should you gain access to this PDS in a restricted jurisdiction, you should observe such restrictions. This PDS does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation. If you are intending to deal or dealing with BCR, you should note:

- the law governing your dealings with BCR is the law of New South Wales, Australia;
- money which you deposit with BCR will be regulated by the Australian Client Money Rules; and
- BCR may require you to confirm your status as a person in your jurisdiction who is eligible to deal with BCR.

The distribution of this PDS (and any related documents) in jurisdictions outside Australia may be restricted by law and therefore Persons into whose possession this PDS (and any related documents) comes should seek advice on and observe any such restrictions. Failure to comply with relevant legislation may violate those laws. This PDS does not constitute an offer or invitation in relation to a CFD in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The information in this PDS 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.



## **1.5 Information and Representations**

Products offered by BCR are done so solely on the basis of the information and representations contained in this PDS. No other information or representation is authorised nor is any person authorised by BCR to provide any information to any Client or to make any representations other than the information and/or representations contained in this PDS and the FSG.

## **1.6 References**

Any references made to an Underlying Entity or Underlying Market to which a BCR product relates are included solely for the purposes of identification. Such references are not to be interpreted as an endorsement of the Underlying Entity or Underlying Market. All Underlying Entities and Markets do not accept responsibility for any statement in this PDS nor undertake any liability in respect of the CFDs provided by BCR. BCR does not accept any liability or responsibility for the accuracy or completeness of published public information about any Underlying Entity, Underlying Reference Instrument, or Underlying Market.

## **1.7 Target Market Determination**

BCR publishes and maintains a Target Market Determination on its website which sets out the class of consumers that comprises the target market for the products issued under this PDS and matters relevant to the products' distribution and review. Prior to opening a trading account with BCR, you should read this document to assist your understanding of whether our Products are suitable to you.

We may ask for your personal information to assess whether you are reasonably likely to fall within the target market of our Products, but we are not obliged to assess the suitability of our Products for the circumstances of individual consumers. Any collection of information for the purpose of assessing whether you are reasonably likely to fall within the target market of our products should not be deemed as personal advice or any other advice to you. You must not rely on our assessment of whether you are reasonably likely to fall within the target market since it is based on the information you provide and the assessment is only for our purposes of deciding whether to open an account for you. You may not later claim you are not responsible for your losses merely because we have opened an account for you. You remain solely responsible for your own assessments of the features and risks and seeking your own advice on whether our products are suitable for you.

Please also note that if you are an existing client of ours, we may still ask for your personal information to assess whether you are likely to continue falling within the target market of our Products.

## **1.8 Personal Advice**

BCR only provides general advice. General advice can include information about BCR products and the underlying markets, and BCR's opinions about its products. Updates, research reports, and website content do not constitute personal advice. Any information you have requested about BCR products should only be regarded as general advice. BCR does not provide personal advice.

Please consult your personal financial adviser if you require personal financial advice specific to your particular financial situation, objectives or needs. Investors and traders should obtain professional financial advice based on their own particular circumstance before making an investment decision based on the general advice provided by BCR. In addition, you should obtain independent financial, legal, and taxation advice concerning this PDS and any other future dealings with BCR.

Any discussions with BCR employees about his or her view of current or future market conditions or prospects for a particular BCR Product should not be seen as personal advice, as he or she will not have taken into account your particular financial circumstances, objectives or needs. Rather, it should be regarded as general information for your consideration prior to making any decision to deal in any BCR Product.

Updates, research reports, website content etc., do not constitute personal advice. We do not provide personal advice. Personal advice is advice which takes into account your objectives, financial situation or needs. You will therefore not receive a Statement of Advice from us. This means that when we provide general advice to you, the advice will not take into account your objectives, financial situation or needs. Accordingly we make no warranties or guarantees in respect of the content. Therefore, you should, before acting on our general advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You should read and consider this PDS and consider seeking independent advice before making any decisions and/or using the services offered by BCR.

Investors and traders should obtain professional financial advice based on their own particular circumstance before making an investment decision on the basis of the general advice provided. While we ensure that all the information provided is kept up-to-date and accurate we accept no responsibility for any use made of the information.

BCR may collect personal or investment information from you to identify you and to administer your account. Collection of personal information does not imply that personal advice is given. If BCR ask you for your personal information to assess your suitability to trade our products, and we accept your application to trade our products, this is not personal advice or any other advice to you.

You must not rely on our assessment of your suitability since it is based on the information you provide and the assessment is only for our purposes of deciding whether to open an Account for you. You may not later claim 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 and seeking your own advice on whether our products are suitable for you.

### **1.9 Compliance with Australian Financial Services License Financial Requirements**

BCR has established procedures in monitoring compliance with its license financial requirements. On a monthly basis, BCR review its Base Level Financial Requirements against its asset, liability and cash flow. This ensures that BCR holds sufficient funds to meet liabilities, the figure which is determined by ASIC.

### **1.10 Examples**

For specific examples of CFD trades, please visit [au.thebcr.com](http://au.thebcr.com). Any example displayed on our website is provided for educational purposes only. The examples use figures which attempt to demonstrate how BCR CFD products work. The figures are not intended to reflect possible performance of particular CFD products. The examples contained within this PDS or our website do not constitute general or personal financial product advice to any person reading this PDS.

### 1.11 Regulatory Guide 227

Regulatory Guide 227 (RG 227) issued by Australian Securities and Investment Commission sets out 7 disclosure benchmarks for over the counter contracts for difference. Product Disclosure Statements must address the benchmarks on an "if not, why not" basis.

As an issuer of OTC CFDs BCR provides the information set out below to explain whether and how it addresses the benchmarks. These disclosures are a summary only and should not be relied upon solely. The Product Disclosure Statement (PDS) sets out the information in detail and is available on this website. Clients should ensure they review the PDS in full before deciding whether to acquire BCR's products.

The table below set out BCR's disclosure against the benchmarks for this PDS:

BENCHMARK	REQUIREMENT	EXPLANATION
Client Qualification	Yes	<p>BCR 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 a trading account for you. BCR 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.</p> <p>BCR does not accept retail investors unless they are able to satisfactorily answer the Appropriateness Test in our trading account web application form which addresses the following criteria:</p> <ul style="list-style-type: none"> <li>■ Previous trading experience in financial products</li> <li>■ Understanding of leverage, margins and volatility</li> <li>■ Understanding of the key features of the product</li> <li>■ Ability to monitor and manage the risks of trading</li> <li>■ Understanding that only risk capital should be traded</li> </ul> <p>During the Account opening process with us, we may choose to ask one or more questions which are designed to determine whether you are reasonably likely to fall within our stated target market (as outlined in our Target Market Determination). Where you are not reasonably likely to fall within our target market, we may, but are not obliged to, decline to open an Account for you.</p>
Opening Collateral	No	While BCR does not encourage trading using borrowed funds, we realize the additional funding option is appreciated by our clients.

		<p>To limit fraud risk, BCR imposes a limit of \$1,000 on initial account funding done via credit card, and we also limit overall credit card funding to \$5,000 per month. Please note that exceptions may apply.</p> <p>BCR does not encourage the use of leverage products with borrowed funds. You should be aware that trading on leverage with borrowed money exposes you to greater credit risks and cash flow risks. This includes the risk of 'double leverage'.</p> <p>BCR does not accept “cash equivalents” as opening collateral (e.g. no securities as deposits).</p>
Counterparty Risk – Hedging	Yes	<p>Within BCR’s risk management framework we have assessed the market risk and counterparty risks arising from entering into OTC CFD transactions with customers and hedge counterparties and applied controls to mitigate those risks. Those controls include:</p> <ul style="list-style-type: none"> <li>■ the enforcement of position limits based on the account equity of the client and the instruments being traded;</li> <li>■ the enforcement of market risk limits on the net exposure and daily loss limits of BCR;</li> <li>■ the selection of hedge counterparties, in sufficient number to give reasonable assurance that BCR has adequate facilities and capacity to hedge its exposures; and</li> <li>■ the selection and maintenance of hedge counterparty relationships based on, amongst other things, their financial capacity and resilience.</li> </ul> <p>BCR’s selection of hedge counterparties is based on the following factors:</p> <ul style="list-style-type: none"> <li>■ whether the funds placed by BCR as collateral are subject to Segregation;</li> <li>■ the counterparties’ financial strength and stability based on its credit rating and that of its parent (if any);</li> <li>■ the regulatory status of the counterparties; and</li> <li>■ the services it provides and the strength of its operational controls and systems.</li> </ul>
Counterparty Risk – Financial Resources	Yes	<p>BCR maintains a written policy and procedure with regard to the management and ongoing monitoring of its financial resources. This written policy addresses the following matters, amongst other things:</p> <ul style="list-style-type: none"> <li>■ the methodology employed by BCR to measure and assess its regulatory financial requirements under its Australian Financial Services License;</li> <li>■ linkages between the budgetary planning process and the financial requirements;</li> <li>■ scenarios used to forecast the cash resources available to BCR to meet its financial requirements; and</li> <li>■ roles and responsibilities for measuring and monitoring the financial condition against the requirements.</li> </ul> <p>We do not perform regular testing of our financial needs under stressed conditions due to the fact that exposures are subject to significant variation and the results generated at any point in time may not be applicable to our financial position at other points in</p>

		time. To mitigate the risks of failing to satisfy the financial requirements, we have established a capital buffer based upon historical market moves and measure and monitor capital daily. Financial resources are also subject to external audit on an annual basis.
Client Money	Yes	<p>This information is made available by BCR to explain how client money is handled. The purpose is to provide clients with an insight into how client money is segregated and may be utilised by BCR so that clients are better informed to assess the safety of their funds.</p> <p>Client money is held with Australian Authorised Deposit-taking Institutions (ADIs) in compliance with the Corporations Act Regulations. BCR currently holds client segregated trust accounts with Commonwealth Bank of Australia and Bank of China Australia.</p> <p>Funds are not held in individual segregated accounts but are pooled with other client's funds. BCR maintains client segregated trust accounts in a number of currencies for this purpose.</p> <p>Funds held in trust on behalf of a retail client may only be withdrawn by BCR as permitted under the Australian Client Money Rules, as set out in the Product Disclosure Statement and Client Agreement.</p> <p>Funds held in trust on behalf of a wholesale client may be used by BCR to meet its obligations incurred in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives, including dealings on behalf of other clients.</p> <p>A daily and a monthly reconciliation of client funds held in client segregated trust accounts is performed. On the basis of which BCR either pays to or withdraws money from the segregated trust accounts reflecting the net settlement of all obligations to its clients.</p> <p>We are solely entitled to any interest or earnings derived from Client Money being deposited in a trust account or invested by us in accordance with the Australian Client Money Rules, with such interest or earnings being payable to us from the relevant trust account or investment account.</p>
Suspended or Halted Underlying Assets	Yes	<p>An underlying financial product may be placed in a trading halt on the relevant exchange in various circumstances. Additionally, it may be suspended or delisted in certain circumstances. Exchange rates depend on a number of factors including, for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended.</p> <p>BCR, in its absolute discretion, cancel your order in respect of a transaction which has not yet been opened, or close any open Position, where the underlying financial product is the subject of a trading halt, suspension or delisting.</p>

		<p>When you place an order for a CFD with us, it is likely that we will place a corresponding order to purchase or sell the relevant product to hedge our market risk. BCR has the discretion as to when and if it will accept an order. Without limiting this discretion, it is likely that we will elect not to accept an order in circumstances where our corresponding order cannot be filled. Accordingly, BCR may at any time determine, in our absolute discretion, that we will not permit the entry into a CFD over one or more underlying assets.</p>
Margin Calls	Yes	<p>BCR establishes minimum margin requirements for all instruments. These margin requirements are set out in the Contract Specifications available on the website.</p> <p>The MT4 trading system monitors the margin requirements of all open positions for each client against the client's account equity. Clients can monitor their margin requirements and the margin ratio within the MT4 trading application.</p> <p>Where account equity falls below the total margin requirement a margin call is generated and a notification is sent to the email address provided by the client to BCR. Clients are advised that it is their responsibility to ensure they maintain sufficient equity to meet the total margin requirement at all times.</p> <p>BCR is under no obligation to allow time for clients to forward funds to meet margin calls as markets can be volatile and BCR may without notice, in its discretion, close out all or some positions if the margin requirements are not satisfied.</p> <p>Clients must ensure that they monitor their margin requirements as BCR cannot guarantee that margin call notifications will be received by clients so clients should not rely on this.</p> <p>If a client's free equity falls below the Stop-out Level BCR's Trading Platform trading platform will automatically begin to liquidate open orders when the client's Total Equity balance falls below 50% of the Initial Margin Requirement. The trading platform will liquidate individual positions until the remaining Client Total Equity is sufficient to support existing open position(s). In deciding what positions will be individually liquidated the largest losing position will be closed first during liquidation.</p>

## **2 ASIC PRODUCT INTERVENTION ORDER – CONTRACTS FOR DIFFERENCE**

In October 2020, the ASIC Corporations Instrument 2020/986 (“Product Intervention Instrument”) was issued under subsection 1023D(3) of the Corporations Act. The Product Intervention Instrument imposes certain conditions on specified dealings in OTC CFDs in relation to retail clients, prohibits giving or offering specified benefits to retail clients or prospective retail clients in specified circumstances, and requires CFD issuers to take reasonable steps to notify its retail clients of the terms of the Product Intervention Instrument.

The purpose of the Product Intervention Instrument is to reduce the risk of significant detriment to retail clients result from CFDs from the four aspects summarised below. Please note that the Products offered by BCR under this PDS are OTC CFDs to which the Product Intervention Instrument applies.

Under the Product Intervention Instrument, the following measures are mandatory on and from 29 March 2021. BCR implements the following measures on and from 29 March 2021, meaning that from 29 March 2021, all your dealings with us under this PDS are subject to the following measures.

### **2.1 Leverage Ratio Limits**

The Product Intervention Instrument imposes specified leverage restrictions on the Initial Margins for all of our products, including:

- 30:1 for a Product referencing an exchange rate for a Major Currency Pair;
- 20:1 for a Product referencing an exchange rate for a Minor Currency Pair, gold or a Major Stock Market Index;
- 10:1 for a Product referencing a commodity (other than gold) or a Minor Stock Market Index;
- 2:1 for a Product referencing crypto-assets; and
- 5:1 for a Product referencing shares or other assets.

### **2.2 Aggregate Margin Close-out Protection**

If anytime your Net Equity drops below the Aggregate Close-Out Protection Amount, one or more open Positions will be closed by us automatically, as soon as the market condition allows, until your Net Equity returns to the Aggregate Close-Out Protection Amount.

The Aggregate Close-Out Projection Amount is 50% of the higher of:

- The aggregate Initial Margin requirements for your open Positions; or
- The aggregate Margin Requirements for your open Positions at the relevant time.

### **2.3 Negative Balance Protection**

We offer Negative Balance Protection under this PDS for all Products. Under this protection, you will not lose more than the money you have in your Account. Bacera provides Negative Balance Protection for your Accounts. This means that at all times, your maximum potential loss would be limited to the balance on your Accounts.

If you choose to deposit funds with us, including additional funds in response to a Margin Call or otherwise, then these amounts will be included as part of your Account balance, and the risk of potential loss will be all your Account balance at the time including these additional amounts. On the other hand, if you receive a Margin Call and choose not to deposit additional funds to satisfy the Margin Call, then your Account balance will not include the amount you would have needed to deposit with us to satisfy your Margin Requirements. However, in such instances, we may exercise our rights to close any or all of your open Contracts.

Please note that our Negative Balance Protection is offered on a net Accounts basis, meaning that if you have several Accounts with us, then the Negative Balance Protection will be netted across all of your Accounts. In other words, despite that one or more of your Accounts may go into negative, the Negative Account Protection will not be triggered until and unless your overall Net Equity across all Accounts drops to zero.

