# GFA Capital Markets Limited

## A.C.N. 144 676 808
## AFS 398 104

# Product Disclosure Statement

Dated: 12 March 2021

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**Product Disclosure Statement ("PDS")**
GFA Capital Markets Limited
License number – 398 104

## Introduction to GFA

GFA Capital Markets Limited ("**GFA**") is regulated by the Australian Securities & Investments Commission ("**ASIC**") and has Australian Financial Service License number 398 104.

GFA is a company incorporated in the state of New South Wales and is founded by an experienced mix of bankers, investment capitalists, FX and CFD specialists, and other experts in the field of financial investments globally.

GFA's mission is to provide customers with trading experience which surpasses its competitors and to give opportunities to traders that are quick, efficient and accurate, regardless of their experience level.

The current contact details of GFA are:

Suite 201, 46 Market Street, Sydney NSW 2000
Phone: +61 2 8599 8111
Email: customer@gfacm.com.au

Currently, GFA provides multiple options for the clients to trade with forex, gold, silver, and dollar indices. Clients can diversify their portfolio and investment options using GFA's products and services. GFA provides clients with advanced trading software, enabling clients to obtain the instant tradable price directly from the bank quoting system.

## Date of Issue

The date of issue on this PDS is taken to be 12 March 2021 (the "**issue date**").

## RG227 Disclosure

GFA provides the following benchmarks in order to assist clients in identifying and understanding the risk in FX and derivatives trading. These seven (7) benchmarks are targeted at Over the Counter CFDs to help investors in understanding, identifying and associating risks with products which GFA offers. We address the seven (7) benchmarks on an 'if not, why not' basis as required by ASIC:

| Benchmark | Meets the requirement | Details |
|---|---|---|
| 1. Client qualification | Yes | GFA evaluates each potential client and customer on their suitability to trade in FX and CFD using our platform upon registration to our services.<br><br>A questionnaire will be presented to the client during the registration application in order to assess the client's knowledge, experience and understanding in GFA's products, in particular, to margin trading in FX and CFDs. GFA's representative may under their discretion, contact the client for follow-up questions in order to satisfy GFA that the client has the sufficient knowledge and understanding.<br><br>The questions asked will be in line with the requirement and recommendations set out by ASIC in RG 227.<br><br>The client's eligibility to trade using GFA's system and service will depend upon the client's answers to the questionnaire. If GFA determine the client does not hold sufficient experience, knowledge or understanding, GFA cannot provide services to the client until they are further educated in the subject.<br><br>GFA may offer the client its demo account in |

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| | | order to expose the client to further experience. |
| 2. Collateral | Yes | GFA will only accept up to a maximum of \$1,000.00 for each transaction. For customers wishing to pay the opening collateral by credit card, the same limit of \$1,000.00 applies, as recommended by ASIC.<br><br>GFA will not accept any other securities as opening collateral.<br><br>If the client chooses to fund their trade with GFA on credit (such as by credit card), the client's risk will be significantly increased. If the client makes a loss using that money, the client will still be required to repay the credit plus interest. Therefore, it is recommended that the client does not rely on being able to redeem borrowed funds with any profits from trades with GFA. The client is advised to seek independent financial advice on whether trading with their credit is suitable for them. |
| 3. Counterparty | Yes | It is GFA's practice and policy to reduce its and the client's risk.<br><br>GFA takes into account whether the counterparties have sufficient standing and GFA may, at its discretion, display and disclose the names of the hedging counterparty from time to time.<br><br>In certain circumstances, GFA will hedge to counterparties to mitigate market and client risks. These are at no additional cost to the client and will not affect the client's position.<br><br>The list of factors which GFA considers include: |

