

Client Money Policy



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CLIENT MONEY POLICY

- 1) Client monies are retained in one or more of the Forex Financial Services (“FFS”) segregated accounts (which are separate to FFS’s monies/assets) in accordance with the Corporations Act.
- 2) Individual client accounts are not separated from each other, but may be co-mingled into one segregated account.
- 3) Such segregation of the Client’s money and property does not protect the Client’s money and property from the risk of loss.
- 4) Client’s monies are only applied to client trades/settlement obligations and to pay agreed fees etc.
- 5) Client’s money will be utilised as free and clear collateral by FFS from time to time in respect of open positions. Such monies and property shall accordingly be treated as the legal and beneficial property of FFS, subject to an obligation by FFS to transfer the equivalent back to the Client in accordance with their transaction rights under Account Terms & Conditions.
- 6) One client’s money is not used to cover the obligations of another. However, it is important to note that holding your money in a segregated account may not afford you absolute protection.
- 7) Monies provided by the Client to meet margins, deposits, fees, transaction settlements or other costs could be immediately on-forwarded by FFS to our licensed third party clearing and execution providers and applied against the Clients margin, exchange, fee and settlement obligations. The balance of the Client’s account may not be protected if there is a default in the dealings with counterparties or in the overall segregated account balance. **(Please refer to our Hedging counterparty risk policy).**
- 8) Client monies, which are held pending future transactions and payments, are held by our licensed third party providers in our segregated account in accordance with the Corporations Act.
- 9) FFS profit margin is built into the terms of the derivative price (which is unknown prior to the date of issue, and cannot be properly ascertained until after the trade is closed).The calculation of the price to be paid (or the payout to be received) for Margin FX products offered by FFS, at the time the contract is purchased or sold, will be based on our best estimate of market prices. **The calculation will include a spread in favour of FFS.** The contract prices (or the payout amounts) offered to clients hedging, trading or speculating on market prices may differ from prices available in the primary or underlying markets where contracts are traded.
- 10) FFS is entitled to retain all interest earned on client moneys held in segregated accounts with a bank or approved deposit-taking institution. The rate of interest earned by FFS on this account is determined by the provider of the deposit facility.

- 11) If FFS were to go into liquidation, and an administrator appointed, clients would be prima facie entitled to fair value for their recorded holdings, rather than holding such

- 12) Instruments in their name directly, thereby placing clients in the position of unsecured creditors with the administrators.

Last Updated: 14 July 2015

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Due for Review: Annually