

Fintek Securities Pty Ltd

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Product Disclosure Statement

28 May 2024

Risk Warning: Trading in Contracts for Difference (CFDs) (including margin foreign exchange contracts) involves the potential for profit as well as the risk of losing substantially more than your initial deposit. In addition, you will not own or have any rights to the underlying instrument. CFDs are not suitable for all investors because of the significant risks involved. It is important for you to carefully consider the relevant legal documents including this Product Disclosure Statement (PDS), the Financial Services Guide (FSG), our Target Market Determinations (TMDs) and the Client Agreement (each of which are available free of charge on our website) before you decide whether or not to acquire any of our products.

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Product Disclosure Statement (PDS)

This Product Disclosure Statement (“PDS”), version 1.2, was prepared on 28 May 2024.

1. INTRODUCTION

Fintek Securities Pty Ltd (Fintek Securities, us, we, our) is the issuer of the products described in this Product Disclosure Statement (PDS).

This PDS explains what you need to know about the products we can offer you. It is designed to:

- provide you with the information you need to determine whether the products we offer are appropriate for you;
- explain the terms and conditions, rights and obligations associated with our products; and
- help you to compare the various products we offer.

When you open a trading account with us, you will be provided with a separate document titled “Client Agreement”. It contains terms and conditions that govern Fintek Securities’ relationship with you. You can obtain a free copy of the document by contacting us or visiting our website.

2. IMPORTANT WARNINGS

It is your responsibility to take all reasonable steps to ensure that you fully understand the products we offer, as well as how the products are used and the risks that are involved in such products. You may need further information to make these decisions.

General Advice Warning: This PDS does not take into account your financial situation, personal objectives or needs. Before using the products referred to in this PDS, you should read this PDS carefully, and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand the possible outcomes of trades and strategies that can be employed using our online trading platform. We recommend that you seek independent financial advice to ensure that a particular product is suited to your financial situation and requirements.

Location Warning: The products described in this PDS are intended for people in Australia. It might be illegal for you to acquire our products if you are outside Australia. If you are outside Australia, you should seek legal advice on whether you can acquire our products and only proceed if the advice confirms that you can.

Client Type Warning: This PDS is only required to be provided to a Retail Client. If you are a Wholesale Client or Sophisticated Investor, then providing you with this PDS does not mean we wish to treat you as a Retail Client and this PDS does not apply to you. Some features of our products as set out in this PDS (for example, Negative Balance Protection) are not available to Wholesale Clients or Sophisticated Investors.

Content Change Warning: Any information that is not materially adverse information is subject to change from time to time and may be updated by inclusion on our website. You can also obtain a paper copy or electronic copy of any updated PDS (without charge) on request. Where this PDS includes a reference to content on our website, the relevant content of the website referred to forms part of this PDS. If you cannot find that information on our website, you can contact us and ask for a copy of the statement or information without charge.

Trading Warning: See the first page of this PDS.

Other Risk Warnings: See section 12 of this PDS for an explanation of significant risks.

Examples we use in this PDS are only for illustration and are included to help you understand our products. They are not exhaustive.

To the extent permitted by law, we do not accept any responsibility for any loss arising from your reliance on this PDS.

Should you have any queries about this PDS, please contact us. Our contact details are at the start of this PDS.

3. ASIC BENCHMARKS

The Australian Securities and Investments Commission (ASIC) is the government regulator that issued our licence and that monitors financial markets in Australia. ASIC has developed a Regulatory Guide (RG 227) which includes seven disclosure benchmarks for over-the-counter CFDs. These benchmarks operate as minimum standards that ASIC expects businesses like us to comply with. If we depart from a benchmark, we must explain why. We have explained our compliance with those benchmarks throughout this PDS. Throughout this PDS, we will refer to ASIC benchmarks, like this:

ASIC Benchmark

This table provides a high-level summary of our compliance with the ASIC Benchmarks.

ASIC Benchmark	Requirement	Do we comply?	Reference
1.Client Qualification	Maintain and apply a written client qualification policy that sets out the minimum qualification criteria that prospective investors will need to demonstrate they meet before opening an account; outlines the processes we have in place to ensure that prospective investors who do not meet the qualification criteria are not able to open an account and trade in CFDs and that requires us to keep written records of client assessments.	Yes	For more information about this benchmark please see section 5.

ASIC Benchmark	Requirement	Do we comply?	Reference
2.Opening Collateral	An issuer should generally only accept cash or cash equivalents from investors as opening collateral when establishing an account to trade in CFDs. If credit cards are used to open accounts, an issuer should accept no more than \$1,000 via credit card to fund the account.	Yes	For more information about this benchmark please see section 5.
3.Counterparty risk – hedging	An issuer should maintain and apply a written policy to manage its exposure to market risk from client positions, which includes the factors it considers when determining if hedging counterparties are of sufficient financial standing; and sets out the names of those hedging counterparties (as they stand from time to time). Policies should be displayed in an up-to-date form on the issuer’s website.	Yes	For more information about this benchmark please see section 12.8.
4.Counterparty risk – financial resources	An issuer should maintain and apply a written policy to maintain adequate financial resources, which details how the issuer monitors its compliance with Australian Financial Services Licence financial requirements; and conducts stress testing to ensure it holds sufficient liquid funds to withstand significant adverse market movements.	Yes	For more information about this benchmark please see section 12.8.
5.Client money	An issuer should maintain and apply a clear policy on its use of client money, including whether it uses money deposited by one investor to meet the margin or settlement requirements of another.	Yes	For more Information about this benchmark please see section 14.
6.Suspended or halted underlying assets	An issuer should not allow a new CFD position to be opened when there is a trading halt over the underlying instrument, or trading in the underlying instrument has otherwise been suspended, in accordance with the rules of the relevant market.	Yes	For more information about this benchmark please see section 12.12.
7.Margin Calls	An issuer should maintain and apply a written policy about its margining practices which details: (a) How the issuer will monitor client accounts, to ensure that it receives early notice of accounts likely to enter into margin call; (b) What rights the issuer may exercise in relation to client accounts including the right to make a margin call or close out positions; and (c) When the issuer will exercise these rights, and what factors it will consider in deciding whether to do so.	Yes	For more information about this benchmark please see section 7.2.

ASIC Corporations (Product Intervention Order – Contracts for Difference) Instrument 2020/986 (“PIO”) sets out various conditions that apply to the issue of CFDs to Retail Clients, including CFDs issued in accordance with this PDS. For further information, please go to the following webpage: <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2020-releases/20-254mr-asic-product-intervention-order-strengthens-cfd-protections/>

4. WHO ARE WE, AND WHAT WE ARE AUTHORISED TO DO

Fintek Securities is the issuer of the products described in this PDS.

We are authorised to provide general financial product advice in relation to derivatives and foreign exchange contracts. We are also authorised to deal in relation to those same products.

We are only authorised to provide general advice in relation to derivatives and foreign exchange contracts, we will never provide you with personal advice. We may, however, provide you with general advice. There is an important difference between general advice and personal advice. If we provide you with general advice, it means that we have not considered any of your individual objectives, financial situation, and needs. See the Advice Warning in section 2 for more details.