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| | | 1. Financial standing;<br>2. Internal assessment on risk;<br>3. Conflict of interest;<br>4. Reputation of the client or market position; and<br>5. Company budget and exposure.<br><br>The hedging party is Glory Sky Group Limited, who are licensed for:<br>• Dealing in securities (Type 1 licence);<br>• Dealing in Future Contracts (Type 2 licence);<br>• Leveraged Foreign Exchange Trading (Type 3 licence); and<br>• Assets Management (Type 9 licence);<br>by the Hong Kong Securities and Future Commission (SFC).<br><br>They are also a Member of the Hong Kong Exchanges and Clearing Limited for futures and options trading (Hong Kong Futures Exchange) and clearing (Hong Kong Futures Exchange Clearing Corporation), and for securities trading (Stock Exchange of Hong Kong) and clearing (Hong Kong Securities Clearing Company). |
| | | SFC and the Exchange impose strict oversight on licensed intermediaries for financial standards and corporate governance. According to SFC regulations, the licensed company must have a minimum paid-up capital requirement. On a regular basis, the company is required to submit financial returns to the Hong Kong regulators, who have the right to fine, initiate criminal proceedings and/or revoke licenses for violations.<br><br>The SFC and the Exchange keep central |

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| | | registers of all regulated entities in the industry. You may validate an intermediary licence at www.sfc.hk and www.hkex.com.hk . |

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| 4. Financial | Yes | GFA has ongoing maintenance and checks to maintain adequate financial resources. GFA's compliance team regularly monitors its license requirements and compares it to its liquidity.<br><br>Stress tests on GFA's financial resources are performed each quarter to ensure its financial resource adequately cover the market positions and exposed risks.<br><br>GFA currently has the following procedures in place to monitor its financial resources:<br>1. Monthly consolidation and balances on financial accounts;<br>2. Monthly compliance checks on liquidity against its financial requirements as a licensee;<br>3. Daily reconciliation reports and account balances;<br>4. Obtain independent financial advice from reputable firms for advice and opinion; and<br>5. Perform external auditing as required by ASIC each financial year.<br><br>A copy of the Financial Report can be obtained here:<br><br>https://www.gfacm.com/uploads/reports/Financial.pdf |

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| 5. Client Money | Yes | GFA operates segregated bank accounts for client's money in the National Australia Bank. Further, GFA has extended practices by operating multiple client accounts in order to protect the client's funds. It is kept as a trust account in accordance with Part 7.8 of the *Corporations Act 2001* (Cth).<br><br>GFA does not operate a separate bank account for every client, but has sufficient segregated accounts to separate funds between different types of clients.<br><br>This practice may not afford clients with absolute protection as this means in the unlikely event there is a shortfall in the client account and GFA becomes insolvent, clients will be unsecured creditors.<br><br>However, GFA has strict policies in place to ensure it has sufficient liquidity in the company at any given time to prevent this from happening. |
| 6. Suspension | Yes | GFA will not permit trading in the relevant financial product if the underlying asset(s) is suspended or halted.<br><br>GFA reserves the right to:<br>1. Suspend trading on a product;<br>2. Vary, reject, void or cancel orders;<br>3. Vary margin requirements;<br>4. Close some or all market positions;<br>5. Vary the product which GFA offers;<br>6. Any other action which GFA deems necessary. |
| 7. Margin Call | Yes | GFA has clear practices and policies relating to its margin practice in this PDS. |

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| | | GFA's clients are required to maintain the required level of margin as described in this PDS.<br><br>The client is responsible for monitoring the market position and margin position at all times.<br><br>GFA has systematic warnings in place for the client's convenience on when a margin call may take place. These warnings are often issued by GFA's standard platform service. However, this is not a guarantee or duty which GFA undertakes to provide. The responsibility on keeping the appropriate margin remains as the client's responsibility.<br><br>The risk associated with this is, if the client does not hold sufficient margin, some or all of the client's open positions may be automatically closed by GFA. |

## Purpose of this PDS

This PDS is for the client's benefit in obtaining information on GFA and to determine if products offered by GFA are suitable to the client's needs. A potential client should consider the information contained herein and decided whether this product is right for them.