### **2.4 No Inducements**

Bacera is prohibited from giving or offering certain inducements to retail clients and/or prospective retail clients, such as volume-based credits or rebates. We are prohibited to give or offer a gift, discount, rebate, trading credit or reward to a retail client or a prospective retail client as an inducement to open or fund an Account to trade our Products.

This requirement will also apply to any persons or entities that assist you to open an Account or trade with us if they are captured under sections 5(2), 5(3) and 5(4) of the Product Intervention Instrument. The offering or provision of prohibited inducements by these persons or entities are without knowledge and agreement by us and we ask any retail clients or prospective retail clients to report these instances to us immediately.



### **3 CFD DEALING WITH BCR**

#### **3.1 Description**

CFDs are specialised Over-the-Counter (OTC) financial products that allow investors to trade with reference to a variety of different financial markets. CFDs are an agreement between two parties which allow you to make a profit or loss by reference to fluctuations in the price of an underlying asset or other instrument without actually owning the underlying asset. Because the value of the CFD is in part derived from the value of the underlying asset, a CFD is a derivative product.

#### **3.2 Key Features and Benefits of CFDs**

- Contracts are non-deliverable. Contracts either remain open until the position is closed or when the underlying reference asset expires.
- Contracts are traded off-exchange, between the Client and BCR.
- Contracts are non-transferrable; CFDs bought from BCR cannot be sold to another broker, trader, or market maker.
- CFDs are a product that provides the opportunity to profit (or incur loss) by dealing in the underlying asset without having to actually own the underlying asset.
- A CFD broadly replicates the price movement of the underlying asset i.e. if the price of the underlying asset changes, so will the value of the CFD. However, prices quoted on BCR's Trading Platform may differ from the price of the underlying asset on the open market.
- Unlike contracts traded on an exchange, CFDs offered by BCR are not standardised. The terms of a CFD are individually tailored to the particular requirements of the parties involved in the contract i.e. BCR and the client but subject to minimum contract values.
- Because you do not own the underlying asset itself, you have none of the rights associated with owning the underlying asset.
- You can take both Long and Short positions.
- BCR acts as the counterparty to every transaction and is acting in the capacity of principal with respect to the client's transaction. For every transaction BCR may choose to hedge your trade immediately with a liquidity provider or BCR may choose to take the other side of your trade. BCR acts as the market maker. BCR may derive prices from its liquidity providers but the client's trades may or may not be hedged back to back with the liquidity provider.

#### **3.3 Issuer**

The CFD contracts mentioned in this PDS are issued by BCR. BCR may offer CFDs based on the following Underlying Reference Instruments:

- Foreign Exchange CFDs
- Precious Metals CFDs
- Commodity CFDs
- Index CFDs
- Share CFDs

### **3.4 Opening an Account with BCR**

Prospective Clients can choose from three different account options:

- Individual Account
- Joint Account
- Corporate Account

Before choosing an account, prospective Clients must read this PDS in its entirety, as well as BCR's FSG. These documents can be provided in paper form, or are available at our website [au.thebcr.com](http://au.thebcr.com).

Clients will have to acknowledge on their Client Agreement that they have read and understood the PDS and FSG in full. Clients will also be required to sign a PDS and FSG Acknowledgment Form (available in their native language), which verifies they have read and understood the PDS and FSG.

The Client Agreement requires you to disclose personal information. You should refer to the Privacy Statement in Section 8 of this PDS which explains how BCR collects, protects, and uses personal information.

### **3.5 Account Denominations**

Client accounts are maintained in a currency known as the "base currency". Clients can choose either AUD or USD for their base currency. All your profits, losses, Rollover Charges ("Swap Rates") and Benefits in relation to a CFD are denominated in the currency of the account.

All cash balances and unrealised profits and losses shown in your account will be converted into your base currency using the applicable BCR prices for Forex CFDs in the relevant cross-currencies at the relevant time in order to calculate your total equity in the base currency of your account.

### **3.6 Account Balances**

There is usually a minimum account opening deposit of \$300. This may be varied at BCR's discretion from time to time to accommodate Client requests. (For more information regarding BCR's discretion, please refer to Section 3.17 of this PDS.) The minimum balance for an account to remain open is \$100.

### **3.7 Equity**

Total Equity is the aggregate of the current cash balance in a Client's account and the current unrealised profits and losses on open positions.

Free Equity is the Client's Total Equity less their current Total Margin Requirement. The Free Equity is the amount the Client may withdraw from their account or use to cover additional margin requirements.

The Maintenance Margin, or Total Minimum Equity, required to maintain open positions is 50% of the Total Initial Margin invested for all open positions.

### **3.8 CFD Trading**

A Contract for Difference, or CFD, is an agreement which allows Clients to make a profit or loss from fluctuations in the price of an Underlying Reference Instrument, such as a commodity or index. CFD traders must remember that they do not own the Underlying Reference Instrument or trade it on an exchange by owning a CFD.

By entering into a CFD with BCR, the Client is either entitled to be paid or required to pay an amount of money based on the price fluctuations of the CFD. The amount of profit or loss made on a CFD trade will be the net of:

- The difference between the price of the CFD when the position is opened and the price of the CFD when the position is closed;
- Any adjustments made in respect of the CFD;
- Any Mark-Up payable in respect of the CFD; and
- Any Swap Charges and Swap Benefits relating to the CFD

Trading BCR products is done “over-the-counter” (OTC), meaning that you do not trade in a BCR CFD through an exchange or market. Instead, the transaction is conducted solely between the Client and BCR, which is the CFD provider.

### **3.9 Charges & Costs**

The common fees and charges when dealing in CFDs with BCR may include any or all of the following:

- Swap Charges calculated at BCR’s Swap Rates
- Exchange fees
- Administration charges
- Commission fees on certain CFD instruments

In addition, BCR will apply a bid/ask spread in respect of its CFDs, which will also affect the profits or losses you make when dealing in CFDs.

BCR is a CFD provider in transactions with our Clients, and we are remunerated for our services through the bid/ask spread that is incorporated in our prices.

When you enter into a contract with BCR, you will be required to pay an Initial Margin and may be required to sustain a proper amount of Maintenance Margin in the event of adverse market movements against your position. Such payments are not costs but are cleared funds deposited by the Client and required by BCR to cover our risk and as security for the Client’s obligations.

The Margin amounts are payable into the BCR Client account and are held, used and withdrawn in accordance with the Corporations Act 2001 requirements and our agreed Terms and Conditions. All interest that may accrue on the Client funds account is kept by BCR.

Clients may incur fees for wire and credit card transactions. Please consult your BCR representative regarding these fees. These transaction fees are subject to change at any time.

### **3.10 Opening a Position**

Clients may open CFD positions in two ways:

- Using BCR's online Trading Platform on a personal computer with an internet connection; or
- By telephoning BCR's Dealing Department at +61-2-8007-3558.

BCR will not accept Client orders or instructions through any other means, such as email or online messenger programs.

A position is opened by either buying (longing) or selling (shorting) a CFD contract on the online Trading Platform or through the Dealing Department. A trader buys or goes "long" on a CFD when they expect that the price of the Underlying Reference Instrument will rise. A trader sells or goes "short" on a CFD when they expect that the price of the Underlying Reference Instrument will drop.

BCR 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 BCR. The limit on positions is meant to maintain liquidity and limit risk overexposure on BCR's part. Clients can have 200 trades open or pending at any one point in time for live accounts. Demo accounts are capped at 50 trades open or pending at any one time.

BCR also has the right to refuse any request made by you to place an order to establish a position at any time at BCR's discretion without prior notice. (For more information regarding BCR's discretion, please refer to Section 3.17 of this PDS.)

#### *Pending Order Rules*

When there is a price gap during volatile market conditions, pending orders may be cancelled if the current market price reaches the designated order price but the trading account has insufficient margin to open a new position.

### PENDING ORDERS ON WEEKEND (FRIDAY) OR HOLIDAYS

All Stop orders (**pending**) will be automatically cancelled after market close on Friday or early market closures on holidays. If necessary, clients can place a new pending order after the market reopens.<sup>1</sup>

### PENDING ORDERS ON MARKET CLOSING AND REOPENING

Upon the market re-opening on Monday or after a Holiday, the price may have gapped. Take Profit Orders/Stop Loss Orders are not guaranteed to be executed at the prices set by the clients. They will be honored at the executable price after the market opens.

#### **3.11 Closing a Position**

To close an open CFD position, a Client would execute an equal and opposite transaction in the same CFD contract.

#### **3.12 Account Statements**

##### *Electronic Delivery of Confirmations and Statements*

When you execute a CFD transaction with BCR, a confirmation of the executed trade will appear in the online Trading Platform. Daily and monthly statements will also be made available to you through the online Trading Platform following their respective trading periods. You may print these daily and monthly statements for your records. BCR does not mail paper statements by post to Clients.

##### *Daily Statements*

Following BCR's nominated end of business day time, provided you have dealt or have an open position, we will produce an electronic daily statement which will be made available on the online Trading Platform.

Daily Statements include:

- Your executed CFD trades for that date;
- Your open CFD positions valued using the mid-closing rate or last price for that date;
- Profit and loss for that day per CFD in the currency of the Underlying Reference Instrument;
- Swap Charges, Commissions, and any other charges applied to your account on that date;
- Swap Benefits and any other Benefits applied to your account on that date;

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<sup>1</sup> Excludes Stop Loss and Take Profit of existing positions.

- Your financial position per currency ledger on your account; and
- A summary of your financial position in your accounts nominated base currency.

### *Monthly Statements*

At the close of the last business day of each month, BCR will produce an electronic version of your monthly statement which will be available on the online Trading Platform.

Monthly Statements include:

- Your executed CFD trades for that month;
- Your open CFD positions valued using the mid-closing rate or last price for that month;
- Profit and loss for that month per CFD in the currency of the Underlying Reference Instrument;
- Swap Charges, Commissions and any other charges applied to your account for that month;
- Swap Benefits, and any other Benefits applied to your account for that month;
- Your financial position per currency ledger on your account;
- A summary of your financial positions in your accounts nominated base currency.

### *Additional Information Regarding Statements*

You may print these daily and monthly statements for your records. BCR does not normally mail paper statements by post to Clients.

Your report will provide you with information regarding your account balance, open/closed positions, withdrawals/deposits, interest, Commissions, adjustments, trading profit/loss, floating profit/loss, equity, margin requirements, and usable margin.

It is very important that you check all the contents of your reports in detail and notify BCR within 2 business days if you feel there are any errors and/or discrepancies on your reports. After 2 business days, any corrections and/or adjustments to any errors or discrepancies will be made solely at the discretion of BCR. (For more information regarding BCR's discretion, please refer to Section 3.17 of this PDS.)

### **3.13 Pricing**

The CFD prices at which you trade CFDs with BCR are determined taking into account the prices of the Underlying Reference Instrument to which CFDs relate. However, the bid/ask prices quoted by BCR for its CFDs may not be the same as those of the Underlying Reference Instrument in the Underlying Market.

BCR does not provide you with access to prices in the Underlying Market or market information in relation to the Underlying Market on our online Trading Platform. Accordingly, it is for you to access such information from other sources, and decide whether you wish to deal in the CFD with BCR or directly in the Underlying Reference Instrument in the Underlying Market.

BCR's prices for Precious Metals and Forex CFDs are based on the Interbank Rate prices of the constituent Underlying Reference Instrument, calculated by BCR by applying the BCR spread to the Interbank Rate.

BCR's prices for Commodity CFDs are based on the last traded price of the Underlying Reference Instrument, with the application of the BCR spread.

BCR's prices for Index CFDs are based on the price of the Underlying Reference Instrument, which is based on the Equity Index, and the application of the BCR spread.

### **3.14 Swap**

CFD positions held after a specific time that is designated as the "end of the trading day" by BCR may cause a Swap Charge or Credit applied to the Client's account according to the total notional value of the positions and the relevant Swap rate. If a CFD position is settled before the end of the trading day, no Swap Charge or Credit will be paid or received.

### **3.15 Payments and Withdrawals**

Clients may deposit funds by using the funding methods made available on the MyBCR Client Portal. All funds must be cleared funds before they can be made available for you to use in dealing in CFDs. BCR will not accept funds from any third-party.

You may withdraw money from your Account by sending to us a signed withdrawal request through the MyBCR Client Portal. If you do not wish to close your Account, you will need to maintain a minimum balance of \$100.

Further, BCR may at its discretion withhold any payments if:

- open positions on your Account show unrealised losses and the withdrawal would result in the Account having insufficient fund to meet Margin Requirements;
- BCR reasonably considers that funds may be required to meet any current or future Margin Requirement on open positions;
- you have any contingent liability to BCR or to any of its associates in respect of any other Account you have opened with them;
- BCR reasonably determines that there is an unresolved dispute between you and BCR; and/or
- BCR considers it necessary or desirable to enable BCR to comply with regulatory/legal obligations.

BCR will not pay funds to any third-party account. Funds requested for withdrawal will only be paid to an account in the same name as the Account held with BCR.

### **3.16 Stop-Out**

If open CFD positions move against you and your Total Equity balance falls below your Maintenance Margin Requirement, which is 50% of Initial Margin for all open positions, your trading account will experience a Stop-Out transaction.

When a Stop-Out occurs, BCR's online Trading Platform automatically will liquidate individual positions until the remaining Client Total Equity is sufficient to support existing open position(s). In deciding what positions will be individually liquidated the largest losing position will be closed first during liquidation.

The best way a Client can avoid a Stop-Out is to practice their due diligence in monitoring their account activity and the performance of their open CFD positions, and deposit funds before the possibility of a Stop-Out occurs. The Client can review his account balance and open positions on his online Trading Platform.

Additional Margin funds can be deposited into trading accounts via the funding instructions located under the Resources tab on our website. Please note that only funds that have deposited and confirmed (cleared funds) will be applied to account balances.

### **3.17 Discretions**

BCR may exercise a variety of discretions in respect of your trading in CFDs. In exercising such discretions, BCR will have regard to its commercial objectives, which will include:

- Maintaining its reputation as a product issuer;
- Responding to competitive market forces;
- Managing all forms of risk including but not limited to operational risk and market risk.
- Complying with its legal obligations as a holder of an Australian Financial Services license.

BCR exercises its discretion in a wide range of circumstances (extreme market volatility, natural disasters, hardware/platform failure, etc.) including where BCR changes its fees/rates, calculates a Currency Index and accepting to deal in CFDs with you. Where we increase fees/rates, we will issue a new or supplementary PDS. New information for other non-material changes will be placed on our website at [au.thebcr.com](http://au.thebcr.com). BCR at its discretion may quote different prices, and charge Commissions, Finance Charges, Swap Charges, and other charges at different rates, to different Clients. Clients will be quoted competitive market rates at all times taking into account the number of trades the Client executes, the volume of the trades, and the frequency of the trades. Again, rates will at all times be competitive but discretion may allow for fees and charges to be reduced or waived.

BCR may also change the way a CFD price is calculated, change a Bid or Ask price, change Margin Requirements, place a Margin Call, close some or all of your positions, determine what a materially incorrect CFD price is, limit the size and number of your open positions, limit the size of your account balance, liquidate some or all of your open positions, and accept, amend, cancel or reject your order. In addition, when there is a trading halt over the underlying asset, or trading in the underlying asset has otherwise been suspended in accordance with the rules of the relevant market, you will not be able to open new positions on all affected instruments. Directors authorise management in regards to the adjustment of prices, Commissions, charges, etc.

In the event that BCR has a reason to suspect that a Client has used or abused, or attempted to use or abuse, an abnormal trading method, including but not limited to any Expert Advisor, computer program, script or cloud service, BCR reserves the right, at its sole discretion, to deny, withhold or withdraw from a Client their eligibility to participate in BCR client trading promotions, even in cases where the client adhered to the terms and conditions set forth for specific BCR client trading promotions. If applicable, BCR reserves the right, at its sole discretion, to temporarily suspend or permanently close a client's BCR trading account due to the aforementioned abnormal trading activity. The use of management's discretion is reviewed on a regular



basis. When you open an account with BCR you agree that we are not under any obligation to exercise any discretion in your interest or for your benefit. Where we exercise our discretions, BCR gives you written notice of our decision, where required by law.