We are also authorised to “make a market” for foreign exchange contracts and derivatives. This means that we set our own prices for the products we offer, including the buy (ask) price and the sell (bid) price. The prices we set may diverge significantly from the market price for the underlying instrument.

We do not provide a market amongst or between clients for investments or speculation. Each product purchased (or sold) by you is an individual agreement made between you and us (as principal), and is not transferable, negotiable, or assignable to, or with, any third party.

5. OPENING AN ACCOUNT

Step 1: Read this PDS and the FSG.

Step 2: Read, acknowledge, and accept the Client Agreement which we will provide you electronically by ticking the box.

Step 3: Set up a trading account with us.

ASIC Benchmark 1:

RG 227 – Client Qualification

We maintain and apply a written “Client Qualification” policy that;

- sets out the minimum qualification criteria that prospective clients will need to demonstrate before we will permit them to commence trading with us;
- outlines the processes we have in place to ensure that prospective clients who do not meet the qualification criteria and are therefore assessed by us as “unsuitable” are not accepted as a client and able to trade in our products; and
- requires that we maintain records of our client assessments.

Trading in our products involves significant risks and may not be suitable for all investors. Accordingly, prospective clients must complete a “suitability test” before they can begin trading with us. The “suitability test” enables prospective clients to demonstrate to us that they have a sound understanding of the features and risks of our products.

You will be required to complete the “suitability test” at the time you open the Fintek Securities Trading Account and before you enter into any transaction.

If you are unsuccessful in completing the “suitability test”, the results of your assessment will be recorded. If you are unsuccessful, you will not be able to trade but you will be given another opportunity to complete the test at your earliest convenience.

You can contact us if you have any questions about the “suitability test”.

We must also verify your identity before you can begin trading with us.

Step 4: You need to deposit an Initial Margin in the Base Currency into your newly established Fintek Securities Trading Account before you start trading. The Initial Margin that you will be required to deposit will be typically calculated as a percentage of the notional contract amount. The Initial Margin requirements will comply with the PIO but may also be higher. We will tell you what amount you need to deposit before you make the deposit, and you can find the amount you will need to deposit on our online trading platform.

ASIC Benchmark 2: RG 227 – Opening Collateral

We only accept deposits via EFT, certain e-wallets or debit/credit card to meet all margin requirements including Initial Margin.

When you establish a Fintek Securities Trading Account, we will not accept an initial deposit more than \$1,000 via credit card. We do this to meet the adopted opening collateral benchmark.

Opening collateral in this PDS is Initial Margin.

You should exercise caution when using a credit card as Initial Margin as you may be exposed to the risk of “double leverage”. This is because you are borrowing funds from your credit card issuer to fund your Fintek Securities Trading Account. You will also need to ensure that you have sufficient funds available to meet your credit card repayment obligations.

Step 5: You are now ready to trade.

6. PRODUCTS COVERED BY THIS PDS

This PDS describes products that are:

- derivatives, because they derive their value from an underlying instrument;
- over the counter (OTC) because they are an agreement between you and us, and there is no central counterparty (like an exchange);
- a legally binding contract. Our Client Agreement refers to a contract when referring to our products; and
- are “synthetic” in that they do not result in the physical delivery of the underlying instrument but are cash adjusted or closed by you taking an offsetting opposite position. Positions will always be closed and your Fintek Securities Trading Account will be either credited or debited according to the profit or loss of the trade.

The money you will receive or pay will depend on whether the value of the underlying instrument you choose moves in your favour. If it does, and you close your position, then you will typically make a gain and your Fintek Securities Trading Account will be credited. If it does not, then you will typically make a loss and your Fintek Securities Trading Account will be debited. The products only require a deposit which is much smaller than the trade size (this is why the trade is “margined” or “leveraged”).

Our products fall within the following categories:

- Margin Foreign Exchange (FX) Contracts;
- Commodities CFDs;
- Indices CFDs;
- Share CFDs; and
- Cryptocurrency CFDs.

Details of all the products available to trade are contained on our website.

Margin FX Contracts

A Margin FX Contract is an agreement to pay or receive the change in the value of a currency pair depending on whether the price rises or falls (“Margin FX Contract”).

The prices of our Margin FX Contracts are based on the price of an underlying currency pair. However, you do not own any underlying currency pair, nor do you trade it on an exchange. Margin FX Contracts are cash settled.

By entering into a Margin FX Contract, you are either entitled to be paid an amount of money or required to pay an amount of money depending on movements in the price of the contract. The amount of any profit or loss made on a Margin FX Contract will be the net of:

- the difference between the price of the Margin FX Contract when the position is opened and the price of the Margin FX Contract when the position is closed;
- any margin adjustments in respect of the Margin FX Contract;
- any overnight fees (swap points) relating to the Margin FX Contract.

Margin FX Contracts only require you to pay a deposit (Initial Margin) which is an amount that is much smaller than the trade size (this is why the trade is “marginated” or “leveraged”).

You can buy or sell a Margin FX Contract. When you buy, you buy at the “ask” price, and when you sell, you sell at the “bid” price. We set the “ask” price and the “bid” price as a market maker. The prices we set may diverge significantly from the market price for the underlying currency pair.

Details of all the Margin FX Contracts available to be traded are detailed on our website (www.finteksec.com.au) which is updated regularly.

Example:

The following are worked examples to assist you in understanding the profit and loss derived from Margin FX CFD transactions:

Buy trade:

Long Trade:

Balance Currency: AUD

Asset: EUR/USD

Open price: 1.1355

Close price: 1.1375

Lot size: 1 lot

Contract Size: 100 000 EUR

Swap: Long -0.75% / Short -0.25%

Duration: 1 day

AUD/USD Rate: 0.72

Gross P&L is calculated as $1 \times 100\,000 \times (1.1375 - 1.1355) = \text{USD } 200.00$ Gross P&L (AUD) = $200 / 0.72 = \$277.78$

Long Swap:

Tom. next rate = -0.25%

EUR rate = 0%

USD rate = 0.25%

Markup = 0.5%

Swap point is calculated as $1 \times 100\,000 \times 1.1375 \times (-0.25\% - 0.5\%) / 365 = -\text{USD } 2.34$

Gross P&L is calculated as $200.00 - 2.34 = \text{USD } 197.66$

Gross P&L (AUD) = $197.66 / 0.72 = \$274.53$

Sell trade:

Short Trade:

Balance Currency: AUD

Asset: EUR/USD

Open price: 1.1355

Close price: 1.1375

Lot size: 1 lot

Contract size: 100 000 EUR

Swap: -0.25%

Duration: 1 day

AUD/USD Rate: 0.72

Gross P&L is calculated as $1 \times 100\,000 \times (1.1375 - 1.1355) \times (-1) = -\text{USD } 200.00$ Gross P&L (AUD) = $200.00 / 0.72 = \$277.78$

Short Swap:

Tom. next rate = 0.25%

EUR rate = 0%

USD rate = 0.25%

Markup = 0.5%

Swap point is calculated as $1 \times 100\,000 \times 1.1375 \times (0.25\% - 0.5\%) / 365 = -\text{USD } 0.78$

Gross P&L is calculated as $-200.00 - 0.78 = -200.78$

Gross P&L (AUD) = $-200.78 / 0.72 = -278.86$

Commodities CFDs

A Commodities CFD is an agreement to pay or receive the change in the value of a commodity depending on whether the price rises or falls ("Commodities CFD").