In accordance to the *Corporations Act* 2001 (*Cth*), a client must receive a copy of this PDS prior to acquiring a financial product. This document is deemed to contain all relevant financial information including but not limited to risk, cost, fees and benefit of the product introduced by GFA. The information is for the benefit of the client to compare different financial product to ascertain their relevance and appropriateness to the client's needs. The client is deemed to have obtained the above information for a informed decision based on their own judgment, taking into account their own personal financial standing, knowledge and objective.

This PDS is not an offer to sell or an invitation to treat to client on GFA's products or any financial product. This PDS should only be used as a clear and concise instrument detailing product description and their relevant information for the benefit of the client.

Given the complexity and in-depth knowledge of forex trading, this PDS cannot and does not warrant or represent a complete analysis of this field. The client is encouraged to obtain independent financial advice and expert analysis taking into account their personal situation.

It is also recommended the client keep this document, Terms and Condition, and the Financial Services Guide together to obtain greater understanding of the products issued by GFA.

## Disclaimer

The information contained in this PDS should be considered as general information only. The client should note this PDS does not take into consideration any personal circumstance, objective, financial standing and knowledge of the client. Prior to trading, the client should consult an expert or independent financial advice in this field in order to ascertain their risk exposure and relevance of their investment against their objective. Under no circumstance should the client rely on this PDS as an instrument constituting an advice.

GFA take no responsibility for the client's interpretation of this PDS or any misunderstanding created solely by the client's misconception. It is strongly recommended the client should contact GFA's representative to discuss any aspect of GFA's products which may be unclear to them.

This PDS is available on the internet via GFA's website https://www.gfacm.comPaper copies may be requested and be sent to any person, free of charge, provided they consult with our representative in advance.

This PDS is an important document which provides you with key information about our FX and derivative products.

**Subject to change**

Subsequent to the issue date contained in this PDS, this PDS may be updated with amendments, additions or deletion of relevant provisions. GFA is not responsible to inform the client of any up to date changes or provide updated version of this PDS directly to the client. The client should obtain the last published PDS directly from GFA.

Although GFA will make clear the issue date of each PDS, the client should check the updated version to ensure they understand the terms and conditions of trade.

**Applying to trade with GFA**

Before trading with GFA, the client must complete the relevant application form. The client will be required to acknowledge that they have received, read, and understood the contents of this PDS, the Terms & Conditions, and Financial Services Guide.

They will also be required to complete the questionnaire provided in order for GFA to assess whether the client is suitable for its products. GFA reserves the right to refuse service should the client's knowledge and qualifications not meet the standard imposed by ASIC.

It is the client's responsibility to ensure all information provided to GFA is correct. GFA reserves the right to terminate service or seek compensation for damages from the client should the information proved to be misleading, fraudulent, in-complete or erroneous.

If GFA accepts the client's application, an account will be created enabling the client to trade.

Within fourteen (14) days of the grant of the client's application, the client must deposit funds in their account. Failure to do so will result in GFA's right to close the client's account and the client may incur administrative charge.

**Withdraw fund**

To withdraw funds from their account, the client simply needs to log onto GFA's online client centre, complete the request form, and submit it to GFA's client centre. GFA will then perform due diligence to ensure the client is the account holder, and they have sufficient funds to withdraw. In normal circumstances, funds will be electronically transferred within two (2) business days. Fees and charges may vary, please see the fees and charges section of this PDS.

## Trading Hours

CFDs:

The dealing desk is open 24-hours a day except market holidays as advised from time to time, from Monday (Hong Kong Time) 6:00AM to Saturday 4:00AM in US Summer or Saturday 5:00AM in US Winter.

After day-end at 5:00AM, there will be a short period of time when the system is temporarily suspended for trading. This period is used to ensure the system integrity. However, price feed and phone trading is still available at all times.

Metal:

The dealing desk is open 24-hours a day except market holidays as advised from time to time, from Monday (Hong Kong Time) 6:15AM to Saturday 4:00AM in US Summer or 5:00AM in US Winter.

After day-end at 5:00AM, there will be a short period of time when the system is temporarily suspended for trading. This period is used to ensure the system integrity. However, price feed and phone trading is still available at all times.