Our significant discretions are:

- whether to accept your Order (including to Close out a Position) or to amend it;
- any risk limits or other limits or filters we impose on your Account or your trading;
- determining Margin Requirements, especially the amount of Initial Margin, and any grace time to meet any changed Margin Requirement;
- determining values of Underlying Instruments (for opening and closing Positions and for determining Variation Margin);
- setting Bid Prices and Ask Prices; and
- Closing your Positions and setting the price for closing.

You should consider the significant risks that arise from BCR exercising its discretions.

Our other discretions include:

- setting our fees and interest rates;
- adjusting your Positions for adjustments made in the market to the Underlying Instrument;
- adjusting, closing out or cancelling Contracts or Orders due to applying our compliance or operational policies;
- setting foreign currency exchange conversion rates;
- opening and closing your Account; and
- interpretation, variation and application of our policies.

Please note that while we have discretions, the trading conditions typically are set or applied for automatic outcomes, such as closing out all of your open Positions once a Stop Out Level is reached.

### **3.18 Transactions Are Non-Transferrable**

As each CFD you enter into with BCR is a transaction between you and us and is not traded on an exchange or market, you will not be able to transfer or assign the CFD to any other person.

### 3.19 Irregular / Illegal Trading Definitions and Practices

Irregular/Illegal trading definitions and practices include but are not limited to:

- Using one or more trading accounts to opening hedged transactions and setting the Limit price to hedge positions around economic data releases.
- Using one or more trading accounts for bilateral Stop Loss pending orders (Buy Stop Loss and Sell Stop Loss) around economic data releases.
- Using two or more trading accounts to open or close positions against each other, and hedging transactions in the form of hedging or locked positions.
- Trading accounts using the delay or leakage of Trading Platform data to make profits. Such trading accounts often open and close positions in a short period of time and exhibits abnormal trading volume changes in a short period of time.
- Extraordinary increases in trading volume and/or size of positions, particularity positions opened and closed in a short-term time frame.
- Using malicious software or plug-ins to affect the functionality of the Trading Platform.

The above does not represent the full definition of Irregular/Illegal trading. We will amend and adjust the relevant rules from time to time.

If BCR's Compliance Department suspects any irregular or illegal activity on any trading account, the transactions in question will be immediately determined as invalid or cancelled. In addition, the trading account's funds may be frozen, and there will be an investigation that may take up to 30 business days.

BCR reserves the right to close some or all transactions, limit the number of open positions, close some or all open positions, and accept, modify, cancel or reject orders. In the most cases, BCR reserves the right to close positions without the client's consent. As a result, the client may not be able to predict or control when CFD orders will be liquidated.

If it is confirmed that irregular/illegal trading has occurred, BCR has the right to terminate the trading account immediately, and return the balance of the account back to the Client, excluding any profits arising from irregular/illegal transactions. BCR retains the right of the final interpretation of what constitutes irregular and/or illegal trading.

## 4 TYPES OF CFDS

BCR offers Clients the following CFD products (detailed Contract Specifications are available on the website [au.thebcr.com](http://au.thebcr.com)).

- Forex CFDs
- Precious Metals CFDs
- Commodity CFDs
- Spot Index CFDs
- Share CFDs

**Please note BCR reserves the right to widen or tighten spreads in response to trading conditions and market risk and may also alter your Margin Requirements for various types of CFDs based on the discretions mentioned in Section 3.17 of this PDS. The most current and comprehensive CFD contract specifications are continuously updated on our website.**

### 4.1 Trading Hours

CFD trading hours are based on when their underlying reference markets are open. BCR CFDs will not be open for trading during holidays in which the reference markets are closed. You may also note that some CFDs have an intraday break in addition to a daily closing. During these times you will not be able to place stop and limit orders, close existing positions or open new ones. All trading functionalities will cease during intraday breaks, after the daily closing and upon the end of the week's close.

For CFD trading hours, please refer to the Trading section of our website. Please note that all hours are stipulated in GMT. Due to the observance of Daylight-Saving time, trading hours and break time are subject to change from time to time.

BCR aims to open and close markets as close to the posted trading hours as possible. However, the lack of liquidity at or around market open and close for any CFD instrument can impede execution and price delivery. BCR may delay market open or bring forward market close on specific instruments in an effort to protect clients from quoted prices or executions that are not representative of the true market price.

Since liquidity at, or around market open/close for any CFD instrument can be very thin, traders are advised to use extreme caution around market open and close and to utilize BCR's basic and advanced orders types to mitigate execution risk. Based on the illiquidity illustrated during these time periods, traders using market orders can experience slippage, or gapping in prices that can have material impact on your final execution price.

### 4.2 CFD Pricing

Unless otherwise specified in your written agreement or other written documents, BCR may rely on various third-party sources including but not limited to liquidity providers and determines the prices and spreads at which it offers to trade with you. The prices BCR offers might not be the best prices available and BCR may offer different prices to different clients. Please note that the CFD prices available on the Trading Platform may include BCR's markup.

#### **4.3 Contract / Trade Size**

BCR utilizes a 'lot based' trading system. Therefore, you are only able to trade in the 'Minimum Trade Size' or multiples thereof. Whenever a trade is opened, a tick or pip cost is associated with each lot to provide precise profit and loss calculations in real time. The tick or pip cost associated with each instrument automatically converts your profit and loss into the currency of your account, therefore, negating any currency fluctuation risk.

#### **4.4 Pip Cost**

As profit and loss is converted into the account currency, a pip cost is associated with each product. For example, if the trading account is denominated in USD then all of the profit and loss will be calculated in USD. If you traded the UK 100 (which is priced in GBP), BCR shall automatically convert profit and loss into USD. The PIP cost details the conversion rate, which, in this case would be the GBP/USD exchange rate. If 1 lot of the UK 100 was being traded, and if the GBP/USD exchange rate was 1.5300, then the pip cost would be 0.1530 converting all profit/loss from the UK100 trade into USD. The pip cost on display in the Trade Station shows the cost per point for a single contract traded.

#### **4.5 Spread**

The spreads on these BCR's CFDs are variable and will change as a result of market liquidity and volatility. Spreads are displayed on the Trading Platforms. You can also refer to our website for more information about spread costs.

#### **4.6 Finance Charges**

Interest rates are a factor in any market. BCR's daily interest debit or credit amounts (hereafter "Rollover" or "Swap") applied to positions held past 22:00 GMT US Standard Time, and are based on the total face value of the position. Each day, the Rollover amounts per lot are shown transparently in the Specifications menu of the Trading Platform. Positions that are open at the close of business on Wednesday will incur 3-day rollover. Note that the financing markup on CFDs can vary and be adjusted from time to time. To avoid Rollover, you can close your position before 22:00 GMT US Standard Time and the charge would not apply.

#### **4.7 Dividends**

You can only profit from our Trades through changes in our Prices. These are different from other transferable financial instruments traded on regulated markets where you can profit from real market fluctuations and where you may be entitled to dividends or interest.

#### **4.8 Expiration**

All Spot CFD positions will remain open until they are closed by the client or the position is liquidated due to insufficient margin to support the open position. For Futures contracts, the Expiration Dates of contracts depend on the instrument you are trading. Upcoming CFD Expiration Dates are posted on our website.

## 5 MARGIN

### 5.1 Key Features of Margin

BCR applies the following main principles in relation to our Margin practices:

- You must provide Initial Margin before issuance of any Products and you are liable to meet all Margin Calls;
- When you have open Contracts, you are obliged to maintain at all times the Total Margin Requirements for all of your open Contracts;
- The Margin Call obligation is in addition to your obligation to maintain the Total Margin Requirements for your Account. There is no limit as to when you need to meet your Margin calls, how often or the amount of the Margin Calls;
- The timing and amount of each Margin Call will depend on movements in the market price of the open Contracts and the changes to your Net Equity and funds available for Margin;
- You have an obligation to meet the Margin Call even if we cannot successfully contact you. We are not obliged to notify you about your obligation under Margin Calls, though we may do so by email, phone call or otherwise, as a courtesy; and
- If you do not maintain the required Margin at all times or you do not pay the required Margin Call by the required time, we may in our reasonable discretion reduce your exposure by closing out one or more or all of your open Contracts with us without notice.

### 5.2 Initial Margin

Upon placing a trade that creates an open Contract you are required to pay us, and have in your Account, the Margin for that trade as calculated by us. This is known as the Initial Margin, and is calculated as follows: *Initial Margin requirement = (Quantity of Contract Units x Contract Price) x Margin Percentage.*

If there are not sufficient funds in your Account for a Contract to be opened (due to its Initial Margin requirement) then your Order will not be executed.

Once a Contract is opened, your Account will be adjusted, often continuously and quickly, for the applicable Total Margin Requirements according to market movements. Please refer below for details on Margin Variation.

Margin Requirements (and the associated Margin Percentage) vary with each Product within the leverage restrictions imposed under the Product Intervention Instrument, and a list of the requirements is set out on the Trading Platform. These may change regularly.

### 5.3 Variation Margin

Owing to the volatility of the market, the amount of required Margin may change after a Contract has been opened, requiring a further payment for Margin known as the Variation Margin. Margin amounts are calculated by us to cover potential movement in the market at any time but will change when the market changes (and might be insufficient coverage). If you have Contracts denominated in a currency other than the Base Currency, any fluctuations in the exchange rate adverse to your Contract can lead to automatic adjustments to your required Margin, so you need to monitor your Contracts very carefully.

#### **5.4 Net Equity and Total Margin Requirement**

Your Net Equity and Total Margin Requirement are constantly calculated in line with movements in prices for the Products, during the opening hours of our Trading Platform, and these amounts are displayed on the Trading Platform. It is your responsibility to monitor and manage your open Contracts and exposures and ensure that your Account is sufficiently funded at all times for Margin. This may include:

- closing or reducing one or more of your open Contract(s) in order to reduce your Total Margin Requirements; and/or
- depositing additional funds into your Account in order to satisfy the Total Margin Requirement.

If you choose to deposit additional funds into your Account, these additional funds must be cleared funds before they will be treated as having satisfied your obligations.

Please refer to the Contract Specifications on our Website and the Trading Platform for the Margin Requirement for each Product.

#### **5.5 Margin Calls**

In normal circumstances we will endeavour to notify you of a Margin Call via alert within the Trading Platform. This serves as notice that your Contracts are at risk of being closed out. While we will do our best to get in touch with you when your Account is approaching or has reached a Margin Call, we can not guarantee that this will happen in every case. Market movements may be too great, and your Account may have reached a Stop Out Level (or certain Contracts have already reached any applicable product-specific close-out levels) before the Margin Call is made.

You are responsible for meeting all Margin Calls and monitoring your open Contracts. You are required to log-in to the system regularly when you have open Contracts to ensure you receive notification of any such Margin Calls. Please note that if you do not check the Trading Platform for Margin Call notifications, and hence do not meet them in a timely manner, Contracts will be closed out by us without further reference to you, in accordance with the Agreements. In rare circumstances, the markets could move against your Contracts giving us no time to make a Margin Call on you to request additional funds to protect your open Contracts.

Margin Calls are made on a net account basis i.e. if you have several open Contracts, then Margin Calls are netted across the group of open Contracts. In other words, the unrealised profits of one Contract will be used or applied towards the Margin Requirement for another Contract.

A Margin Call will not be considered to have been met by cash unless and until sufficient funds have been received by us in the nominated account and we have updated the Trading Platform. It is your responsibility to pay your Margin on time and in cleared funds, so please keep in mind the possibility of delays in the banking and payments systems. If your payment is not credited by us by the time you are required to have the necessary Margin, you could automatically, and quickly, lose some or all your Contracts (and suffer further losses because of having to meet a shortfall). You should maintain a prudent level of funds in your Account and make payments in sufficient time to be credited to your Account.

### *Margin Level and Margin Call Level*

Margin Level is calculated as the percentage of Net Equity to Total Margin Requirements. Margin Call Level is a specific Margin Level at which BCR will issue a Margin Call to you. For example, if the applicable Margin Call Level is 100%, it means that a Margin Call will be triggered once the Margin Level falls below 100%, i.e., when your Net Equity to Total Margin Requirements is less than 100%. You may find out the applicable Margin Call Level through our website or by contacting us via online chat. BCR has the right to change the applicable Margin Call Levels at any time.

## **5.6 Stop Out Level, Aggregate Margin Close-Out Protections and BCR's Rights**

### *Stop Out Level*

Stop Out Level is a specific Margin Level at which BCR is entitled to close all or some of the open Contracts without notice to you. For example, if the applicable Stop Out Level is 100%, it means that BCR is entitled to close all or some of your Contracts without notice when the Margin Level (i.e., Net Equity to Total Margin Requirement ratio) falls below 100%.

You should note that the default and minimum Stop Out Level is 50% as set out in the Aggregate Margin Close-Out Protection provisions below. However, BCR is entitled to impose a higher Stop Out Level at its sole discretion and the applicable Stop Out Level will appear on the Trading Platform and/or the Website.

### *Aggregate Margin Close-Out Protection*

The default and minimum Stop Out Level is the Aggregate Close-Out Protection Amount which is defined as the greater of:

- 50% of the aggregate Initial Margin required for all open Contracts; or
- 50% of the aggregate current Margin requirements for all open Contracts.

If at any time your Net Equity is less than the Aggregate Close-Out Protection Amount, we will and are required to, as soon as market conditions allow, terminate one or more of your open Contracts until your Net Equity is restored to or above the Aggregate Close-Out Protection Amount or all your open Contracts have been terminated.

### *Our Rights*

We may exercise our rights (or obligations) to close out your open Contracts at our sole discretion with little or no notice to you. Any losses resulting from closing out your open Contracts will be debited to your Account. We will not be responsible for any losses you may suffer or incur in connection with any such closing of your open Positions or any lack of closing thereof.

You may find out the applicable Stop Out Level on the Website or by contacting us via phone. BCR has the right to change the applicable Stop Out Levels above the Aggregate Close-Out Protection Amount at any time.

## 5.7 Changing Margin Percentage, Margin Call Level and Stop Out Level

We may vary the Margin Percentage, Margin Call Level and Stop Out Level at any time at our discretion. Without limitation, we may vary the Margin Percentage, Margin Call Level and Stop Out Level in response to or in anticipation of the following:

- changing volatility and/or liquidity in the Underlying Instrument or in the financial markets generally;
- economic news;
- changes in your dealing pattern with us;
- your credit circumstances change; or
- your exposure to us being concentrated in a particular Underlying Instrument.

You should note that there may be other circumstances which may give rise to us changing your Margin Percentage, Margin Call Level and Stop Out Level. When the Margin Percentage, Margin Call Level or Stop Out Level is changed, you will need to close and open the Trading Platform in order to have relevant Margin updated.

## 5.8 Monitoring Your Margin

Through the Trading Platform, you have access to your Account and sufficient information to enable you to calculate the amount of any Margin Requirements and the total amount of Margin due from you in the Base Currency using our current exchange rate. It is your responsibility to ensure that you obtain all relevant information in respect of your Account, including all information in respect of your current open Positions. We will not be responsible for any losses you may suffer or incur as a result of you not obtaining or requesting any such information.

It is your responsibility to monitor at all times (including by checking on the Trading Platform) the amount of Margin deposited with us from time to time against the amount of any Margin currently required and any additional Margin that may be necessary or desirable, having regard to such matters as:

- your open Positions;
- the volatility of any relevant Underlying Instrument;
- the volatility of the relevant market;
- the volatility of the markets generally;
- any applicable exchange rate risk; and
- the time it will take for you to remit sufficient cleared funds to us.