You can trade a range of Commodities CFDs including Silver, Gold, Crude Oil Brent and Crude Oil WTI. Details of all the Commodities CFDs available to be traded are detailed on our website which is updated regularly.

The trading hours for each type of Commodity CFD are set out on the Fintek Securities website (www.finteksec.com.au) which is updated regularly.

Commodities CFDs only require you to pay a deposit (Initial Margin) which is an amount that is much smaller than the trade size (this is why the trade is “marginated” or “leveraged”).

Commodities CFDs are quoted in USD. This means that even if your Initial Margin is in AUD, we will convert it to USD so that you can make the trade.

You can buy or sell a Commodities CFDs. When you buy, you buy at the “ask” price, and when you sell, you sell at the “bid” price. We set the “ask” price and the “bid” price as a market maker. The prices we set may diverge significantly from the market price for the underlying commodity.

The prices of our Commodities CFDs are based on the price of the underlying commodity. However, you do not own any underlying commodity, nor do you trade it on an exchange. Commodities CFDs are cash settled.

By entering into a Commodities CFDs, you are either entitled to be paid an amount of money or required to pay an amount of money depending on movements in the price of the contract. The amount of any profit or loss made on a Commodities CFDs will be the net of:

- the difference between the price of the Commodities CFDs when the position is opened and the price of the Commodities CFDs when the position is closed;
- any margin adjustments in respect of the Commodities CFDs;
- any overnight fees (swap points) relating to the Commodities CFDs.

Example:

The following are worked examples to assist you in understanding the profit and loss derived from Commodity CFD transactions:

Asset: WTI Crude

Open Price: 83.5

Close Price: 90.5

Lot size: 10 lots

Contract size: 1 Barrel.

Swap: Long 5% / Short -5%

Duration: 1 day

AUD/USD Rate: 0.72

Buy trade:

Long Trade:

Gross P&L is calculated as $10 \times 1 \times (90.5 - 83.5) = \text{USD } 70.00$ Gross P&L (AUD) = $70.00 / 0.72 = \$97.22$

Long Swap:

Swap point is calculated as $10 \times 1 \times 90.5 \times 0.05 / 365 = \text{USD } 0.12$

Gross P&L is calculated as $70 + 0.12 = \text{USD } 70.12$ Gross P&L (AUD) = $70.12 / 0.72 = \$97.38$

Sell trade:

Short Trade:

Gross P&L is calculated as $10 \times 1 \times (90.5 - 83.5) \times (-1) = -\text{USD } 70.00$ Gross P&L (AUD) = $-70.00 / 0.72 = -\$97.22$

Short Swap:

Swap point is calculated as $10 \times 1 \times 90.5 \times (-0.05) / 365 = -\text{USD } 0.12$

Gross P&L is calculated as $-70.00 - 0.12 = -\text{USD } 70.12$ Gross P&L (AUD) = $-70.12 / 0.72 = -\$97.38$

Index CFDs

An Index CFD is an agreement to pay or receive the change in the value of an Index depending on whether the price rises or falls ("Index CFDs").

You can trade a range of Index CFDs including the Dow Jones, TFSE, SPI and ASX 200. Details of all the Index CFDs available to be traded are detailed on our website (www.finteksec.com.au) which is updated regularly.

The trading hours for each Index CFD is set out on the Fintek Securities website (www.finteksec.com.au) which is updated regularly.

Index CFDs only require you to pay a deposit (Initial Margin) which is an amount that is much smaller than the trade size (this is why the trade is "margin" or "leveraged").

You can buy or sell Index CFDs. When you buy, you buy at the "ask" price, and when you sell, you sell at the "bid" price. We set the "ask" price and the "bid" price as a market maker. The prices we set may diverge significantly from the market price for the underlying Index.

The prices of our Index CFDs are based on the price of the underlying index. However, you do not own any underlying index, nor do you trade it on an exchange. Index CFDs are cash settled.

If the Index CFD is quoted in a currency other than the AUD, we will convert your Initial Margin (which will be in AUD) to the other currency so that you can make the trade.

By entering into an Index CFDs, you are either entitled to be paid an amount of money or required to pay an amount of money depending on movements in the price of the contract. The amount of any profit or loss made on an Index CFDs will be the net of:

- the difference between the price of the Index CFDs when the position is opened and the price of the Index CFDs Contract when the position is closed;
- any margin adjustments in respect of the Index CFDs;
- any overnight fees (swap points) relating to the Index CFDs.

Example:

The following are worked examples to assist you in understanding the profit and loss derived from Index CFD transactions:

Asset: S&P 500 (SPX)
Asset currency: USD
Open Price: 4420
Close Price: 4500
Lot size: 1 lot
Contract size: 1 lot
Swap: Long 10% / Short -10%

Duration: 1 day
AUD/USD Rate: 0.72

Buy trade:

Long Trade:

Gross P&L is calculated as $1 \times 1 \times (4500 - 4420) = \text{USD } 80.00$ Gross P&L (AUD) = $80.00 / 0.72 = \$111.11$

Long Swap:

Swap point is calculated as $1 \times 1 \times 4420 \times 0.10 / 365 = \text{USD } 1.21$

Gross P&L is calculated as $80.00 + 1.21 = \text{USD } 81.21$ Gross P&L (AUD) = $81.21 / 0.72 = \$112.79$

Sell trade:

Short Trade:

Gross P&L is calculated as $1 \times 1 \times (4500 - 4420) \times (-1) = -80.00$ USD Gross P&L (AUD) = $-80.00 / 0.72 = -\$111.11$

Short Swap:

Swap point is calculated as $1 \times 1 \times 4420 \times (-0.10) / 365 = -1.21$ USD

Gross P&L is calculated as $-80.00 - 1.21 = -USD 81.21$ Gross P&L (AUD) = $-81.21 / 0.72 = -\$112.79$

Share CFDs

A Share CFD is an agreement to pay or receive the change in the value of a Share depending on whether the price rises or falls ("Share CFDs").

You can trade a range of Share CFDs across a variety of domestic and international exchanges including ASX, New York Stock Exchange and NASDAQ. Details of all the Share CFDs available to be traded are detailed on our website (www.finteksec.com.au) which is updated regularly.

The trading hours for each Share CFD is set out on the Fintek Securities website (www.finteksec.com.au).

Share CFDs Contracts only require you to pay a deposit (Initial Margin) which is an amount that is much smaller than the trade size (this is why the trade is "marginated" or "leveraged").