## Foreign Exchange

Foreign Exchange or FX, is an exchange of one currency into another. It is usually done with an agreed exchange rate, such as the price of one currency to another in Australia dollar to US dollars.

The forex market is accepted as the most active and liquid financial market in the world. Trading hours are rarely restricted and prices are typically available in the major currency pairs almost without interruption during the working week. This liquidity and frequent volatility makes the trading of currencies an attractive investment opportunity for the experienced market participant.

FX transactions made on GFA's platform do not result in physical delivery or conversion of currency. When a position is opened or created, the amount required to enter into the position or contract will be deducted from the client's account balance / funds. When the position or contract is closed or closed, the amount of profit or loss will be credited back into the client's account.

### *Forex Market Benefits*

- Forex is open 24 hours a day, 5.5 days a week;
- Forex is the most liquid market in the world;
- No restrictions on short selling which allows participants to enjoy trading opportunities during any market condition.

## Trading Rules (FX)

### a. Price Limits

Tips of trading in highly volatile markets:

Trading prices sometimes may change frequently in spot markets, and that is why the market is considered as "highly volatile". It may occur for various reasons, such as economic data released, imbalanced bid/ask price and so on.

Due to an increase in market volatility, 'distances' may occur between the quoting price, and the spreads may widen further. Market volatility may cause the last quoting price increases or decreases quickly to a new price. For example, EUR/USD increases to 1.1941/1.1944 from 1.1891/1.1894, and no other prices are produced between the two quotes.

The operation rule of all forex traders, including the interbank, in such highly volatile markets is to process all the trading documents manually. Firstly, all the big banks and forex traders would suspend their price engines without terminating trading. Therefore, the forex traders would analyse the market conditions to determine the current price. The new price is 20-30 pips more/less than the old one, and the spread starts to tighten as more traders enter into the market.

Under such circumstances, the volatility in the market may create conditions where there are delays in executing orders. For example, the trader is looking to execute at a reasonable price, the market may have moved significantly and the order would be filled at the next best price or the fair market value. If the client would like to trade when the market is highly volatile, the trading price need to be confirmed by the dealers first. However, it is possible that a certain price requested by the client may change, so the dealers shall have the right to give a new quote to the client and vice versa, the client shall have the right to refuse the price offered by the dealer.

If the client does not receive any confirmation after placing an order, they are advised to please not reset the order. The confirmation delay does not necessarily mean the order has not yet been filled. Therefore, clients are advised to please call GFA's dealing rooms for more details, such as submitting the position, execution and deletion etc.

If clients have any questions on the confirmation note of the executed order, they are advised to please have the following information ready before calling GFA. The required information includes the account number, order number, buy/sell, the traded product, number of lots, price, time, and whether it was done by online trading or telephone trading. GFA may strict the condition to execute pending order before the release of the important economic indicators or other risk events. For example, the minimum distance between pending order and market order is 1 pip. If there is an increase in volatility or volume, orders may be subject to slippage, which may increase the minimum distance to 25 pips or above. The amount by which GFA increases the minimum distance will depend on the market condition. Please note that this restriction is only applied to the pending order.

If clients choose to trade when the market is extremely volatile, they should be aware that GFA has no responsibility for any losses incurred under this condition. Also, GFA will not be responsible for any connection delays due to technical issues, wrong messages (eg. price and news) from the third party and/or wrong information provided by clients.

**b. Profit and Loss Calculation**

**(1)Profit and Loss in the Quote Currency (floating and realized profit/loss converted to US$):**

US Dollar/Japanese Yen (USDJPY), US Dollar/Swiss Franc (USDCHF), US Dollar Canadian (USDCAD)

((Sell Price - Buy Price) * Contract Size * Number Of Contracts)/Conversation Price = Profit/Loss in US$

**(2)Profit and Loss in US$:**

Euro/US Dollar (EURUSD), British Pound/US Dollar (GBPUSD), Australian Dollar/US Dollar (AUDUSD)

(Selling Price - Buying Price) * Contract Size * Number Of Contracts = Profit/Loss in US$

*Commission charges are NOT included in the above calculations.