## 6 FEES AND CHARGES

Fees and charges when dealing in CFDs may incorporate any or all of the following:

- Spread Costs;
- Commissions CFD trades executed;
- Margin adjustments;
- Swap Charges at BCR's Swap Rates;
- Financing Charges on CFDs;
- Exchange Fees;
- Administration Charges.

Fees and charges may change from time to time and in some cases will differ according to whether you are an Australian Client or a foreign Client.

### 6.1 Spread Costs

The spread is the difference between the buy (ask) and sell (bid) price quoted. Spreads are variable and are subject to delay. BCR incorporates its own mark-up to the prices of Underlying Asset displayed on the Trading Platform. For example, if the instrument is trading at 50, our Ask price (the price at which you can buy) might be 51 and our bid price (the price at which you can sell) might be 49. At any time, you may view the Market Watch window on Trading Platform for the current spreads.

### 6.2 Commissions on CFD Trades

*How is Commission charged?*

Commission will be debited from your Account after a CFD order is executed. All Commissions are charged in the currency in which the instrument is denominated. Commission charges are viewable in your account statement at any given time.

*Can the Commission change?*

You should note that BCR may change its Commission structure from time to time in which case a new or supplementary PDS will be issued or made available.

*What Commission is charged on CFDs?*

*Commissions on CFD Trades* –There is a commission charged on CFD trades on the USD/CNH instrument and Share CFD trades. This fee is a flat fee per lot that has been determined at our discretion. The Commissions for each CFD can be viewed on the Trading Platform. (For more information regarding BCR’s discretion, please refer to Section 3.17 of this PDS.)

### **6.3 Swap Charges**

You may pay a Swap Charge, which is calculated according to the applicable rate in the Interbank markets (Libor Rate) according to the duration of the period of Rollover and the Spread (Swap Rate). These Swap Rates are calculated on an ongoing basis by BCR.

For the latest Swap rates please see the Trading Platform. To view rates, select:

- View > Market Watch
- Then Right Click on the Market Watch and select Symbols
- Then choose the CFD Product you wish to check and select Properties.

### **6.4 Administrative Charges**

All charges are inclusive of GST (where applicable). Administrative Charges are subject to change at BCR’s Discretion. (For more information regarding BCR’s discretion, please refer to Section 3.17 of this PDS.)

*Telegraphic Transfers or “Wire” Fees*

BCR does not charge a fee in order to setup your Account or to deposit funds but there is an administrative charge in order to withdraw funds from your Account. Wire request fees are below:

*Withdrawal of Money from Your Account*

You may withdraw money from your Account by sending to us a signed withdrawal request through the MyBCR Client Portal. If you do not wish to close your Account, you will need to maintain a minimum balance of \$100.

Further, BCR may at its discretion withhold any payments if:

- open positions on your Account show unrealised losses and the withdrawal would result in the Account having insufficient fund to meet Margin Requirements;
- BCR reasonably considers that funds may be required to meet any current or future Margin Requirement on open positions;
- you have any contingent liability to BCR or to any of its associates in respect of any other Account you have opened with them;
- BCR reasonably determines that there is an unresolved dispute between you and BCR; and/or

- BCR considers it necessary or desirable to enable BCR to comply with regulatory/legal obligations.

BCR will not pay funds to any third-party account. Funds requested for withdrawal will only be paid to an account in the same name as the Account held with BCR.

*Withdrawal Fees*

<b>CCY</b>	<b>Domestic Payments<sup>2</sup></b>	<b>International Payments</b>	<b>Credit/Debit Card</b>	<b>EFT</b>	<b>Skrill</b>	<b>UnionPay<sup>3</sup></b>
USD	USD \$25	USD \$40	No Charge	N/A	No Charge	No charge for the first two (2) withdrawals per month
AUD	AUD \$25	AUD \$60	No Charge	N/A	No Charge	No charge for the first two (2) withdrawals per month

*Electronic Fund Transfers*

BCR does not charge a fee for Electronic Fund Transfers for Australian residents.

*Credit Card Fees*

BCR does not charge a fee for credit card deposit or withdrawal transactions.

*Credit Card Funding Processing Time*

Credit Card deposits made by BCR clients are processed by a third-party credit card transaction processor. Pursuant to regulatory requirements, credit card transactions made may require up to 1-2 business days to be credited to your BCR trading account. However, please note that in some cases, delays in processing may occur which may result in longer processing times.

*Credit Card Verification*

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<sup>2</sup> Domestic wire fees apply when the client's beneficiary bank is located in Australia.

<sup>3</sup> There is no charge for the first two (2) UnionPay withdrawals per month per account. Any subsequent UnionPay withdrawals in the same month may incur a 1% processing fee with a maximum fee of USD \$10.00.

All credit card deposits are subject to approval. Deposit limits and other restrictions apply. Initial deposits made with a credit card upon request may require a recent statement or a copy of the card to confirm ownership. The cardholder's first and last name, as well as the last four digits of the card, must be legible in order for the statement/card to be acceptable. Please DO NOT send funds to BCR using a Prepaid or Gift Card. Deposits received in this manner will be returned to the originating card.

*Minimum Credit Card Deposit*

The minimum deposit for use of our online system is \$100.

*Credit Card Withdrawal Restrictions*

Funds deposited via credit card are eligible for withdrawal only after 30 business days from date of deposit. Please note that if a client opens and funds an account with BCR, and closes the account without initiating trade activity, the Client will be liable for all transaction fees accrued in the process of remitting funds.

*No Third-Party Payments*

BCR does not accept funds for any trading account via a third-party. We can neither guarantee the receipt, nor the return of such payments. Please keep in mind that restrictions on third-party payments are set by banks and Australian authorities, which have developed extensive procedures, regulations, and laws to stop the transfer of illegal funds, commonly known as money laundering.

*Deposit Fees*

<b>Funding Option</b>	<b>Fee</b>
Bank Wire Transfer	No Charge
Credit / Debit Card	No Charge
BPAY	No Charge
Skrill	No Charge
Union Pay	No Charge

Note: When depositing funds by domestic/international wire, debit/credit cards and/or through a transaction processing service, you may be subject to external charges charged by your bank(s)/intermediary bank(s)/card issuer(s)/payment services provider(s) and/or transaction processing service(s) including but not limited to international transaction fees, currency conversion fees and/or transaction processing fees.

### *Inactivity Fee*

You will be charged an Inactivity Fee for a dormant account that has had no deposits for opened positions for three (3) months. The Fee will be equal to the lesser of 50.00 units of the currency in which your account is denominated or the remaining balance in your account. If you are charged with the Inactivity Fee and your account balance becomes zero (0) after the Inactivity Fee is charged, your account may be subject to closure.

## **7 SIGNIFICANT RISKS INVOLVED IN DEALING CFDS WITH BCR**

Carefully consider whether dealing in CFDs is appropriate for you in the light of your financial circumstances. In deciding whether or not you wish to become involved in dealing in CFDs with BCR, you should be aware CFDs are speculative products that are highly leveraged and carry significantly greater risk than non-g geared investments (such as share trading), and you could lose large amounts of money.

### **7.1 Trading Off-Exchange**

CFD contracts traded with BCR are done so 'off-exchange', meaning they are not traded on a licensed market, and are not protected by the rules and laws that govern a traditional regulated exchange.

### **7.2 BCR as a Market Maker**

As BCR issues the CFDs, you are exposed to financial and business risks, including credit risk, associated with dealing with BCR. That is, if BCR were to become insolvent it may be unable to meet its obligations to you. In addition, if BCR were to become insolvent, Clients would become unsecured creditors of BCR.

BCR has risk management and compliance systems in place to manage its risks including but not limited to financial, operational and credit risks. Client funds are held with Authorised Deposit-taking Institutions. BCR has policies for monitoring client positions, margin calls, and liquidations.

BCR maintains a written policy to ensure it maintains adequate financial resources and complies with the financial requirements of its Australian Financial Services License. The steps that are taken to ensure this include:

- Performing adjusted surplus liquid funds calculations, ensuring that we meet the minimum liquid capital requirement set by ASIC; and
- Performing a daily client equity calculation, ensuring that we hold adequate cash in our client accounts in order to meet our obligations to the client. All client cash is maintained in fully segregated trust accounts, separated from BCR's operating funds.

BCR will transfer monies owed to clients (which may include client gains) on a weekly basis to the segregated client trust accounts from BCR's company offset account.

### **7.3 BCR as a Counterparty**

BCR acts as counterparty in all positions opened by Clients and, therefore, acts as the Buyer when a Client sells and the Seller when Client buys. As a result, BCR's interest may conflict with the Client's interest. Unless otherwise specified in this PDS or other written documents, BCR establishes the prices at which it offers to trade with the Client, which may differ from the actual trading price of the Underlying Reference Instrument on the market.

The prices BCR offers might not be the best prices available and BCR may offer different prices to different Clients. If BCR elects not to cover its own trading exposure, then Clients should be aware that BCR may generate more revenue if the market goes against the Client.

BCR hedges its trading exposure through internal hedging of client positions. BCR's risk management processes dictate that, if internal hedging does not sufficiently mitigate BCR's exposure, then offsetting positions will be opened in hedging accounts BCR maintains at another CFD market maker which holds an Australian Financial Services License.

Before entering a relationship with a new hedging counterparty BCR undertakes a due diligence process. This process will include a review of a number of key factors that relate to the risk of dealing with the counterparty. These include the counterparty's credit rating, reputation, market presence, funding arrangements, stock availability, Trading Platforms, reporting processes and fees and charges.

BCR keeps a policy to ensure it maintains adequate financial resources and complies with the financial requirements of its Australian Financial Services Licence. The steps that are taken to ensure this include performing a daily client equity profit/loss calculation, ensuring that we hold adequate cash in our client trust account in order to meet our obligations to the client. All client cash is maintained in fully segregated trust accounts separate from BCR's company operating accounts. BCR will transfer monies owed to clients (which may include client gains) to the segregated trust account (weekly), from company accounts that are solely used to operating cash account.

#### **7.4 BCR's Discretions**

In order to preserve its financial integrity, BCR reserves the right to exercise several discretions in the event of certain circumstances. For more information regarding these discretions and circumstances, please refer to Section 3.17 of this PDS, where more detailed information is available.

#### **7.5 Volatile Derivative Markets**

Derivative Markets can be very volatile, and Clients should be aware that prices on CFDs instruments may fluctuate rapidly over wide ranges. Prices depend on a number of factors including interest rates, supply and demand, and government actions. Clients should keep in mind that during such volatile market conditions Stop Loss orders may not be honored at the price requested by the Client. It is possible that the market may "skip" the Stop Loss order price due to a significant market event. (Refer to 8.6 for more information)

If trading in Underlying Markets is affected by a Force Majeure event, BCR may use its discretion to suspend the opening and closing of position, limit the size of positions, or refuse orders to establish new positions. These measures would be implemented to limit the risk of illiquidity or over exposure, and may result in a loss to the Client. (For more information regarding BCR's discretion, please refer to Section 3.17 of this PDS.)

#### **7.6 Leverage**

You should be aware that trading in levered CFDs offered by BCR is one of the riskiest forms of investment available in the financial markets and may not be suitable for all investors. In deciding whether or not you wish to become involved in dealing in CFDs with BCR you should be aware that:

- CFDs are speculative products that are highly leveraged and carry significantly greater risk than non-g geared investment products such as share trading and you could lose large amounts of money. You may sustain losses in excess of the Margin Requirement needed to establish and maintain a CFD with BCR.
- CFD trading carries a high degree of risk, and may not be suitable for all investors. The high degree of leverage can work against you as well as for you. Before deciding to trade CFDs you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment or even more in extreme circumstances (such as Gapping underlying markets) and therefore, you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with trading CFDs, and seek advice from an independent financial advisor if you have any doubts.

Leverage levels are chosen at the time of account opening. Account leverage settings can be viewed on the Trading Platform.

### **7.7 Margin Requirements**

BCR may alter Margin Requirements of any CFD position at any time at its discretion. Margin requirements can periodically change to account for changes in market volatility and currency exchange rates. This will retroactively alter your existing Total Margin Requirement if you entered into a position before the adjustment. (For more information regarding BCR's discretion, please refer to Section 3.17 of this PDS.)

You are fully responsible for monitoring your account at all times. BCR will notify you via email when your margin level is close to receiving a Margin Call. Whilst BCR makes every effort to notify you as soon as possible, email notification is not sent in real time. So, you may not always receive email notification prior to liquidation. Therefore, BCR recommends that you use the trading platform as a primary means of monitoring and managing your open positions and obligations.

Margin calls are triggered when your usable margin reaches zero. This occurs when your floating losses reduce your account equity to a level that is less than or equal to your margin requirement. Therefore, the result of any margin call is subsequent liquidation unless otherwise specified.

### **7.8 Interest Rate Fluctuations**

The interest rate that Clients receive or pay in relation to their balance can be affected by fluctuations in the interest rate specified by BCR for the currency in which their account is denominated.

### **7.9 Loss Caused by the Spread**

Because of the difference between the buying and selling price of a CFD, the relevant CFD price must move favorably before you can break even. In other words, if the CFD price does not move at all and you close your position, you will make a loss to the extent of the Spread between the Bid/Ask Price and of any charges which have been charged. Furthermore, the Spread between the Bid/Ask prices may be larger at the time you close out the position than it was at the time you opened it.



### **7.10 Systems Risk**

BCR's electronic trading system may differ not only from trading in an Open-Outcry Market but also from trading on other electronic trading systems. When a Client opens positions on BCR's electronic trading system, they will be exposed to risks associated with the system, including but not limited to the failure of hardware, software, price feeds, connectivity with our clearing partners, and connectivity with the Internet. The result of any system failure may be that the Client's order is either not executed according to the Client's instructions, not executed at all, or the order may be rescinded or reversed. Clients receiving a disruption to the Trading Platform must call the dealing desk in order to open/close positions. In the event of a disruption that occurs on the BCR side, you may be unable to trade in a CFD offered by BCR when you wish and you may suffer a financial loss or opportunity loss as a result.

Since BCR does not control the configuration of a Client's computer or reliability of their internet connection, the company cannot be responsible for communication failures, distortions or delays when trading online. BCR does not accept or bear any liability whatsoever in relation to the operation of the Trading Platform, except to the extent that it is caused by fraud or dishonesty on the part of BCR or its employees, agents or representatives.

*Trading Platform Closed* – Due to the dynamic nature of the financial markets, it is possible that the value of your open positions will change while the trading function of the Trading Platform is closed. In this case, you will not be able to trade in a CFD such as open a new transaction or close out an open transaction until the trading function re-opens. You may suffer a financial loss or opportunity loss as a result.

### **7.11 Regulatory Changes**

Change in taxation and other laws, government, fiscal, monetary and regulatory policies may have an adverse effect on Clients' dealings with BCR, such as the ability to open an account with BCR, trade activity/volume, the acceptance of certain Client deposits, etc.

### **7.12 Stop Loss Orders**

BCR has a risk management framework within the software supporting the Trading Platform which attempts to limit your potential loss to the amount of money you have deposited into your trading account. However, if you have open positions with us your potential loss can be substantial and is not limited to any amount.

BCR recommends that you do not risk money that you are not in a position to lose and that you implement risk mitigation techniques, such as the use of Stop Loss orders. Stop Loss orders assist you in managing your risk by preventing your account from declining below what you are prepared to lose. This type of order is designed to automatically close some or all of your open positions at the best available price once a certain price is reached. A Stop Loss order can only be set at a price less favorable than the current price.

Please note that your Stop Loss order may be filled at a price inferior to those at which they were originally placed. BCR will execute a Stop Loss order once the offer/bid price has reached the Stop Loss order price, or the price offered by BCR on the Trading Platform has traded at or through the level at which the Stop Loss order was placed.

In some market conditions, the price offered by BCR on the Trading Platform will gap through your specified price, and your Stop Loss order will be executed at the next available price. Due to the above factors, BCR does not guarantee that your Stop Loss order will be executed at the same price you requested.