You can buy or sell a Share CFDs. When you buy, you buy at the "ask" price, and when you sell, you sell at the "bid" price. We set the "ask" price and the "bid" price as a market maker. The prices we set may diverge significantly from the market price for the underlying share.

The prices of our Share CFDs are based on the price of the underlying share. However, you do not own any underlying share, nor do you trade it on an exchange. Share CFDs are cash settled.

By entering into a Share CFD, you are either entitled to be paid an amount of money or required to pay an amount of money depending on movements in the price of the contract. The amount of any profit or loss made on a Share CFD will be the net of:

- the difference between the price of the Share CFDs when the position is opened and the price of the Share CFDs when the position is closed;
- any margin adjustments in respect of the Share CFDs;
- any overnight fees (swap points) relating to the Share CFDs.

Example:

The following are worked examples to assist you in understanding the profit and loss derived from Share CFD transactions:

Asset: Apple

Open Price: 145.00

Close Price: 130.00

Lot size: 1 lot

Contract size: 1 lot

Swap: Long 10% / Short -10%

Duration: 1 day

AUD/USD Rate: 0.72

Buy trade:

Long Trade:

Gross P&L is calculated as $1 \times 1 \times (130.00 - 145.00) = -\text{USD } 15.00$ Gross P&L (AUD) = $-15.00 / 0.72 = -\$20.83$

Long Swap:

Swap point is calculated as $1 \times 1 \times 130.00 \times (0.10) / 365 = \text{USD } 0.04$

Gross P&L is calculated as $-15.00 + 0.04 = -\text{USD } 14.96$ Gross P&L (AUD) = $-14.96 / 0.72 = -\$20.77$

Sell trade:

Short Trade:

Gross P&L is calculated as $1 \times 1 \times (130 - 145) \times (-1) = \text{USD } 15.00$ Gross P&L (AUD) = $15.00 / 0.72 = \$20.83$

Short Swap:

Swap point is calculated as $1 \times 1 \times 130 \times (-0.10) / 365 = -\text{USD } 0.04$

Gross P&L is calculated as $15.00 - 0.04 = \text{USD } 14.96$ Gross P&L (AUD) = $14.96 / 0.72 = \$20.77$

Cryptocurrency CFDs

A cryptocurrency is a virtual currency (ie. not fiat currency) that typically uses a decentralised network.

A Cryptocurrency CFD is an agreement to pay or receive the change in the value of a cryptocurrency depending on whether the price rises or falls (“Cryptocurrency CFDs”).

You can trade a range of Cryptocurrency CFDs where the underlying instrument is, for example, Bitcoin, Litecoin, BitcoinCash and Ethereum. Details of all the Cryptocurrency CFDs available to be traded are detailed on our website (www.finteksec.com.au) which is updated regularly.

The trading hours for each Cryptocurrency CFD is set out on the Fintek Securities website (www.finteksec.com.au).

Cryptocurrency CFDs only require you to pay a deposit (Initial Margin) which is an amount that is much smaller than the trade size (this is why the trade is “marginated” or “leveraged”).

You can buy or sell Cryptocurrency CFDs. When you buy, you buy at the “ask” price, and when you sell, you sell at the “bid” price. We set the “ask” price and the “bid” price as a market maker. The prices we set may diverge significantly from the market price for the underlying cryptocurrency.

The prices of our Cryptocurrency CFDs are based on the underlying cryptocurrency. However, you do not own any underlying cryptocurrency, nor do you trade it on an exchange. Accordingly, there is no requirement for you to maintain a digital wallet in order to trade Cryptocurrency CFDs. Cryptocurrency CFDs are cash settled.

If the Cryptocurrency CFD is quoted in a currency other than the AUD, we will convert your Initial Margin (which will be in AUD) to the other currency so that you can make the trade.

By entering into a Cryptocurrency CFD, you are either entitled to be paid an amount of money or required to pay an amount of money depending on movements in the price of the contract. The amount of any profit or loss made on a Cryptocurrency CFD will be the net of:

- the difference between the price of the Cryptocurrency CFD when the position is opened and the price of the Cryptocurrency CFD when the position is closed;
- any margin adjustments in respect of the Cryptocurrency CFD;
- any overnight fees (swap points) relating to the Cryptocurrency CFD.

In addition to the specific risks set out in Section 12 you should note the following specific risks when trading Cryptocurrency CFDs.

- When you trade Cryptocurrency CFDs with us, you will not be able to use the Cryptocurrency CFDs to pay for goods and services as you are not buying or selling specific cryptocurrencies.

- Cryptocurrencies are considered highly speculative, and their values can fluctuate significantly over short periods of time. As Cryptocurrency CFDs derive their price from cryptocurrencies, this volatility can also affect the prices at which we offer our Cryptocurrency CFDs.

Trading in Cryptocurrency CFDs carries a high level of risk and may not be suitable for all traders. You should only invest in Cryptocurrency CFDs if you consider that you have the knowledge and experience and fully understand the risks associated with both CFDs and cryptocurrencies.

Example:

The following are worked examples to assist you in understanding the profit and loss derived from Cryptocurrency CFD transactions:

Asset: Bitcoin

Open Price: 19,530.30 USD

Close Price: 19,540.30 USD

Lot size: 1 lot

Contract size: 1 lot

Swap: Long 10% / Short -10%

Duration: 1 day

AUD/USD Rate: 0.72

Buy trade:

Long Trade:

Gross P&L is calculated as $1 \times 1 \times (19,540.30 - 19,530.30) = \text{USD } 10.00$ Gross P&L (AUD) = $10.00 / 0.72 = \$13.88$

Long Swap:

Swap point is calculated as $1 \times 1 \times 19,530.30 \times (0.10) / 365 = \text{USD } 5.35$ Gross P&L is calculated as $10 \text{ USD} + 5.35 = \text{USD } 15.35$ Gross P&L (AUD) = $15.35 / 0.72 = \$21.31$

Sell trade:

Short Trade:

Gross P&L is calculated as $1 \times 1 \times (19,540.30 - 19,530.30) \times (-1) = -\text{USD } 10.00$ Gross P&L (AUD) = $-10.00 / 0.72 = -\$13.88$

Short Swap:

Swap point is calculated as $1 \times 1 \times 19,530.30 \times (-0.10) / 365 = -\text{USD } 5.35$ Gross P&L is calculated as $-10.00 - 5.35 = -\text{USD } 15.35$ Gross P&L (AUD) = $-15.35 / 0.72 = -\$21.31$

7. FORCED LIQUIDATION AND MARGIN CALLS

7.1 Forced Liquidation

You are responsible for monitoring your open positions to ensure that the Net Equity of your Fintek Securities Trading Account does not fall below the Margin Close-Out Amount.

If the Net Equity of your Fintek Securities Trading Account falls below the Margin Close-Out Amount, the Fintek Securities trading platform will automatically start liquidating (closing) your open positions in respect of that Fintek Securities Trading Account as soon as market conditions allow without notice to you until the first of the following occurs:

- (a) the Net Equity of your Fintek Securities Trading Account is equal to, or greater than, the Margin Close-Out Amount for all of your remaining open positions in respect of the Fintek Securities Trading Account;
- (b) all open positions have been terminated.