**(3) Other foreign currency products (hedges)**

Interest (USD) = ((contract value x number of contracts x dollar x rate) / 365) x number of days

## Metals

Metals market is one of the oldest and most developed markets. Stable investors use metals as a safe-haven. Trading of metals happens on many exchanges worldwide. The largest exchange is NYMEX/COMEX, the international benchmark exchange for metals.

Metals are part of commodities trading which allows participants to speculate on the change in value of an underlying asset. In this case, the underlying asset is either gold or silver.

GFA offers its clients uninterrupted live pricing on the major tradable metals such as gold and silver. These markets have had a proven demand for many years, both with individual investors and at the institutional level, either for speculation or for hedging purposes.

GFA metals products are structured as CFDs which allows them to benefit from live tradable prices and the ability to sell short and buy long.

***Trading Rules***

***a. Price Limits***

No price limits on metals

***b. Profit and Loss Calculation***

(Selling Price - Buying Price) * Contract Size * Number Of Contracts = Profit/Loss in US$
*Commission charges are NOT included in the above calculation.

***c. Financial Fee Calculation***

(1) Interest Calculation: Spot Gold and Spot Silver
((Opening Price * Contract Size * Number of Contracts * Interest Rate) / 365) * Number of Days = US$ Interest Fee

*The terms may change depending on the market situation. Please refer to GFA's announcements or call GFA's dealing room for the most updated information.

## Indices

The stock market index is an extremely popular investment product. It allows individuals to invest into the different global stock exchanges from Hong Kong to New York. There exists transparent information on all major markets.

### *Indices products*

- Invest in the Dow, Nasdaq, and Hang Seng Index
- Ability to buy or sell all major global indexes including NIKKEI, FTSE and DAX
- Indices provide excellent investment opportunities
- Invest into indices at live tradable prices and instant execution of trades
- Low market entry
- Investing into indices with very little capital and benefit from all market movements

### *Trading Rules*

#### *a. Price Limits*

Some of the exchanges on which the products GFA offers are traded and have price limits. Trading will temporarily cease due to an imbalance between the number of buyers and sellers in the exchange, basically avoiding a crash or extreme rally in the markets.

The exchange will halt trading until the imbalance evens out, usually for only a few minutes and then will resume with the new price limits in place. GFA will stop offering prices during the halts and will resume when the exchange recommences trading.

**(1) Price limits on the NDI, SPI and DJI**
For the NDI and SPI, the trading halts when the market drops 5%,10%, 15%, and 20%. With the DJI, the limits are at falls of 10%, 20% and then 30%. There is also a limit up of 5% on the NDI and SPI but only when the exchange is closed and traded via GLOBEX. The limits on the Indices always vary as they are set quarterly by the exchange.

**(2) Price Limits on Nikkei**

Daily price limits are set at approximately 5% increase or decrease from the previous days' settlement.

**(3) Price Limits on Stocks**
Trading stocks are halted whenever the DJI trading is halted. A stock may be suspended or trading halted for other reasons that are independent to that company.

***b. Profit and Loss Calculation***

(Selling Price - Buying Price) * Contract Size * Number Of Contracts = Profit/Loss in US$
*Commission charges are NOT included in the above calculation.

**Contracts for Difference ("CFD")**

Contracts for difference are a specialised Over the Counter ("**OTC**") financial product. This allows investors to trade in a market without actually owning any asset. The investor will either gain or lose capital as the rate of the financial product increase or decrease. Due to the nature and value of CFD being dependent on the underlying asset value, CFD is a derivative product.

GFA is not a broker and does not offer brokerage service. Clients and investors will be trading with GFA and not any financial market. GFA is a principal of the trade, not as an agent.