### **7.13 Execution Risk**

**Slippage** - BCR aims to provide you with the best pricing available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to what is referred to as “slippage”. This most commonly occurs during fundamental news events or Gapping in underlying markets. The volatility in the market may create conditions where orders are difficult to execute, since the price might be many pips away due to the extreme market movement or Gapping. Execution is subject to available liquidity at any and all price levels. Although you may be looking to execute at a certain price, the market may have moved significantly or liquidity exhausted, in which instance your order would be filled at the next best price or the fair market value.

**Execution Delay** - A delay in execution may occur for various reasons, such as technical issues with your internet connection to the BCR servers, which may result in hanging orders. The Trading Platform on your computer may not be maintaining a constant connection with the BCR servers due to a lack of signal strength from a wireless or dialup connection. A disturbance in the connection path can sometimes interrupt the signal, and disable the Trading Platform, causing delays in transmission of data between your Trading Platform and BCR’s servers.

**Reset Orders** – Market volatility creates conditions that make it difficult to execute orders at the given price due to an extremely high volume of orders and/or available liquidity and therefore may be reset. By the time orders are able to be executed, the Bid/Offer price at which BCR (or its counterparty) is willing to take a position may be several pips away. For Limit Orders, the order would be rejected and reset until the order can be filled.

**Hanging Orders** - During periods of high volume, hanging orders may occur. This is a condition where an order is not instantly executed. Generally, a Hanging Order is pending review by the Dealing Desk. During periods of heavy trading volume, it is possible that a queue of orders will form. That increase in incoming orders may sometimes create conditions where there is a delay in confirming certain orders.

**Greyed Out Pricing** - Greyed out pricing is a condition that occurs when there is not a high level of market making activity for particular instruments and liquidity therefore decreases. BCR does not intentionally “grey out” prices; however, at times, a severe increase in the difference of the spread may occur due to a loss of connectivity with a provider or due to an announcement that has a dramatic effect on the market that limits liquidity. Such greying out of prices or increased spreads may result in margin calls on a traders account. When an order is placed on an instrument affected by greyed out prices, the P/L will temporarily flash to zero until the pair has a tradable price and the system can calculate the P/L balance.

### **7.14 Liquidation**

BCR has the right to close out CFD positions without your agreement, in a number of circumstances. Accordingly, you may not be able to anticipate or control the time at which a CFD position is closed out.

For instance, our trading platform will automatically begin to liquidate open orders when the client's Total Equity balance falls below 50% of the Initial Margin Requirement. The trading platform will liquidate individual positions until the remaining Client Total Equity is sufficient to support existing open position(s). In deciding what positions will be individually liquidated the largest losing position will be closed first during liquidation.

The Client confirms when they sign the Client Agreement that they acknowledge and understand that BCR has the right to close out Client positions in this instance.

Derivative Markets can be volatile, and Clients should be aware that prices on CFD instruments may fluctuate rapidly over wide ranges. Prices depend on a number of factors, including interest rates, supply and demand, and government actions. Clients should keep in mind that during such volatile market conditions Stop Loss orders may not be honored at the price requested by the Client. Due to a significant market event, the Stop Loss order may be executed at a price close to the client's requested price.

#### **7.15 Mobile Trading**

BCR will make its best efforts to fulfill your trade requests made via the MetaTrader 4 mobile software. However, trading CFDs online with a mobile device, regardless of how convenient or efficient, does carry inherent risks. The risks associated with utilising a mobile-enabled, Internet-based Trading Platform include, but are not limited to, the failure of hardware, software, and Internet connection.

Since BCR does not control all factors in successfully executing trades using the MetaTrader 4 mobile platform, including but not limited to reception or routing of orders via the Internet and configuration of your mobile equipment or reliability of its connection, we cannot be responsible for communication failures, distortions, or delays when trading via the MetaTrader 4 mobile software. Clients should always be ready to utilise another system to trade in case of any unexpected failures.

Client agrees to take on the responsibility to learn how to properly use the software and agree to take full responsibility for all consequences of using this software, including but not limited to trades opened and closed prematurely and incorrect orders being executed.

#### **7.16 Weekend Risk**

Traders who fear that the markets may be extremely volatile over the weekend, that gapping may occur, or that the potential for weekend risk is not appropriate for their trading style, may simply close out orders and positions ahead of the weekend. It is imperative that traders who hold open positions over the weekend understand that the potential exists for major economic events and news announcements to affect the value of your underlying positions. Given the volatility expressed in the markets it is not uncommon for prices to be a number of pips away on market open from market close. We encourage all traders to take this into consideration before making a trading decision.

## 8 TRADING PLATFORM ORDER TYPES

BCR offers different types of Orders through the Trading Platform. You will be able to find information about Orders that apply to you on the Trading Platform when you log in. You should note that the Stop Loss Orders and Limit Orders are non-guaranteed Orders.

The price at which we accept an Order to trade will generally be based on filling the full volume of the Order in one Contract where possible. Partially filled Orders will be filled as soon as the opportunity arises. The type of Orders and how they may be filled, if at all, will depend on the rules of the exchange where the Underlying Instruments are being traded and the pricing model you have selected. For some Contracts that you choose to trade, there may be a minimum trade value or other restrictions (e.g., pricing) that relate to a particular market.

If the event of a default, we may impose a limit on the number of open pending Orders of each Account to prevent the degradation of the Trading Platform performance of all other clients. The limit is currently set at 100 Orders, but we reserve the right to change this limit.

You should discuss the operation of these Order types with one of our representatives, try them via the Demo Accounts, and read the user guide available on the Trading Platform. When you request to place one of the types of orders described in this Section, BCR has absolute discretion over whether or not to accept or execute any such request. (For more information regarding BCR's discretion, please refer to Section 3.17 of this PDS.)

### 8.1 Market Order

A Market Order is a commitment to BCR by the Client to buy or sell a CFD contract at the current price. Execution of this order results in the opening of a trade position. CFDs are either bought at the Ask price and/or sold at the Bid price. Stop Loss and Take Profit orders (described below) can be attached to a Market Order. Execution mode of Market Orders depends on CFDs traded.

### 8.2 Stop Loss Order

A Stop Loss Order is an Order placed to limit the loss on an open Position and allows you to specify a price at which you wish to close out or open a Contract. Stop Loss Orders must be placed a minimum distance from our current bid and offer prices. The minimum distance for each Stop Loss Order will be displayed in Contract Specifications field on the Trading Platform.

BCR will execute a Stop Loss Order once the following conditions are met:

- The offer price has reached the strike price in the case of a buy Order or the Bid Price has reached the strike price in the case of a sell Order; and
- The relevant Underlying Market has traded at or through the level at which the Order is placed, in sufficient size that BCR could have replicated the Order.

We note that Stop Loss Orders are not guaranteed, and the execution of such Orders will depend on market volatility and liquidity. You cannot assume that you will always be able to have a Stop Loss Order and BCR has absolute discretion in determining whether to accept a Stop Loss Order. A Stop Loss Order is triggered automatically when the stop loss price is reached. Once the

stop loss price is reached, the Stop Loss Order becomes a Market Order to buy or sell (depending on your instructions). Due to market volatility and liquidity, if it is not possible to fill your Stop Loss Order at the price you requested, BCR will fill the Stop Loss Order at the nearest available price.

The Stop Loss Order could be activated by a short-term fluctuation in the markets, or in a fast-moving market, the price at which the trade is executed could be much different from the Stop Loss Order price. This is known as “gapping” and is due to market movements during the time it takes to open or close Contracts.

As the markets are constantly moving, you can place a Stop Loss Order on all open Positions. Whilst this allows you to control potential losses should the market move against you, in most circumstances, Stop Loss Orders may not always limit your losses the way you anticipate. There are no guarantees in relation to Stop Loss Orders, and due to the speed at which prices can move, they may be executed at a different price (known as slippage) or not at all.

There are no additional fees or charges associated with the placement of Stop Loss Orders (only the disclosed commission regarding the executed transaction if the order is triggered).

### **8.3 Limit Order**

A Limit Order may be used by you to either open or close a Contract at a predetermined price that is more favourable to you than the current market price. We will execute your Limit Order when:

- for a buy-limit order: the Ask Price has reached the Order price; or
- for a sell-limit order: the Bid Price has reached the Order price.

Once the Limit Order price is reached, the Limit Order becomes a Market Order. Similar to Stop Loss Orders, Limit Orders are not guaranteed, and the execution of such Orders will depend on market volatility and liquidity.

## **9 DISPUTE RESOLUTION**

### **9.1 Internal Procedures**

We are required by law to comply with a complaint resolution process. Upon receipt of a dispute, BCR will make every effort to resolve the issue in the most courteous and expeditious manner possible. If BCR Customer Service Representatives cannot resolve the Client's dispute after investigating the matter and discussing the issue with the Client, then the dispute must be referred in writing to a senior manager of BCR.

You can lodge a dispute verbally by calling us or write to us via email or post, through the details below:

Attention: BCR Compliance Department  
Address: Level 24, 171 Sussex Street, Sydney, NSW 2000, Australia  
Email: [info@au.thebcr.com](mailto:info@au.thebcr.com)  
Phone: 2 8459 8050

### **9.2 External Procedures**

If BCR cannot resolve the issue or dispute in accordance with its Dispute Handling Procedures, the Client may refer the issue or dispute to the Australian Financial Complaints Authority (AFCA) for determination in accordance with its rules (provided that the issue falls within the jurisdiction of the AFCA).

You may lodge your dispute with the AFCA by utilising their Online Dispute Form or by contacting the AFCA at:

#### **Australian Financial Complaints Authority**

Online: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Phone: 1800 931 678  
Mail: Australian Financial Complaints Authority  
GPO Box 3  
Melbourne Vic 3001

You will need to provide details of your dispute and any supporting documentation, together with your contact details and relevant account information. You may also make a complaint to ASIC via its free call info line on 1300 300 630 (for Australian residents).

If you have any questions or would like to receive more information about our dispute resolution procedures, please refer to our "Public Complaints Policy" on our website.

### **9.3 Compensation Arrangements**

BCR has professional indemnity insurance arrangements in place which satisfies the requirements for compensation arrangements under section 921B of the Corporations Act. These arrangements are in place to compensate individuals who suffer loss or damage as a result of a breach of BCR's obligations. Our professional indemnity insurance takes into account the nature and volume of our business, the number of clients and types of clients we have, our representatives and the maximum potential extent of liability. Our Professional Indemnity Insurance also covers a claim in relation to the conduct of representatives and employees who no longer work for us but who did at the relevant time.

## **10 OTHER CONSIDERATIONS**

### **10.1 User Agreement**

The following describes the Terms and Conditions upon which Bacera Co Pty Ltd ACN 130 877 137 AFS License No. 328794 ("BCR", "Bacera", "the company", or "we") offers to the Client (hereinafter "user", "Client", or "you") access to its website and the use of its products and services ("CFDs or "Derivatives").

This Agreement describes the terms, conditions and risks applicable to your use of our services available under the domain and sub-domains of [au.thebcr.com](http://au.thebcr.com) (the "website"). Before entering into an agreement with BCR, Clients read and accept the terms and conditions discussed in this Agreement without change or addendum.

Nothing in this Agreement will exclude or restrict any duty or liability owed by us to you under the Governing Legislation and if there is any conflict between this Agreement and the Governing Legislation, the Governing Legislation will prevail.

This Agreement is effective when new Clients sign the Client Agreement, thereby acknowledging they have read all materials deemed necessary by BCR prior to opening an account which includes, but not limited to, this PDS and the FSG.

In the event that any information contained in the Product Disclosure Statement becomes inaccurate or out of date or if there occurs a material change in any of the matters specified in the PDS or if there occurs any significant event that affects the matters so specified we will issue a Supplemental Product Disclosure Statement or a new Product Disclosure Statement in accordance with the rules and regulations of the of the Australian Securities and Investment Commission (ASIC). You agree that we may provide you with any such Supplemental Product Disclosure Statement or new Product Disclosure Statement by publishing it on our website(s) and that it is your responsibility to consult our website(s) prior to placing any transaction with us. In addition, we may, at our discretion, send any Supplemental Product Disclosure Statement or new Product Disclosure Statement to you by email or by post.

If you do not agree to be bound by the terms and conditions of this Agreement, immediately discontinue use of or access to BCR's products and services.

### **10.2 Services**

The Client agrees that in respect of execution-only dealing you rely on your own judgment in opening, closing, or refraining from opening or closing a transaction with BCR and that in respect of both execution only and advisory dealing we will not, in the absence of fraud, willful default or negligence be liable for any losses (including, without limitation, indirect or consequential losses or loss of opportunity or profits arising from any failure by you to make any anticipated profits), costs, expenses or damages suffered by you arising from any inaccuracy or mistake in any information or advice, or unsuitability of any advice, given to you, including without limitation, information or advice relating to any of your transactions with us. You acknowledge and agree that if, in any given circumstance, we do not positively offer any advice or recommend that you take any action in relation to any transaction, that does not imply that we are advising you not to take such action (or any action at all) in relation to that transaction.



Subject to our right to void or close any transaction in the specific circumstances set out in this Agreement, any transaction opened by you following such inaccuracy or mistake will nonetheless remain valid and binding in all respects on both you and us.

Before you begin to trade with us, we will take all reasonable steps to provide you with a clear explanation of all commission, spreads, fees, funding and other charges for which you will be liable. These charges will affect your trading net profits (if any) or increase your losses.

### **10.3 Eligibility**

BCR's products and services are only available to Clients who understand the nature and risks involved in CFD trading that are disclosed in this PDS. Before opening a Trading Account with BCR, Clients should have sufficient experience in trading off-exchange CFD products so that they may fulfill their obligations set forth in this PDS and the FSG. Before a Trading Account is opened, Clients must sign a statement declaring that they have fully read the PDS and FSG and understand the contents of these publications fully. This statement is a part of the Client Agreement.

The entry into any contract or transaction by BCR does not mean and should not be taken to mean that BCR recommends or concurs with the merits of the contract or transaction or that the contract or transaction is suitable for you. Without limiting the foregoing, BCR reserves the right to refuse and/or cancel services to anyone at its own discretion. (For more information regarding BCR's discretion, please refer to Section 3.17 of this PDS.)

Clients should also have a good understanding of the general knowledge involved in trading off-exchange derivatives on an online Trading Platform. BCR urges Clients to consult independent legal and financial council before opening a Trading Account with BCR. Clients must be 18 years of age before they can open a Trading Account with BCR or utilise the information contained on our website.

### **10.4 Transactions**

We have no obligation to accept, or to execute or cancel, all or any part of a Transaction that you seek to execute or cancel through BCR Trading Platform. Without limitation of the foregoing, we have no responsibility for transmissions that are inaccurate or not received by us, and we may execute any Transaction on the terms actually received by us.

You authorise us to act on any instruction given or appearing to be given by you using online Trading Platform or through the Dealing Department. We are not obliged to act on any trading instructions, or to execute or otherwise enter into any particular Transaction, and need not give any reasons for declining to do so. Unless we agree otherwise with you, you will have no right to amend or revoke any trading instructions once received by us. You will be responsible for the genuineness and accuracy, both as to content and form, of any trading instructions received by us. You acknowledge that in the event of erroneous prices or volumes we will have a right to void the Transaction and such a Transaction will not be binding on us.

You acknowledge we have the right, unilaterally and with immediate effect, to suspend or terminate (at any time, with or without cause or prior notice) all or any part of the BCR Trading Platform, or your access to the BCR Trading Platform, to change the nature, composition or availability of the BCR Trading Platform, or to change the limits we set on the trading you may conduct through the BCR Trading Platform.

All prices shown on the BCR Trading Platform are indicative and are subject to constant change.