This process is automatic, and we do not actively monitor your positions or Fintek Securities Trading Account. Accordingly, you should closely monitor all of your open positions.

7.2 Margin Calls

ASIC Benchmark 7 RG 227– Margin Calls

Fintek Securities maintains and applies a written policy setting out its margining practices. This section sets out Fintek Securities' policy on margin calls.

You will be subject to margin obligations. You will only be allowed to trade in, and maintain positions, on the basis of cleared funds being provided to meet your margin obligations.

Current Margin is a specified amount of funds required to trade and maintain your open positions ("Current Margin"). The Current Margin required is typically a percentage of the notional contract amount. The Current Margin required to hold a position is not a fee, but rather a security deposit that you are required to keep with us while your position(s) is open. The Current Margin required to hold your position(s) will vary from the Initial Margin and depends on the CFD's referable underlying instrument.

Initial Margin is typically calculated as a percentage of the notional contract amount. The minimum Initial Margin requirements for our products typically range between 3.33% to 50% depending on the underlying instrument.

The Initial Margin and Current Margin requirements are set out on our online trading platform and at www.finteksec.com.au. A higher Initial Margin may be payable in certain circumstances and Current Margin may increase in the event of adverse market movements to keep a position open.

If the value of an open position moves against you, you will be required to 'top up' the Initial Margin and meet Current Margin requirements. You may be subject to a margin call, that is, you may be required to pay additional margin ("Margin Call") (automatically from your Fintek Securities Trading Account).

Fintek Securities is not required to make a Margin Call. However, if a Margin Call is made, it will be made electronically via the Fintek Securities online trading platform. You are responsible for monitoring your Fintek Securities Trading Account and for ensuring that your Fintek Securities Trading Account always maintains a sufficient level of margin, especially during volatile periods.

If you do not maintain sufficient level of margin, Fintek Securities will begin to automatically close your open positions without notice to you (see the 'Forced Liquidation' section above). Fintek Securities must do this by law.

8. MANAGING RISKS BY USING STOPS AND LIMITS

We offer features on our online trading platform that help you control trading losses:

8.1 Stop loss order

Stop loss is an order placed to close an open position when it reaches a certain unfavourable price. A stop-loss order is designed to limit your loss on a position.

Example:

Due to the recovering economic growth in the EU, Larry believes the EUR will strengthen against the USD. He then buys one (1) lot of EUR/USD CFD at the price of 1.1000. Larry then places a Stop Loss order at price of 1.0970.

If the EUR weakens against the USD instead of strengthening, Larry will make a loss on his position.

The EUR/USD drops to the price of 1.0930 later that day. Larry made a USD 300.00 loss when the "Stop-Loss Order" was triggered at 1.0970. This is calculated as $(100,000 \times (1.1000 - 1.0970))$.

If Larry did not place a "Stop- Loss order", then he would have suffered a USD 700.00 loss. This is calculated as $(100,000 \times (1.1000 - 1.0930))$.

It is important to note that if the Stop Loss order is triggered and the position is closed at 1.0950 due to market gap (see section 12.4 below), then Larry would suffer a USD 500.00 loss. This is calculated as $(100,000 \times (1.1000 - 1.0950))$.

8.2 Take profit order

Take profit is an order placed to close an open position when it reaches a certain favourable price.

Example:

Adam believes the EUR will strengthen against the USD. He then buys one (1) lot of EUR/USD CFD at the price of 1.1000. In order to protect his profit when he is away, Adam places a “Take-Profit Order” at price of 1.1070.

If EUR/USD rise to 1.1070 later that day, his “Take-Profit Order” is triggered, he would make a profit of US 700.00. This is calculated as $(100,000 \times (1.1070 - 1.1000))$.

9. CONVERSION OF CURRENCY

Your Fintek Securities Trading Account is normally denominated in a Base Currency, for example AUD. Sometimes, for you to trade, you may need to convert existing funds into USD or another Base Currency.

You can use your own bank to convert your existing funds if you wish. Your bank may charge you for this service.

If the Base Currency differs to your deposited currency, Fintek Securities will convert the currency when you open a position and again when you close it. When it does this it issues a foreign exchange contract to you.

10. TRADING FACILITIES

Fintek Securities provides its own online trading platform, enabling you to trade its products.

We do not allow you to “plug in” third party applications into our trading platform.

11. SIGNIFICANT BENEFITS

The significant benefits of using our services are:

11.1 Hedging

You can use our products to hedge your exposures to the underlying instrument. Any profit (or loss) you make using our trading facilities could be offset against the higher (or lower) price you physically have to pay for the currency, index, commodity, share or cryptocurrency at the future date.

11.2 Speculation

In addition to using our trading facilities as a hedging tool, you can benefit by using the quoted CFD offered by us to speculate on changing price movements. Speculators seek to make a profit by attempting to predict market moves and buying a contract that derives its value from the movement of an underlying instrument.

11.3 Access to markets at any time

When using our online trading platform, you gain access to systems which are constantly updated in real time. You can control your Fintek Securities Trading Account and positions 24 hours a day, 7 days a week.

11.4 Real time streaming quotes

Our online trading platform provides real time quotes. You may check your Fintek Securities Trading Account and positions in real time and trade based on real-time information.

11.5 Control over your account and positions

When using our online trading platform, we allow you to place stop loss limits on your trades. This means that when, and if, the market moves against you, Fintek Securities will automatically close out your position in accordance with your Stop Loss order.

However, there is a risk to you that we may not be able to close out your position until after the Stop Loss order limit you set is exceeded.

Similarly, if you have an open position but are not currently accessing our online trading platform, you can set a Take Profit order on a trade in order to protect your profit. This means when, and if, the market moves in your favour and reaches a price you defined, we will automatically close out your open position for you to realise a profit. However, a Take Profit order does not guarantee that your position will be closed at the exact price level you set.

11.6 Negative Balance Protection

If you are a Retail Client and your Fintek Securities Trading Account balance falls below zero, Fintek Securities' recourse is limited to the monies held in your Fintek Securities Trading Account, including monies arising from a Forced Liquidation.

This means that subject to the above, where a Retail Client's Fintek Securities Trading Account balance falls below zero, the Retail Client's Fintek Securities Trading Account will be restored to zero.

12. SIGNIFICANT RISKS

There are several risks in trading the products offered by us. These risks may lead to unfavourable financial outcomes for you. It is your responsibility to monitor the risks associated with our trading facilities. You should not use our services unless you fully understand the products, and the benefits and risks associated with them.

Some of the significant risks associated with trading products offered by us are:

12.1 Unforeseen circumstances

In unforeseen and extreme situations, we reserve the right to suspend the operation of our website and online trading platform or any part or sections of it. In such an event, we may, in our sole discretion (with or without notice), close out your open positions at prices we consider fair and reasonable at such time.

12.2 Liquidity risk

In some circumstances, it may be difficult or impossible for you to close out a position. This can happen, for example, when there is a significant change in the price, value or rate of an underlying instrument over a short period of time. This may give rise to substantial losses.