Where we grant you access to the BCR Trading Platform we shall grant you, for the term of this Agreement, a personal, limited, non-exclusive, revocable, and nontransferable license to use the platform pursuant to and in strict accordance with the Terms of this Agreement. We may provide certain portions of the platform under license from third parties, and you will comply with any additional restrictions on your usage that we may communicate to you from time to time, or that are otherwise the subject of an agreement between you and such licensors.

We are providing the BCR Trading Platform to you only for your personal use and only for the purposes, and subject to the Terms, of this Agreement. You may not sell, lease, or provide, directly or indirectly, the platform or any portion of the platform to any third-party except as permitted by this Agreement. You acknowledge that all proprietary rights in the BCR Trading Platform are owned by us or by any applicable third-party service providers selected by us providing us with all or part of the platform, or providing you with access to the platform, or their respective licensors, and are protected under copyright, trademark and other intellectual property laws and other applicable law. You receive no copyright, intellectual property rights or other rights in or to the BCR Trading Platform, except those specifically set out in this Agreement. You will protect and not violate those proprietary rights in the platform and honor and comply with our reasonable requests to protect our and our third-party service providers' contractual, statutory and common law rights in the platform. If you become aware of any violation of our or our third-party service providers' proprietary rights in the platform, you will notify us in writing immediately.

With respect to any market data or other information that we or any third-party service provider provide to you in connection with your use of the BCR Trading Platform, (a) we and any such provider are not responsible or liable if any such data or information is inaccurate or incomplete in any respect; (b) we and any such provider are not responsible or liable for any actions that you take or do not take based on such data or information; (c) you will use such data or information solely for the purposes set out in this Agreement ; (d) such data or information is proprietary to us and any such provider and you will not retransmit, redistribute, publish, disclose or display in whole or in part such data or information to third parties except as required by relevant regulatory bodies; (e) you will use such data or information solely in compliance with the applicable regulations; and (f) you will pay such data costs (if applicable, for direct market access for example) associated with your use of the BCR Trading Platform as we inform you from time to time.

#### **10.5 Communications**

An offer to open or close a Transaction (including an Order) must be made by you, or on your behalf: orally, by telephone; via our Trading Platform; or in such other manner as we may specify from time to time. If your usual mode of communicating with us is unavailable for any reason, you should attempt to use one of the other modes of acceptable communication set out at the beginning of this paragraph. For example, if you usually open and close Transactions via the BCR Trading Platform, but for some reason our platform is not in operation, you should contact us via the telephone to open or close Transactions. Written offers to open or close a Transaction, including offers sent by fax, email (including a secure email sent via our Electronic Trading Service) or text message, will not be accepted or be effective for the purposes of this Agreement. Any communication that is not an offer to open or close a Transaction must be made by you, or on your behalf: orally, by telephone or in person; in writing, by email, post, or fax; or in such other manner as we may specify from time to time. If sent to us by post or by fax, a communication must be sent to our head office and, if sent to us by email, it must be sent to an email address currently designated by us for that particular purpose. Any such communication will only be deemed to have been received by us upon our actual receipt thereof.

We will generally not accept an offer to open or close a Transaction received other than in accordance with the terms set out in the above paragraph, but if we choose to do so we will not be responsible for any loss, damage or cost that you suffer or incur arising out of any error, delay or omission in acting on such offer, or failure to act upon such offer.

If at any time you are unable, for whatever reason, to communicate with us, we do not receive any communication sent by you, or you do not receive any communication sent by us under this Agreement, we will not: (a) be responsible for any loss, damage or cost caused to you by any act, error delay or omission resulting therefrom where such loss, damage or cost is a result of your inability to open a Transaction; and (b) except where your inability to communicate with us results from our fraud, willful default or negligence, be responsible for any loss, damage or cost caused to you by any act, error, omission or delay resulting therefrom including without limitation, where such loss, damage or cost is a result of you inability to close a Transaction.

You acknowledge and agree that any communication transmitted by you or on your behalf is made at your risk and you authorise us to rely and act on, and treat as fully authorised and binding on you, any communication (whether or not in writing) that we reasonably believed to have been transmitted by you or on your behalf by any agent or intermediary who we reasonably believed to have been duly authorised by you. You acknowledge and agree that we will rely on your account number and/or password to identify you and you agree that you will not disclose these details to any person not duly authorised by you. If you suspect that your account number and/or password has been learnt or may be used by any other person then you must notify us immediately.

You agree that we may record our telephone conversations with you. Such records will be our sole property and you accept that they will constitute evidence of the communications between us.

In accordance with the applicable regulations, we will provide information about each Transaction that we open or, as the case may be, close for you by providing you with a Statement. Statements will be posted on the BCR Trading Platform.

You will be deemed to have acknowledged and agreed with the content of any Statement that we make available to you unless you notify us to the contrary in writing within two business days of the date on which you are deemed to have received it.

Our failure to provide you with a Statement does not invalidate nor make voidable a Transaction that you and we have agreed and we have confirmed, provided however that in the event that you believe you have opened or closed a Transaction but we have not provided you with a Statement in respect of that Transaction, any query in relation to the purported Transaction will not be entertained unless: (i) you notify us that you have not received such Statement within two business days of the date on which you ought to have received a Statement for the purported Transaction and (ii) you can provide accurate details of the time and date of the purported Transaction.

*We may communicate with you by telephone, letter, fax, email or text message or by posting a message on our Electronic Trading Service and you consent to us telephoning you at any time whatsoever.* We will use the address, fax number, text number, or email address specified on your account opening form or such other address or number as you may subsequently notify to us. Unless you expressly specify otherwise, you agree that we may send the following notices to you by email and/or by posting them on the BCR Trading Platform: (a) Statements; (b) notice of an

amendment to the way in which we provide our service to you, for example changes in the features of our Transactions, changes to the BCR Trading Platform and changes to the Margin rates that apply to our Transactions; (c) notice of an amendment to the Terms of this Agreement.

We will not send you a paper copy of a message sent to you by email or posted to our BCR Trading Platform. Sending a message to you by email or by posting it to the Trading Platform in a durable medium fully complies with all our obligations under the Agreement and with applicable regulations.

Any correspondence, documents, written notices, confirmations, messages or Statements will be deemed to have been properly given: (a) if sent by post to the address last notified by you to us, on the next business day after being deposited in the post; (b) if delivered to the address last notified by you to us, immediately on being deposited at such address; (c) if sent by fax or text message, as soon as we have transmitted it to any of the fax or mobile telephone numbers last notified by you to us; (d) if sent by email, one hour after we have transmitted it to the email address last notified by you to us; and (e) if posted on the BCR Trading Platform, as soon as it has been posted.

It is your responsibility to ensure, at all times, that we have been notified of your current and correct address and contact details. Any change to your address or contact details must be notified to us immediately in writing, unless we agree to another form of communication.

It is your responsibility to make sure that you read all notices posted on our website and the BCR Trading Platform from time to time in a timely manner.

Although email, the internet, Trading Platforms and other forms of electronic communication are often a reliable way to communicate, no electronic communication is entirely reliable or always available. You acknowledge and accept that a failure or delay by you to receive any communication from us sent by email, text message or otherwise whether due to mechanical, software, computer, telecommunications or other electronic systems failure, does not in any way invalidate or otherwise prejudice that communication or any transaction to which it relates. We will not be liable to you for any loss or damage, howsoever caused, arising directly or indirectly out of a failure or delay by you or us to receive an email or other electronic communication. Further, you understand and accept that emails, text messages and other electronic communications we send to you may not be encrypted and therefore may not be secure.

You acknowledge the inherent risk that communications by electronic means may not reach their intended destination or may do so later than intended for reasons outside our control. You accept this risk and agree that a failure or delay by us to receive any offer or communication from you sent electronically, whether due to mechanical, software, computer, telecommunications or other electronic systems failure, does not in any way invalidate or otherwise prejudice that offer or communication or any transaction to which it relates. If, for any reason, we are unable to accept your offer electronically, we may, without obligation, provide you with further information advising you that your offer can be made by telephone as an alternative and we may endeavor to inform you of this.

In the event that you are granted access to our mobile dealing platform, then all use of such service will be subject both to this Agreement and to supplemental mobile dealing terms posted on our website and amended from time to time.

## 10.6 Client Money

Any money that you deposit with BCR will be segregated and held in a separate client money account or accounts and managed in accordance with the Australian Client Money Rules. In accordance with the Australian Client Money Rules, BCR's client funds are held in segregated bank accounts with an Australian authorised deposit-taking institution. Client funds are kept separate from BCR's own corporate/operational funds.

BCR will treat money received from the Client or held by BCR on the Client's behalf, taking into account P&L, in accordance with the Client Money Rules. Client Money will be received into an account designated as a client's segregated account in which BCR will, to the extent required by the Client Money Rules, hold client monies separate from BCR's money and will continue to be held separate from BCR's money thereafter under arrangements designed to ensure that Client Money is easily identified as money belonging to customers. Money credited to the Client's segregated account is held on trust by BCR.

The Client's segregated account will be an account maintained by BCR an Australian Deposit Taking Institution (ADI), an approved foreign bank or a cash management trust and will be established, maintained and operated in accordance with the Client Money Rules (as explained in the PDS). BCR is not responsible for the solvency, act or omission of any bank or other third-party with which Client Money is held.

Unless otherwise agreed in writing, the Client acknowledges and agrees that BCR will not pay the Client interest on Client Money or any other unencumbered funds. The Client expressly waives any entitlement to interest under the Client Money Rules or otherwise.

The Client acknowledges and agrees that: where any obligations owing to BCR from the Client are due and payable to BCR, BCR shall cease to treat as Client Money so much of the money held on the Client's behalf as equals the amount of those obligations in accordance with the Client Money Rules. The Client further agrees that BCR may apply that money in or towards satisfaction of all or part of those obligations due and payable to BCR. For the purposes of this PDS, any such obligations become immediately due and payable without notice or demand by BCR when properly incurred by the Client or on the Client's behalf;

If the Client's Account has not been transacted on for at least six years and BCR is unable to contact the Client in respect of the Client Money to which the Client may be entitled to, despite making reasonable efforts to do so, such money shall be treated by BCR as unclaimed money and dealt with in accordance with Applicable Regulations.

BCR does not use retail client money for the purpose of meeting obligations incurred by us when hedging with other counterparties.

BCR strictly follows the legal requirements when making deposits into, withdrawals from or making payments out of the segregated client money accounts. Client money received is paid into the segregated client money trust account on the day it is received or by the next business day it is received by BCR. The circumstances under which BCR is permitted to withdraw client money are listed further below. Note that any interest with respect to the balances of your account will not be paid and any interest will accrue to BCR.

As BCR is acting in the capacity of a principal with respect to your transaction, you are exposed to the financial and business risks of BCR. Should there be a deficit in the trust accounts and in the unlikely event BCR becomes insolvent, you will be an unsecured creditor in relation to the balance of the money owed to you. Trust accounts may not insulate your money from a default in the trust accounts. However, certain protections are afforded to clients by the Australian Client Money Rules.

#### *Protections afforded by the Australian Client Money Rules*

The Australian Client Money Rules provide that in the event that BCR loses its AFS Licence, becomes insolvent, merges with another AFS Licensee or ceases to carry on some or all of the activities authorised by the AFS Licence, client money held by BCR, and investment of client money, must be dealt with as follows:

Money in the trust accounts is held in trust for the persons entitled to it, and is payable in the order set out below;

1. If money in the trust accounts is invested, the investment is likewise held in trust for each person entitled to money in the trust account; and
2. Money in the trust accounts is to be paid in the following order:
  - a) Money that has been paid into the accounts in error;
  - b) Payment to each person who is entitled to be paid money from the accounts;
3. If the money in the accounts is not sufficient to be paid in accordance with the above, the money in the accounts must be paid in proportion to the amount of each person's entitlement; and
4. If there is money remaining in the accounts after payments made in accordance with the above paragraphs, the remaining money is payable to BCR.

#### *Withdrawal of Client Money*

BCR only makes payments out of the client money account under circumstances regulated by the Corporations Act 2001. They are as follows:

1. Making payment of your money to, or in accordance with your written direction;

However, BCR is not permitted to rely on a written direction to use derivative retail client money (i.e. money paid to BCR in connection with a dealing in derivative provided to, or a derivative held by, a retail client):

- a) as BCR's working capital; or
- b) for the purpose of meeting obligations incurred by BCR other than on behalf of the client; or

- c) for the purpose of entering into, or meeting obligations under, transactions that BCR enters into to hedge, counteract or offset the risk to BCR associated with a transaction between BCR and the client.
2. Defraying brokerage and other proper charges;
3. Paying to BCR, the margin to which BCR is entitled to;
4. Making a payment that is otherwise authorised by law;
5. Paying to BCR money to which BCR is entitled pursuant to the operating rules of a licensed market.

#### *Third Parties*

BCR will not pay funds to any third-party account. Funds requested for withdrawal will only be paid to an account in the same name as the account held with BCR.

#### **10.7 Taxation**

The Client acknowledges and agrees that BCR does not collect tax for any government entity in any form or manner unless required by law, in which event BCR is authorised to deduct the appropriate funds from the Client's account to fulfill any tax obligations as required by the appropriate government entity or other authority. BCR does not provide tax advice and we recommend you seek your own professional tax advice, and the impact any profits or losses generated from trading may have on your overall tax position.

Without limiting the foregoing, it is the obligation of the Client, and not BCR, to calculate and pay all taxes applicable to the Client in their respective jurisdiction or country of residence as a result of the Client's trading activity conducted with the company. BCR recommends that Clients consult their tax adviser when determining if derivative trading is suitable for their investment portfolio.

The Australian Taxation Office (ATO) has released Taxation Ruling 2005/15 which describes the income tax and capital gains tax consequences of dealing in financial CFD products. A copy of Taxation Ruling 2005/15 is available on the Australian Taxation Office website at [www.ato.gov.au](http://www.ato.gov.au). Clients should note that this ruling is a public ruling for the purposes of Part IVAAA of the Taxation Administration Act 1953 and therefore, if the ruling applies to a Client, the Commissioner of Taxation is bound to assess that Client on the basis outlined in the ruling. Penalties may apply where the treatment outlined in a taxation ruling is not followed and the Client has a tax shortfall.

## 10.8 Cooling-off Period

There is no cooling-off period for the CFDs offered by BCR. This means that when you enter into a position with BCR you do not have a right to return the product and you do not have the right to request BCR to repay the money you have paid to acquire the product. Should you change your mind after entering into a CFD contract with BCR, you should close out your position by taking an Opposite Transaction.

## 10.9 Force Majeure

BCR may adjust the Margin Requirements of any CFD instruments at any time to reflect price fluctuations and ensure proper leverage is maintained on any given position. The Client should be prepared for any such change in Margin Requirement and have cleared funds on deposit to meet any increase in Margin Requirement.

BCR will inform the Client as soon as possible if it determines that a Force Majeure Event exists. BCR will not be liable to the Client for any failure, impediment, or delay in performing its obligations set forth in this PDS.

BCR may in its reasonable opinion determine that an emergency or exceptional market condition exists (a "Force Majeure Event"), including but not limited to:

- Where BCR is, in its opinion, unable to maintain an orderly market in its contracts in respect of any one or more of the Underlying Reference Instruments as a result of the occurrence of any act, omission or event (including but not limited to any circumstance beyond BCR's control such as strike, riot, civil unrest or failure of power supply, communications or other infrastructure);
- The suspension, closure, liquidation or abandonment of any relevant market or Underlying Reference Instruments;
- The imposition of limits or special or unusual terms in the relevant markets or Underlying Reference Instruments;
- The excessive movement, volatility or loss of liquidity in the relevant markets or Underlying Reference Instruments.

If BCR determines that a Force Majeure Event exists then it may (without prejudice to any other rights under this Agreement and at its sole discretion) take any one or more of the following steps:

- Suspend the placing of new orders by Clients on the online Trading Platform and through the Dealing Department;
- Suspend the execution of orders that have been taken by BCR but not executed;
- May change trading hours, change Margin Requirements, alter prices written against Underlying Instruments, close any or all open contracts, or take any other action that BCR deems appropriate according to the prevailing circumstances.

(For more information regarding BCR's discretion, please refer to Section 3.17 of this PDS.)



### **10.10 Company Rights**

BCR reserves the right to suspend operations, including its website or any part or Sections of it. In such an event, BCR may, at its sole discretion (with or without notice), close out the Clients' open financial contracts at prices it considers fair and reasonable at such a time and no claims may be entertained against the company in connection thereto. BCR may impose volume limits on BCR trading accounts, at its sole discretion.

Contract payouts shall be determined by BCR by reference to the daily values reported on its website relevant to the interbank trading data received by the company for CFD quotes, subject that BCR shall have the right to make corrections to such data in the event of misquoted or typographically incorrect data. (For more information regarding BCR's discretion, please refer to Section 3.17 of this PDS.)

### **10.11 Errors**

We reserve the right to, without your consent, either void from the outset or amend the terms of any Transaction containing or based on any error that we reasonably believe to be obvious or palpable. If, in our discretion, we choose to amend the terms of any such Transaction which contains or is based on an error, the amended level will be such level as we reasonably believe would have been fair at the time the Transaction was entered into. In deciding whether to act on an error we shall act reasonably and we may take into account any relevant information including, without limitation, the state of the Underlying Market at the time of the error or any error in, or lack of clarity of, any information source or pronouncement upon which we base our quoted prices. Any financial commitment that you have entered into or refrained from entering into in reliance on a Transaction with us will not be taken into in deciding whether or not there has been an error.

In the absence of our fraud, willful default or negligence, we will not be liable to you for any loss, cost, claim, demand or expense following an error (including where the error is made by any information source, commentator or official on whom we reasonably rely).

If an error has occurred and we choose to exercise any of our rights, and if you have received any monies from us in connection with the error, you agree that those monies are due and payable to us and you agree to return an equal sum to us without delay.

### **10.12 Conflicts of Interest**

You acknowledge that we provide a diverse range of financial services to a broad range of clients and counterparties and circumstances may arise in which we, our Associated Companies, or a Relevant Person may have a material interest in a transaction with or for you or where a conflict of interest may arise between your interests and those of other clients or counterparties or of ourselves.

We are required by law to take all reasonable steps to identify conflicts of interests between ourselves, our Associated Companies and Relevant Persons and our clients, or between one client and another, that arise in the course of providing our financial service. The following are examples of such material interests and conflicts of interests:

- We may effect or arrange for the effecting of a Transaction with you or on your behalf in connection with which we, our Associated Companies, or a Relevant Person may have other direct or indirect material interests;
- We may execute hedging Transactions prior to (i.e. in anticipation of) or following receipt from you of a request, or information concerning a contemplated request, to open or close a Transaction in order to manage our risk in relation to Transaction(s) you are entering into or contemplating, all of which may impact on the price you pay or receive in relation to such Transaction(s) and any profits generated by such hedging may be retained by us or an Associated Company without reference to you;
- We may match your Transaction with that of another client by acting on its behalf as well as yours;
- We may pay to and accept from third parties (and not be liable to account to you) benefits, commissions or remunerations which are paid or received as a result of Transactions conducted by you;
- We may make a market in Transactions which you enter into under this Agreement;
- We may deal in the Underlying Market to which your Transactions relate as principal for own account or that of someone else;
- We, or an Associated Company, may give general investment advice or provide other services to another client about or concerning the Underlying Market in relation to which you enter a Transaction.

We have in place organisational and administrative controls to manage the conflicts of interests identified above such that we can be reasonably confident that risks of damage to clients as a result of any conflict will be prevented.

We are not under any obligation to account to you for any profit, commission or remuneration made or received from or by reason of Transactions or circumstances in which we, our Associated Companies or a Relevant Person has a material interest or where in particular circumstances a conflict of interest may exist.

You acknowledge that you are aware of the possibility that the conflicts disclosed in this Term will arise and consent to us acting notwithstanding such conflict.

### **10.13 Indemnity**

The Client will indemnify BCR against all losses, taxes, expenses, costs, and liabilities which may be incurred by BCR as a result of the Client's breach of the terms and conditions set forth in this PDS. BCR will not be liable for any loss, expense, cost or liability incurred by the Client as a result of the products and services offered by BCR unless such loss is suffered as a result of BCR's gross negligence or default.

To the extent permitted by law, you will indemnify, protect and hold us harmless from and against all losses, liabilities, judgments, suits, actions, proceedings, claims, damages and/or costs resulting from or arising out of any act or omission by any person obtaining access to your account by using your designated account number and/or password, whether or not you authorised such access.

Without prejudice to any other Terms of this Agreement, we will have no liability to you in relation to any loss that you suffer as a result of any delay or defect in or failure of the whole or any part of our Trading Platform's software or any systems or network links or any other means of communication. We will have no liability to you, whether in contract or in tort (including negligence) in the event that any computer viruses, worms, software bombs or similar items are introduced into your computer hardware or software via our trading, provided that we have taken reasonable steps to prevent any such introduction.

Unless we are prohibited from excluding such liability by law (for example, for losses relating to death or personal injury or caused by our fraud), we will not be liable for any direct, indirect, special, incidental, punitive or consequential damages (including, without limitation, loss of business, loss of profits, failure to avoid a loss, loss of data, loss or corruption of data, loss of goodwill or reputation) caused by any act or omission of ours under this Agreement.

BCR has Professional Indemnity Insurance arrangements in place which satisfies the requirements for compensation arrangements under Section 912B of the Corporation Act. These arrangements are in place to compensate individuals who suffer loss or damage as a result of a breach of BCR's obligations. Our Professional Indemnity insurance takes into account the nature and volume of our business, the number of Clients and type of Clients we have, our representatives, and the maximum potential extent of liability. Our Professional Indemnity Insurance also covers a claim in relation to the conduct of representatives and employees who no longer work for us but who did at the relevant time.

#### **10.14 Website Use & Access**

The Client shall be responsible for providing means by which to access the website and electronic Trading Platform which may include, without limitation, a personal computer, modem and Internet Service Provider. The Client shall be responsible for all access and service fees necessary to connect to the website and electronic Trading Platform. The Client shall be responsible all risks associated with the use and storage of information on a personal computer or on any other computer through which the Client will gain access to the website and the services.

The Client shall be responsible for safeguarding all password and account information that is provided by BCR. The Client shall be responsible for security and control of access to their computer, computer viruses or other similar harmful or inappropriate materials, devices, information or data. The Client is responsible for not exposing BCR's computer systems to any computer virus or malicious software.

BCR will not be liable in any way to the Client in the event of failure of or damage or destruction to your computer system, data or records or any part thereof, or for delays, losses, errors or omissions resulting from the failure or mismanagement of any telecommunications or computer equipment or software.

### **10.15 Legal Restrictions**

The Client acknowledges that laws regarding financial contracts vary by country or jurisdiction, and it is the obligation of the Client alone to ensure that they fully comply with any local law, regulation or directive, relevant to your country of residency with regards to doing business with BCR.

The BCR website does not constitute, and may not be used for the purposes of, an offer or solicitation. The website has been created to comply with the rules and regulations of the Australian Securities and Investment Commission. The trading of off-exchange, over-the-counter financial contracts may be restricted in certain jurisdictions.

You may not assign any of your rights or delegate any of your obligations under this Agreement to any person without the prior written consent of BCR.

### **10.16 Anti-Money Laundering Policy**

The Client hereby declares that the funds invested in their BCR trading account did not originate from trafficking drugs, abduction, or any other criminal activity, and that investment or dealing in those funds does not break the law in your country of residence.

The Client acknowledges that BCR may require further information from time to time to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF Act). By entering into this Agreement, opening an account and transacting with us, you undertake to provide us with all additional information and assistance that we may reasonably require to comply with the AML/CTF Act.

### **10.17 Miscellaneous**

We reserve the right to suspend your account at any time. If we suspend your account, it means that: you will generally not be permitted to open any new Transactions or increase your exposure under your existing Transactions, but you will be permitted to close, part close or reduce your exposure to us under your existing Transactions; you will no longer be permitted to trade with us via the BCR Trading Platform, rather you will be required to trade with us via the phone. We also reserve the right to suspend a specific Transaction that you have open with us. If we suspend a Transaction, it means that: you will generally not be permitted to increase your exposure to us under the suspended Transaction, but you will be permitted to close, part close or reduce your exposure to us under the suspended Transaction; in relation to the Suspended Transaction, you will no longer be permitted to deal with us via the BCR Trading Platform, rather you will be required to deal with us via the phone.

Our rights and remedies under this Agreement will be cumulative, and our exercise or waiver of any right or remedy will not preclude or inhibit the exercise of any additional right or remedy. Our failure to enforce or exercise any right under this Agreement will not amount to a waiver or bar to enforcement of that right.

We may assign the benefit and burden of this Agreement to a third-party, in whole or in part, provided that any assignee agrees to abide by the terms of this Agreement. Such assignment will come into effect 10 business days following the day you are deemed to have received notice of the assignment in accordance with this Agreement. You agree that you may not assign the benefit and burden of this Agreement, whether in whole or in part, to any third-party without our prior written consent.

You acknowledge and agree that the copyrights, trademarks, database and other property or rights in any information distributed to or received by you from us (including, but not limited to, our prices), together with the contents of our website(s), brochures and other material connected with our dealing service and in any database that contains or constitutes such information, will remain the sole and exclusive property of ours or any third-party identified as being the owner of such rights.

If any term (or any part of any term) is held by a court of competent jurisdiction to be unenforceable for any reason then such Term will, to that extent, be deemed severable and not form part of this Agreement, but the enforceability of the remainder of this Agreement will not be affected.

You will be responsible at all times for the payment of all taxes due and for providing any relevant tax authority with any information relating to your dealings with us. You agree that if we provide you with any information or express any opinion in relation to the tax treatment of your dealings with us it will not be reasonable for you to rely upon any such statement and it will not constitute tax advice.

Our records, unless shown to be wrong, will be evidence of your dealings with us in connection with our services. You will not rely on us to comply with your record keeping obligations, although records may be made available to you on request at our absolute discretion.

Wherever in this agreement we are conferred with discretion or an entitlement to make an election or adopt a course of action which affects you or your interests, we agree to exercise such discretion or make an election or adopt such a course of action in good faith according to what we reasonably believe to be fair in the circumstances.

This Agreement and any arrangements hereunder may be suspended or terminated by either party upon giving the other party written notice of suspension or termination, which will take effect immediately, unless otherwise specified in the notice. Any such suspension or termination will not affect any obligation that may already have been incurred by either party in respect of any outstanding Transaction or any legal rights or obligations that may already have arisen under this Agreement or any dealings made thereunder.

## **10.18 Privacy**

### *Personal Information*

When a Client asks for information about BCR's products and services, accesses the BCR website, or submits an application to open an account with BCR, they may be providing BCR with personal information.

BCR will maintain records of all transactions and activities on accounts with BCR, including details of contracts traded. During the course of a relationship with BCR, information about products and services provided utilised by the Client will be kept on record.

When assessing a Client application, BCR may also collect information about the prospective Client from publicly available sources.

Client personal information will be treated strictly in accordance with the National Privacy Principles in the Australian Privacy Act. Any Client who is an Australian Resident may at any time, upon request, gain access to the information that the BCR holds about him or her in accordance with the National Privacy Principles as described below.

#### *Use of Personal Information*

The information requested in the Client Agreement to open an account is required by BCR to determine whether a prospective Client has enough knowledge and experience to trade in off-exchange, over-the-counter derivatives with BCR. That information, together with the information collected and maintained by BCR for duration of an account, is required to keep Clients updated in relation to their account status, margin obligations, and trading activities.

The information requested by BCR when accessing our website or completing one of our Client Agreements is to allow us to provide our Clients with information regarding the products and services offered by BCR that best suit their investment needs and risk appetite. BCR takes all reasonable steps to protect Client's personal information from misuse, loss, unauthorised access, modification or disclosure.

#### *Telephone Conversations*

BCR may also record telephone conversations between the Client and BCR's authorised representatives. Such recordings, or transcripts from such recordings, may be used to resolve any Client dispute. Recordings or transcripts made by BCR of Client telephone conversations may be erased at BCR's discretion. (For more information regarding BCR's discretion, please refer to Section 3.17 of this PDS.)

#### *Website*

BCR collects statistical information about visitors to our websites such as the number of visitors, pages viewed, types of transactions conducted, time online and documents downloaded. This information is used to evaluate and improve the performance of our websites. Other than statistical information, we do not collect any personal information through our website unless provided to us.

#### *Updating Personal Information*

BCR asks that Clients promptly notify the company of any changes to the personal information on file. This allows BCR to keep Clients informed regarding their accounts, margin obligations, and trading activities. You may ask us at any time to correct personal information held by BCR that is outdated or inaccurate. Should we disagree with you as to the accuracy of the information, you may request that we attach a statement to that information noting that you consider it inaccurate or incomplete.

#### *Client Consent*

By accessing BCR's website the Client consents to the collecting, maintaining, using and disclosing personal information provided.

## 10.19 Additional Information

Other information about BCR and its products may be obtained by accessing our website at [au.thebcr.com](http://au.thebcr.com) or by contacting us:

Registered Address:

L1, 12-14 O'Connell Street  
Sydney, NSW 2000  
Australia

Business Addresses:

Level 24, 171 Sussex Street  
Sydney, NSW 2000  
Australia

Phone: 61 2 8459 8050  
Fax: 61 2 8088 7423  
Email: [info@au.thebcr.com](mailto:info@au.thebcr.com)  
Office Hours: 9AM – 5PM AEST

## 11 GLOSSARY

<b>Account</b>	Account refers to the trading account that is held by you with BCR, for the purpose of trading CFD products.
<b>Account Equity</b>	Aggregate of current balance in your Account and your current unrealised profit and losses less any margin requirements.
<b>Agreement</b>	Contains documents for gathering Client information and also contains disclosure documents such as the PDS and FSG. When prospective Clients are interested in opening an account with BCR they are presented with the entire Client Agreement.
<b>ASIC</b>	Australian Securities & Investments Commission or any regulatory body which replaces it or performs its functions.
<b>Ask Price</b>	<p>The price at which the market is prepared to sell a product. Prices are quoted two-way as Bid/Ask. The Ask price is also known as the Offer.</p> <p>In Forex trading, the Ask represents the price at which a trader can buy the base currency, shown to the left in a currency pair. For example, in the quote AUDUSD 0.76092/0.76109, the base currency is USD, and the Ask price is 0.76109, meaning you can buy one US dollar for 0.76109 Aussie Dollars.</p> <p>In CFD trading, the Ask also represents the price at which a trader can buy the product. For example, in the quote for Oil 57.92/57.97, the product the Ask price is 57.97 for one unit of the underlying market.</p>
<b>Australian Client Money Rules</b>	<p>The provisions in Part 7.8 of the Corporations Act 2011 and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with client money and property.</p>
<b>Authorised Representative</b>	<p>An Authorised Representative is a company that is authorised in accordance with section 916A or 916B of the Corporations Act to provide a financial service or services on behalf of an Australian Financial Services licensee.</p>
<b>Base Currency</b>	A base currency is the currency denomination of your account and refers to the first quoted currency in a currency pair, i.e. AUD in AUD/USD.
<b>Bar Chart</b>	A type of chart which consists of four significant points: the high and the low prices, which form the vertical bar; the opening price, which is marked with a horizontal line to the left of the bar; and the closing price, which is marked with a horizontal line to the right of the bar.