Further, in some circumstances, you may not be able to open a position if, for example, there are not enough trades being made in the market for the underlying instrument.

12.3 Volume limits

We may impose volume limits on your Fintek Securities Trading Account, at our sole discretion.

12.4 Market volatility

Products traded on our online trading platform are subject to many influences which may result in rapid fluctuations.

Given the potential levels of volatility in the markets, it is recommended that you closely always monitor your transactions.

Because of this market volatility, no product offered by us can be considered a safe trade. However, we offer you a way of managing volatility by working orders.

You can reduce downside risk using Stop Loss Orders where we will attempt to close your position if the price reaches a particular level. In addition, you may also use Take Profit orders which allow you the opportunity to benefit from favourable upside market movements. Take Profit orders are like Stop Loss Orders but lock in profits rather than losses.

However, there may be a substantial time lag between when you place an order and when that order is executed. This may mean that the bid or ask price is significantly lower or higher than the price at which the sell (or buy) order (including a Stop Loss Order) is placed. This is known as “gapping”. We do not guarantee that a Stop Loss order will successfully limit your downside risk, which may be greater than you originally anticipated.

There may also be a time lag between when you seek to open or close a position and when that position is opened or closed (“execution risk”). This could result in the position being opened or closed at a worse price than when you sought to open or close the position, especially where the market for the underlying instrument is volatile or illiquid.

12.5 Currency risk

You may be exposed to foreign exchange risk if the product you are trading is not denominated in the Base Currency of your Fintek Securities Trading Account (i.e., AUD). You are exposed to currency risk as the unrealised profit or loss from your transaction will be affected by fluctuations of foreign exchange rates.

12.6 Leverage risk

Our products involve a high degree of leverage. High levels of leverage could lead to you losing your entire balance of your Fintek Securities Trading Account.

You can outlay a relatively small Initial Margin which secures a significantly larger exposure to the underlying instrument. The use of products like this magnifies the size of your trade, so your potential gain and your potential loss is equally magnified.

You should closely monitor all of your open positions. If the market moves against you and you do not have sufficient margin in your Fintek Securities Trading Account, we may automatically close out your open position(s) once a predetermined level set by us (the Margin Close-Out Amount) is triggered (see the 'Forced Liquidation' section above).

Leverage increases the risk that even small adverse movements in the value of the underlying instrument can lead to losses.

12.7 We act as a market maker

We are authorised to make a market for foreign exchange and derivatives contracts. This means that we set our own price for the products that we offer. Accordingly, the prices we quote for a contract over an underlying instrument may diverge significantly from any current exchange or market price, or a competitor's price for that underlying instrument. Further information about how our prices are derived is set out in section 13 of this PDS.

In addition, as we are the counterparty to every CFD, if the market moves against you and you lose on a trade, we may directly benefit from that trade.

12.8 Counterparty risk

Counterparty (or credit) risk is the risk that derives from a counterparty's inability to perform all or any of the obligations under a contractual agreement.

You are dealing with us as counterparty to every CFD that you enter into on our trading platform. You are therefore reliant on our ability to meet our counterparty obligations to you to settle the relevant contract.

We have adopted a policy to manage our counterparty risk that derives from client trades. We limit this exposure by hedging (offsetting) our exposure to our clients by entering into opposite transactions as principal in the wholesale market. We are then exposed to counterparty risk with that hedging party.

You may also contact us to obtain further information about the activities we undertake to mitigate counterparty risk and market risk, and the names of any hedging counterparties. The products in this PDS are not protected by a licensed exchange, also known as a central counterparty. Instead, the products are called over-the-counter derivatives. This means you contract directly with us, and you are subject to our credit risk. If we become insolvent, we may be unable to meet our obligations to you, in which case you will become an unsecured creditor. You can assess our financial ability to meet these counterparty obligations to you by reviewing our financial information. You can obtain a free summary of our annual financial statements by contacting us using the details at the start of this PDS.

ASIC Benchmark 3 RG 227 – Counterparty Risk (Hedging)

We have adopted a policy to manage counterparty risk. To hedge our exposure to client trades, we often enter into trades with hedging counterparties.

Sometimes, we don't hedge our trades. This means that if you place a winning trade, we lose. If you place a losing trade, we win.

When we do enter into trades with hedging counterparties (also called liquidity providers), we hold margin with them. This creates an element of risk to you as we are exposed to our hedging counterparties.

We ensure that our hedging counterparties are appropriately licensed and regulated in the relevant jurisdiction. We also ensure that liquidity providers are chosen based on their ability to provide liquidity in the underlying market as well as the strength of their balance sheet. Our hedging counterparties may change from time to time. The name of our current hedging counterparties can be found on our website.

ASIC Benchmark 4 RG 227 – Counterparty Risk Financial Resources

We have a written policy detailing how we monitor our compliance with our licence conditions in relation to financial requirements.

We undertake stress testing to ensure that we hold sufficient liquid funds to withstand adverse market movements.

We maintain sufficient financial resources to meet our financial obligations to our clients. This is met using a financial buffer that historically has been the equivalent of all of our client's exposure in the forex market.

You should satisfy yourself that we are able to meet our obligations to you. You can assess our ability to meet our financial obligations by reviewing a summary of our latest audited financial statements which you can obtain for free by contacting us using the details at the start of this PDS.

An account with Fintek Securities is not insured or guaranteed by the Australian government or any other entity. Consequently, should we become insolvent, there is no guarantee that your Fintek Securities Trading Account will maintain its value.

12.9 Systems risks

We rely on technology to provide our online trading platform to you.

A disruption to our online trading platform may mean you are unable to trade in any of the products we offer when you want to, and you may suffer a loss as a result. It may also mean that an existing transaction may be aborted as a result of a technology failure. An example of disruption includes the "crash" of the computer systems used to operate our online trading platform. We manage this risk by having state-of-the-art IT systems and back up measures.

12.10 Potential loss due to fees and charges

It is possible that you enter into a trade with us and the underlying instrument moves in your intended direction, but you still end up with less than you started after closing your position. This can happen because of the combined effect of the spread between bid and ask prices, and the overnight fees (swap points) which could apply on consecutive days that a position is held open.

12.11 Use and access to our website

You are responsible for providing and maintaining how you access our website and online trading platform. These may include, without limitation, a personal computer, modem and telephone or other access system available to you.

While the internet is generally reliable, technical problems or other conditions may delay or prevent you from accessing our website or trading platform. If you are unable to access the internet and thus, the online trading platform, it may mean you are unable to trade in any product we offer when you want, and you may suffer a loss as a result.

We reserve the right to suspend the operation of our website and online trading platform or any part or sections of them. In such an event, we may, at our sole discretion (with or without notice), close out your open positions at prices we consider fair and reasonable.

12.12 Suspension or trading halt of the underlying instrument

ASIC Benchmark 6 RG 227– Suspended or halted underlying assets

In the event of an underlying instrument being suspended, no new positions can be opened where there is a trading halt over the underlying instrument or trading in the underlying instrument has been suspended on the relevant exchange upon which the underlying instrument is listed.

Various circumstances may result in an underlying instrument being suspended or placed in a trading halt on a relevant exchange. In such circumstances, we may, in our absolute discretion, cancel or reject your order in regard to a transaction which has not yet been opened, or we may close any open position where the underlying instrument is the subject of a trading halt, suspension or delisting. We may also increase the margin requirements to up to 100% and to re-price positions using the last traded price, unless there are reasonable grounds to price the product differently.

Example:

Due to a better than expected first quarter earnings report, Paul expects the share price of XYZ to rise in the short run. However, before he can place his order to buy one (1) lot of XYZ CFD at \$10.00, the relevant market operator announces that there is a trading halt over the underlying instrument (being XYZ shares). As a result, Paul is unable to place the order to buy one (1) lot of XYZ CFD.

12.13 Opportunity cost

Once you have locked in your price you will not be able to take advantage of subsequent favourable rate/price movements (should that occur) in relation to your existing position. On the other hand, you will be protected from any future adverse movements.

12.14 Substantial losses

If prices/rates move against your position, you will be required to top up your Fintek Securities Trading Account with sufficient funds to maintain your position. If the Net Equity of your Fintek Securities Trading Account falls below the Margin Close-Out Amount, we will close out your open positions with resultant loss. You could sustain a total loss of the net amount that you deposit with Fintek Securities to establish or maintain a position (including “top up” amounts).

Our Negative Balance Protection means that if you are a Retail Client and the balance of your Fintek Securities Trading Account drops below zero, we will negate any negative balance and return your Fintek Securities Trading Account balance to zero.

12.15 Market information

We may make available to you through one or more of our services, a broad range of financial information that is generated internally or obtained from Third Party Providers. This includes, but is not limited to financial markets data, news, analyst opinions and research reports, graphs, or data (Market Information).

Market Information provided by us by email or through our website is not intended as advice. We do not endorse or approve the Market Information and we make it available to you only as a service for your own convenience. We, and our Third-Party Providers, do not guarantee the accuracy, timeliness, completeness, or correct sequencing of the Market Information or warrant any results from your use or reliance on the Market Information.

Market Information may quickly become unreliable for various reasons including for example, changes in market conditions or economic circumstances. Neither us nor the Third-Party Providers are obligated to update any information or opinions contained in any Market Information, and we may discontinue offering Market Information at any time without notice.

12.16 Not a regulated exchange

The products we offer are over the counter products and are not traded on a regulated exchange. This means they are not covered by the protections for exchange-traded products arising from domestic or international exchange rules (such as guarantee or compensation funds).

12.17 Fintek Securities’ rights under the Client Agreement

The Client Agreement entitles us to, amongst other things, close, void, adjust and reverse trades in certain circumstances. Some of the circumstances in which this may occur includes (but is not limited to) where:

- access to the online trading platform is suspended, withdrawn, or denied
- the Net Equity of your Fintek Securities Trading Account falls below the Margin Close-Out Amount
- a Division Event occurs (as defined in the Client Agreement)
- a Corporate Event occurs (as defined in the Client Agreement)

- a Material Error occurs (as defined in the Client Agreement)
- a Force Majeure Event occurs (as defined in the Client Agreement)
- a Default Event occurs (as defined in the Client Agreement)
- a material breach of the Client Agreement occurs.

You should read the Client Agreement carefully.

13. COSTS IN USING OUR PRODUCTS

Please refer to our current FSG for a description of how we, our employees and related parties are paid, and for information about the spread, conversion costs, administrative charges, swap fees and dormant account fees that may be payable in relation to the products described in this PDS.

Our FSG is available on our website. Alternatively, you can contact us to obtain a free hard copy of the FSG using the details at the beginning of this PDS.

If you decide to use or continue to use our services, you must agree that:

- All fees and charges described in this PDS (other than third party fees and charges) are benefits given by you to Fintek Securities, in exchange for dealing services provided by us.
- Fintek Securities does not charge volume-based or asset-based fees for any advice provided.
- You understand, consent to, authorise and direct Fintek Securities to charge you by these means.

Further details are listed below.

Spreads

In accordance with financial services providers practice, Fintek Securities may charge a spread cost incurred by the difference between the best bid and best ask rates at which you buy and sell a financial instrument in a transaction with Fintek Securities. AETOS may place a mark-up on a raw spread – such a rate between the Bid/Ask prices is determined by various factors such as transaction size and value as well as the present market rate..

Swap Charge/Credit

Fintek Securities may pay you or may receive swap charge/credit from you if you hold long and short CFD positions overnight. The benefits you pay or receive are determined by the type and volume of a CFD product, the difference of the swap rates between product portfolios (if applicable) and the time of holding the positions.

Commissions

Fintek Securities may be required to pay to brokers or agents. In this circumstance, we will require your consent to a commission to be charged. The commission may be charged in the form of a lump sum payment or progressive payments.

Withdraw Fee, Credit Card Charges and Minimum Deposit

You may be charged by financial institutions when you deposit funds into your Fintek Securities trading account. Since Fintek Securities does not accept third party payments, any such payments may be returned to the source bank account and fees may be charged.

Conversion Fees

Your trading account with Fintek Securities is normally denominated in an Account Base Currency that you select at the time of opening your trading account. In order to trade, you may need to convert existing funds into the Account Base Currency. You can use your own bank to convert your existing funds into the Account Base Currency and in doing so, you may be charged a fee for this service.

14. HOW DO WE HANDLE YOUR MONEY?

The funds in your Fintek Securities Trading Account will be held in a trust account until you enter a trade or withdraw your funds. Funds deposited by our clients are segregated from our money and held in a pooled trust account in accordance with Australian law.

ASIC Benchmark 5 RG 227– Client Money

This section explains our client money policy, including how we deal with your money and when we make withdrawals from your account. It also mentions the counterparty risk associated with the use of your money.

By using our services, you relinquish the right to any interest on funds deposited in our designated client money accounts. Individual client accounts are not separated from each other but are pooled together. The money is held on trust for you until you withdraw the money or otherwise provide us with a legal right to that money because of open positions, outstanding fees owed to us or in such other circumstances as referred to in the Client Agreement, which is set out on our website.

If you are a Retail Client or a Sophisticated Investor, we cannot use your client money for our own capital purposes, or to hedge with our liquidity providers. We use our own funds, and we may use Wholesale Client funds for these purposes, subject to our Client Agreement. We typically hold the equity balance displayed in your Fintek Securities Trading Account in our client money account.

Client money typically includes:

- Initial Margin; plus
- Profits you have won but not withdrawn; plus
- Running profits in any open positions; minus
- Losses from past trades; minus
- Running losses accrued against any open positions; minus

- Any fees or other amounts we are entitled to.

Sometimes there may be a discrepancy in the balance shown to you via the online trading platform, and the amount of client money we hold. That may be because of pricing feed error, uncleared funds, software malfunction, if we have extended credit to you, or if we otherwise take action under our Client Agreement which may include freezing your Fintek Securities Trading Account if you, say, breach the Client Agreement.