<b>Bid Price</b>	<p>The price at which the market is prepared to buy a product. Prices are quoted two-way as Bid/Ask.</p> <p>In Forex trading, the Bid represents the price at which a trader can sell the base currency, shown to the left in a currency pair. For example, in the quote AUDUSD 0.76092/0.76109, the base currency is USD, and the Bid price is 0.76092, meaning you can sell one US Dollar for 0.76092 Aussie Dollars.</p> <p>In CFD trading, the Bid also represents the price at which a trader can sell the product. For example, in the quote for Oil 57.92/57.97, the Bid price is 57.92 for one unit of the underlying market.</p>
<b>Bid-Ask Spread</b>	The difference between the Buy and Sell price of BCR's quote. A client may Sell at the lower price or Buy at the higher price of the quote.
<b>Bollinger Bands</b>	A tool used by technical analysts. A band plotted two standard deviations on either side of a simple moving average, which often indicates support and resistance levels.
<b>Business Day</b>	Business day is any day on which a particular market (CFD) is quoted by BCR. Due to the nature of global financial markets, BCR may continue to operate and offer markets on Australian public holidays.
<b>Buy</b>	Taking a long position on a product.
<b>Candlestick Chart</b>	A chart that indicates the trading range for the day as well as the opening and closing price. If the open price is higher than the close price, the rectangle between the open and close price is shaded. If the close price is higher than the open price, that area of the chart is not shaded.
<b>Carry Trade</b>	A trading strategy that captures the difference in the interest rates earned from being long a currency that pays a relatively high interest rate and short another currency that pays a lower interest rate. For example: NZD/JPY (New Zealand Dollar/Japanese Yen) has been a famous carry trade for some time. NZD is the high yielder and JPY is the low yielder. Traders looking to take advantage of this interest rate differential would buy NZD and sell JPY, or be long NZD/JPY. When NZD/JPY begins to downtrend for an extended period of time, most likely due to a change in interest rates, the carry trade is said to be unwinding.
<b>Charge</b>	Can refer to a Rollover or other Fee that is deducted from the Client's account based on positions held (either long or short) on CFDs 'overnight'.
<b>Charting</b>	A visual method of analysing the market using price information to form a picture of previous price movements. Also called <i>technical analysis</i> .
<b>Cleared Funds</b>	Funds that have been deposited or processed with BCR and shown on the client's Account.
<b>Closing Price</b>	The closing price refers to the value of the CFD transaction as determined by BCR based on current and anticipated market conditions.

**Commissions** The fee that a Client must pay to open/close a contract with BCR in some instances.

**Contract Size** The size or amount of CFDs opened in a position. Contract sizes vary by instrument.

**Contract Period** The contract period for a future CFD as set out in the market information sheets

**Contracts for Difference (CFD)**

CFDs are an arrangement between you and BCR to trade the difference arising from movements in the price or value of an underlying asset.

**Counterparty** One of the participants in a financial transaction.

**Cover** To sell a long position or buy back a short position.

**Credit** Can refer to a Rollover or other Fee that is paid to the Client's account based on positions held (either long or short) on CFDs 'overnight'.

**Currency Pair** The two currencies that make up a foreign exchange rate. For example, EUR/USD (Euro/U.S. Dollar).

**Dealer** An individual or firm that acts as a principal or counterpart to a transaction. Principals take one side of a position, hoping to earn a spread (profit) by closing out the position in a subsequent trade with another party. In contrast, a broker is an individual or firm that acts as an intermediary, putting together buyers and sellers for a fee or commission.

**Denominated Currency**

The currency in which you have nominated your Account to be denominated.

**Derivative** A financial contract whose value is based on the value of an underlying asset. Some of the most common underlying assets for derivative contracts are indices, equities, commodities and currencies.

**Equity** Funds that are not committed to margin obligations that a Client may use to open new positions.

**Fill or Filled Order** A completed order.

**FSG** BCR's Financial Service Guide.

<b>Force Majeure Event</b>	Any cause that prevents BCR from performing or delaying performance of any or all of its obligations under the Client Agreement which arises from, or is attributable to, acts or omissions beyond the control of BCR including, but not limited to, strikes, industrial action, war, sabotage, terrorist activity, national emergency, blockades or government action, an act of God, a failure of the supply of communications or other infrastructure which prevents an orderly trading market being maintained, or which prevents compliance with the law or the applicable regulatory system, an emergency or exceptional market conditions, the suspension or closure of any index/market/Exchange or the abandonment or failure of such index, market or exchange.
<b>FOREX/FX</b>	The simultaneous buying of one currency and selling of another. The global market for such transactions is referred to as the forex or FX market.
<b>Fundamental Analysis</b>	The assessment of all information available on a tradable product to determine its future outlook and therefore predict where the price is heading. Often non-measurable and subjective assessments, as well as quantifiable measurements, are made in fundamental analysis.
<b>Gapping</b>	Gapping is exposure to loss from failure of market prices or rates to follow a 'smooth' or continuous path due to external factors such as world, political, economic and specific corporate events.
<b>Gearing</b>	If a trader buys \$1000 of Commonwealth Bank stock in the cash market and it rises by 10%, his profit will be \$100. But if he buys the same position using a CFD he may only have to put up a deposit of \$100. If the stock moves 10% higher his profit on capital invested will be \$100 or 100%. This is gearing at work.
<b>Going Long</b>	The purchase of a stock, commodity or currency for investment or speculation – with the expectation of the price increasing.
<b>Going Short</b>	The selling of a currency or product not owned by the seller – with the expectation of the price decreasing.
<b>GMT</b>	Greenwich Mean Time - The most commonly referred time zone in the CFD market. GMT does not change during the year, as opposed to Daylight Savings/Summer time.
<b>Hedging</b>	Minimising risk by being simultaneously long and short. Perhaps someone is long \$50,000 of stock in the cash market and wants to protect this from potential downside risk. To hedge he would sell \$50,000 of CFDs. If the share price did go lower the loss on the stock position would be offset by profits made via the short position.
<b>High Price</b>	The High Price of a particular CFD on the Trading Platform is the highest Bid price of the day. The highest Ask price will come from the highest Bid price of the day plus the Spread.  Example: The High Price on the Trading Platform for EURUSD is 1.14345, and spread is 17 pips. Thus, the highest Bid price is 1.14345, and the highest Ask price is 1.14362. The High Price will be reset on the Trading Platform at 00:00 GMT each day.
<b>Illiquid</b>	A market that doesn't have much volume, usually characterised by a wide bid-ask spreads. Illiquid markets are normally expensive to trade in.

<b>Indices</b>	Indices are a customised basket of securities that track a particular market or segment. Each index has its own calculation methodology and its own specific process used to select particular securities. We offer prices on all of the major financial indexes, such as the S&P/ASX 200, UK 100, Dax 30, Dow Jones and S&P 500.
<b>Initial Margin Requirement</b>	The initial deposit of collateral required to enter into a position.
<b>Irregular/Illegal Trading</b>	Please see section 2.24 for a detailed definition of this practice. BCR retains the right of the final interpretation of what constitutes irregular and/or illegal trading.
<b>Leverage</b>	Leverage involves borrowing a certain amount of the money needed to invest in something. In the case of CFDs, that money is usually borrowed from a broker. Forex trading does offer high leverage in the sense that for an initial margin requirement, a trader can build up - and control - a huge amount of money.
<b>Limit Order</b>	An order to buy or to sell a position at a specific price. Example –" Buy 1000 Vodafone shares at \$1.20". This would be placed when Vodafone is trading above \$1.20. The potential buyer is hoping for a better price than where the market is currently trading. There is obviously the possibility the order will never get filled. Limit orders can also be used in the same fashion for selling above the market.
<b>Liquidation</b>	The closing of an existing position through the execution of an offsetting transaction.
<b>Liquidity or Liquid</b>	The amount of business conducted in a given market or stock. Where possible you always want to trade products that have good liquidity chiefly because they are cheaper to trade because of tight bid-ask spreads.
<b>Liquidity Provider</b>	A bank or other financial institution or third-party that provides executable two-way quotes in respect of relevant underlying instruments, to which the CFD products relate, on a continuous and regular basis.
<b>Long Position</b>	A client is said to be long if he/she has an open buy position.
<b>Low Price</b>	The Low Price of a particular CFD on the Trading Platform is the lowest Bid price of the day. The lowest Ask price will come from the lowest Bid price of the day plus the Spread.  Example: The Low Price on the Trading Platform for EURUSD is 1.14011, and the Spread is 17pips. Thus, the lowest Bid price is 1.14011, the lowest Ask price is 1.14028

The Low Price will be reset on the Trading Platform at 00:00 GMT each day.

<b>Maintenance Margin</b>	The minimum amount of equity that must be maintained in a trading account. In the context of BCR's trading accounts, Clients must maintain 50% of Initial Margin in their trading account to avoid a 'Stop-Out'.
<b>Margin</b>	The amount of money needed to deposit with your CFD broker in order to fund a position. With margined products only a percentage of the nominal value has to be lodged in cash, normally between 5 - 20%.
<b>Margin Call</b>	The additional margin required to ensure that total margin is sufficient to cover open positions.
<b>Margin in Use</b>	Represents the aggregate amount of margin being used for all open positions at any one time in your base currency.
<b>Mark-Up</b>	Markup is the difference between the selling price of a good or service and cost. A markup can be added into the total cost of the CFD by BCR incurred by the in order to cover the costs of doing business and create a profit.
<b>Market Maker</b>	A dealer who regularly quotes both bid and ask prices and is ready to make a two-sided market for any financial product.
<b>Market Order</b>	An order to buy or sell at the current bid or ask price.
<b>Net Equity</b>	The aggregate of the current cash balance in your Account, adding all your realised and unrealised profits and losses, and deducting applicable charges and fees payable to us. The term Net Equity under this PDS has the same meaning as given to it in the Product Intervention Instrument.
<b>Open Position</b>	A long or short CFD position that has not been closed out.
<b>Open Position P&amp;L</b>	The aggregate amount of unrealised profit and loss on all of your open positions at any one time in your base currency.
<b>OTC</b>	Over the Counter products are not traded on an exchange, but are an agreement between two parties.
<b>Overnight Financing</b>	A financing adjustment made to your account when an open position is held overnight. This includes positions held overnight on a non-business day, a Saturday or Sunday and any bank or public holiday.
<b>Overnight Position</b>	A trade that remains open until the next business day.
<b>PDS</b>	Product Disclosure Statement

<b>Pip</b>	<p>The smallest price change that a given exchange rate can make. Since most major currency pairs are priced to four decimal places, the smallest change is that of the last decimal point - for most pairs this is the equivalent of 1/100<sup>th</sup> of one percent, or one basis point.</p> <p>For example, the smallest move the USD/CAD currency pair can make is \$0.0001, or one basis point. The smallest move in a currency does not always need to be equal to one basis point, but this is generally the case with most currency pairs.</p>
<b>Price Gap</b>	A significant price movement of a security or commodity between two trading sessions, such that there is no overlap in the trading ranges for the two days.
<b>Public Complaints Policy</b>	Our dispute resolution policy published on our website.
<b>Quote Currency</b>	The second quoted currency in a currency pair, i.e. USD in AUD/USD.
<b>Realised Gain/Loss</b>	The amount of money you have made or lost when a position has been closed.
<b>Referral Agent</b>	An individual or entity who refers Clients to BCR. Referral Agents generally earn an Introduction fee based the number of Clients introduced to the firm who have opened an account. Also known as “Referral Parties”.
<b>Relevant Person</b>	An employee of ours or an employee of an Associated Company.
<b>Resistance</b>	The price at which a prior advance was terminated or a future advance is likely to terminate, or where the market expects selling to materialise. For example, if the S&P 500 Mini is trading at 1,950 you may hear pundits report that “resistance is expected at 1,950”.
<b>Rollover Benefit</b>	If a Client holds a position past BCR’s Settlement time on Forex CFD, they may receive a Rollover Benefit. The Rollover Rate for Forex/Precious Metals/Commodity CFDs is a varying rate dependent on the currency pair, the applicable rate in the interbank markets according to the duration of the rollover period, the size of the position and the Spread.
<b>Rollover Charge</b>	If a Client holds a position past BCR’s Settlement time on Forex CFD, they may have to pay a Rollover Charge. The Rollover Rate for Forex/Precious Metals/Commodity CFDs is a varying rate dependent on the currency pair, the applicable rate in the interbank markets according to the duration of the rollover period, the size of the position and the Spread.

<b>Sell</b>	Taking a short position in expectation that the market is going to go down.
<b>Short Position</b>	A client is said to be short if he/she has an open sell position in the market.
<b>Slippage</b>	Relates to Stop Losses and is the difference between where the Stop Loss level is and where the order was actually filled. If the Stop Loss order is to sell 1000 Vodafone at \$1.20 but the fill is actually at \$1.19 then the 1 pip difference is referred to as negative slippage. Slippage is normally not a problem in normal markets but in very volatile ones it can be expected.
<b>Spot Market</b>	A market whereby products are traded at their market price for immediate exchange.
<b>Spot Price</b>	The current market price. Settlement of spot transactions usually occurs within two business days.
<b>Spot Trade</b>	The purchase or sale of a product for immediate delivery (as opposed to a date in the future). Spot contracts are typically settled electronically.
<b>Spread</b>	The difference between the bid and the ask price of a contract. A client may Sell at the lower price or Buy at the higher price of the quote.
<b>Statements</b>	A written confirmation of our dealings with you including any Transactions that you open and/or close, any Orders that you set and/or edit and any charges that we apply.
<b>Stop Loss</b>	A predetermined price at which a position will be closed to protect against further loss. The use of Stop Losses is the only inherently reliable way for a trader to manage risk.
<b>Stop-Out</b>	A broker's demand on an investor using margin to deposit additional money or securities so that the margin account is brought up to the minimum maintenance margin. You would receive a Stop-Out from BCR if one or more of your positions you had decreased in value past a certain point. Due to the volatile nature of CFD markets, it is inefficient to notify Clients via a traditional "Margin Call" when their equity falls below acceptable maintenance margin levels.
<b>Stop Out Level</b>	The Margin Level at which BCR has the ability to close all or some of your existing Contracts.
<b>Swap</b>	While holding a position overnight, your Account is debited or credited using the applicable overnight Tom-Next rate (See: "Rollover Benefit/Charge").
<b>Target Market Determination</b>	A document which describes who a product is appropriate for (target market), and any conditions around how the product can be distributed to customers. It also describes the events or circumstances where we may need to review the Target Market Determination for a financial product.

<b>Technical Analysis</b>	The process by which charts of past price patterns are studied for clues as to the direction of future price movements.
<b>Total Equity</b>	Equal to any cash value plus the market liquidation value of the securities in the account.
<b>Total Initial Margin Requirement</b>	Total amount of Initial Margin invested for all Open Positions. For example, if the Client held two standard lots of EUR/USD and one standard lot of Gold, then his Total Initial Margin would be \$1500 USD (2 X \$1000 USD for Forex CFD, 1 X \$500 USD for Gold CFD).
<b>Trading Hours</b>	In respect of each CFD product, the hours during which we provide a quote for a particular CFD product as detailed in our Contract Specifications.
<b>Trading Platform</b>	The electronic trading system BCR makes available to the client via the internet to facilitate trading in CFDs, including without limitation, any online or downloadable Trading Platform mentioned on our website i.e. MetaTrader4 or BCR Trader.
<b>Transaction</b>	A contract for difference of any kind in relation to any instrument or any combination of instruments and means either or both Expiry Transactions and Undated Transactions as the context requires.
<b>Undated Transaction</b>	A Transaction with an indefinite or contract period that is not capable of expiring automatically.
<b>Underlying Asset</b>	A security, such as a stock, a commodity, or other type of financial product, such as a stock index, whose value determines the value of a derivative investment or product.
<b>Unrealised Gain/Loss</b>	The theoretical gain or loss on open positions valued at current market rates, as determined by the broker in its sole discretion. Unrealised gains/losses become profits/losses when the position is closed.
<b>Usable Margin</b>	Account Equity less used margin. This is the amount you have available to withdraw or cover additional Margin Requirements.
<b>Volatility</b>	A term used to describe and quantify the relative movement of a given market in the recent past. A market that experiences significant movement is said to be volatile.