You can ask us for records about money we have received from you, on your behalf, or for your benefit, where that money was client money. We will provide you with the records within 5 business days or such longer period as we may agree to in writing with you.

There is also a counterparty risk that you may lose some or all of your money if there is a deficiency in the designated segregated account. See the section above titled “Significant Risks” for more information concerning counterparty risk.

15. CLIENT AGREEMENT

Fintek Securities’ Client Agreement is set out on the Fintek Securities website and must be read and agreed to before a contract is entered into. If you are outside of Australia, there may be other terms and conditions you will be required to sign or acknowledge.

When you use our services, you will be bound by our Client Agreement as amended from time to time, along with any other terms you are required to sign or acknowledge (for example, if you are outside of Australia).

However, in the event of inconsistency, the terms in the legal documents described below will rank according to the following priority, to the extent of any inconsistency:

- this PDS;
- any supplementary PDS;
- the Client Agreement as amended from time to time;
- Account Opening Form.

Information in this PDS is subject to change from time to time and is up to date as at the date stated at the start of this PDS.

There is no cooling off period for any product that we offer. Once you have deposited funds into your Fintek Securities Trading Account AND initiated a trade, you are no longer entitled to a refund unless you close the trade. In that case, you are only entitled to the remaining balance of the Fintek Securities Trading Account after realising a profit or loss on the trade.

You must provide all information to us which we reasonably require of you to comply with any law in Australia or any other country. In particular, you must provide adequate identification before you can use our products or services.

We may disclose any information that you provide to a relevant authority where required by any law in Australia or any other country.

We may delay, block, or refuse to enter, adjust or complete a transaction if we believe on reasonable grounds that making the payment may breach any law in Australia or any other country, and we will incur no liability if we do so.

Unless you have disclosed to us that you are acting in a trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf when obtaining services from us.

When you use our services, you are promising that you will not breach any law in Australia or any other country.

16. PROVIDING INSTRUCTIONS BY TELEPHONE

We only offer telephone services if our online trading platform is unavailable for some reason.

When providing instructions by telephone, you will need to provide us with adequate identification information.

17. TAX IMPLICATIONS

The products we offer can create tax implications. Generally, if you make a gain attributable to an exchange rate or price fluctuation, then that part of the gain is included in your assessable income. Conversely, if you make a loss attributable to an exchange rate or price fluctuation then part of the loss is deducted from your assessable income.

However, taxation laws are very complex and vary depending on your personal circumstances and the purpose of your trading. Accordingly, you should discuss any taxation questions you may have with your tax adviser before using our products or services.

18. WHAT ARE OUR DIFFERENT ROLES?

Fintek Securities is the product issuer. This means we issue the products described in this document, and do not act on behalf of anyone else.

Fintek Securities is also the service provider. Our website (and at times, our Representatives) can give you general advice and help you use the trading services.

19. WHAT SHOULD YOU DO IF YOU HAVE A COMPLAINT?

In the event you have a complaint about us, you can contact us and discuss your complaint. If you are overseas, we may refer you to an overseas dispute resolution body which gives you rights in addition to your rights in Australia.

We will try and resolve your complaint quickly, fairly and within prescribed time limits.

If the complaint cannot be resolved to your satisfaction, you may have the right to refer the matter to the Australian Financial Complaints Authority (AFCA) which is an external dispute resolution service of which Fintek Securities is a member.

You can contact AFCA:

- By phone: 1800 931 678 (if in Australia) or +61 1800 931 678 (if outside Australia);
- in writing: GPO Box 3, Melbourne, Victoria, 3001, Australia;
- online: www.afca.org.au; or
- by email: info@afca.org.au.

20. GLOSSARY

- **AUD** refers to the Australian dollar
- **Base Currency** refers to the currency in which your Fintek Securities Trading Account is denominated, and also refers to the currency on the left of a quoted trading pair. Any profit or loss on a deal is converted into the Base Currency.
- **Business Day** refers to a day on which commercial banks are open for business (including dealings in foreign exchange) in the two host countries of the relevant currency pairs, or in the case of CFDs, the relevant exchange time to where the CFD is being traded.
- **Client Agreement** refers to the terms and conditions that you are required to agree to before you can use the products described in this PDS. They are incorporated by reference into the PDS. You can obtain a free copy of this document by contacting us using the details at the start of this PDS.
- **Contract for Difference (CFD)** refers to an agreement to pay or receive the change in value of the underlying instrument (eg, a currency pair, share, index, commodity, or cryptocurrency) depending on whether the price rises or falls.
- **EUR** refers to the Euro – the official currency of the European Union.
- **Fintek Securities Trading Account** means your trading account for the trading of financial products which is established in accordance with this Product Disclosure Statement, the Financial Services Guide and the Client Agreement.
- **FSG** refers to the Financial Services Guide issued by us.

- **Initial Margin** is the is the specified amount of funds required when you open a new CFDs position (including a Margin FX position).
- **Leverage** refers to the ability to pay only a small amount of the value of a currency as an initial payment to open a deal. Also known as “gearing”.
- **Margin Close-Out Amount** means a percentage (being at least 50%) determined by us, multiplied by the aggregate Initial Margin or Current Margin (whichever is higher) in respect of each of the open positions in your Fintek Securities Trading Account.
- **Negative Balance Protection** is a risk management tool for Retail Clients whereby if a losing trade results in your Fintek Securities Trading Account having a negative balance, Fintek Securities will negate the negative balance and return the balance of your Fintek Securities Trading Account to zero.
- **Net Equity** in relation to a Fintek Securities Trading Account means the sum of all cash held in your Fintek Securities Trading Account plus your unrealised profits (if any) less your unrealised losses (if any) for all of your contracts that are connected to the relevant Fintek Securities Trading Account.
- **PDS** means this Product Disclosure Statement.
- **PIO** means the ASIC Corporations (Product Intervention Order – Contracts for Difference) Instrument 2020/986.
- **Pips** means 100th part of a per cent (eg, 0.0001 of a unit). Movements of exchange rates are usually in terms of points.
- **Stop Loss order** has the meaning set out in section 8.1.
- **Representative** includes a director or employee of Fintek Securities, and a director or employee of any company related to Fintek Securities, as well as any other entity that is appointed as an authorised representative of Fintek Securities.
- **Retail Client** means a customer or a potential customer of Fintek Securities who is not a Wholesale Client or a Sophisticated Investor.
- **Sophisticated Investor** means a person who would be a Wholesale Client only through the application of section 761GA of the Corporations Act 2001 (Cth). This requires the person to sign a special Sophisticated Investor letter.
- **Take profit order** has the meaning set out in section 8.2.
- **Third party providers** means agents, vendors or parties from which Fintek Securities obtains a broad range of financial information to make available to you through one or more of its services.
- **USD** refers to the United States dollar.
- **Wholesale Client** has the same meaning as in section 761G of the Corporations Act 2001 (Cth) but does not include a Sophisticated Investor.