## Platform

For the most updated User Guide for Web Platform, please follow this link:

https://www.gfacm.com/uploads/reports/User_Guide_eng.pdf

### Key notes on CFD Trading

Client and investors should note the following:

1. In CFD Trading, no actual assets are purchased. As a result, the investor has no right of claim on the asset associated with the CFD;
2. Contracts are traded between the investor and GFA only;
3. Contracts are bound to the investor only, it cannot be transferred or sold to any other party;
4. If a contract is entered into, it will remain open until the close position, or if the asset expires;
5. The value of the CFD is dependent upon the value of the asset, if the value of the asset increase, so will the value of CFD;
6. GFA offer financial products for both short and long CFD trades;
7. GFA reserves the right to treat clients differently including applicable fees, quoted price and costs; and
8. All contracts, once entered into, are final. There is no cooling off period in CFD trading which allows the investor to revert to their original position.

## Basic CFD Trading Principal

In CFD trading, buying a product in anticipation that the value will rise is called “going long”. Investors should buy a product if they anticipate the asset of the product will rise, resulting in the CFD value rising attracting a profit to the investor.

If an investor is selling a product in anticipation that the value will decrease, this is called “going short”. Investors should sell a product if they anticipate the asset of the product will decrease, resulting in the CFD value decreasing and attract a profit.

The above information is general information on the function and trade practice on CFD trading only. Clients should not rely on the above as financial advice, opinion or representation on how they should trade.

## Closing a CFD position

An investor can close their position with GFA at their discretion by informing GFA to close the position on the trading platform.

The closing position will be compared to the opening position in determining your profit or loss. For example, if an investor were buying short, and the closing position was higher than their opening position, they would have made a loss based on the difference, and the amount purchased.

In the alternative, the investor’s CFD position may close automatically when the opening position is unable to support the Margin Value.

## Pricing

GFA's products are based on relevant future price and spot prices with GFA's mark-up for price spread. All CFD prices offered to investors includes the mark-up.

In case of spot prices, the future prices will be converted into spot prices based on the premium which is calculated from the market interest rate and risk factor.

GFA cannot predict commodity or FX prices and the prices on its platform are never a forecast of what GFA believes the price will be at a future date. The decision to place orders and contracts at a particular price is always a decision for the client.

The price on the contracts offered by GFA, or at the time it is purchased or sold, will only be based on GFA's best estimate of market price taking into account the expected interest rates, volatilities and market conditions. It is a complex arithmetic calculation which GFA cannot give any guarantees about.

For pending orders and limit orders, GFA will try to fulfil the client's order based on the best available price. However in case of market volatility, or there is a jump (or drop) of the market prices after a trading session break, GFA may fulfil the clients' orders based on the latest market prices (or open prices).

**Contract Size**

**Products (FX)**

GFA offers the following major and minor currencies and their crosses:

| | |
|---|---|
| EUR/USD | EURO / US DOLLAR |
| USD/JPY | US DOLLAR / JAPANESE YEN |
| GBP/USD | BRITISH POUND / US DOLLAR |
| USD/CHF | US DOLLAR / SWISS FRANC |
| AUD/USD | AUSTRALIAN DOLLAR / US DOLLAR |
| NZD/USD | NZ DOLLAR / US DOLLAR |
| USD/CAD | US DOLLAR / CANADIAN DOLLAR |
| EUR/JPY | EURO / JAPANESE YEN |
| GBP/JPY | BRITISH POUND / JAPANESE YEN |
| EUR/CHF | EURO / SWISS FRANC |
| GBP/CHF | BRITISH POUND / SWISS FRANC |
| EUR/GBP | EURO / BRITISH POUND |
| AUD/JPY | AUSTRALIAN DOLLAR / JAPANESE YEN |
| AUD/NZD | AUSTRALIAN DOLLAR / NZ DOLLAR |

**Spreads (For prime customers)**

| | |
|---|---|
| EUR/USD | 2 – 5 pips |
| GBP/USD | 2 – 5 pips |
| AUD/USD | 2 – 5 pips |
| USD/CAD | 2 – 5 pips |
| GBP/JPY | 4 – 8 pips |
| GBP/CHF | 6 – 10 pips |
| AUD/JPY | 2 – 5 pips |

| | |
|---|---|
| EUR/USD | 2 – 5 pips |
| GBP/USD | 2 – 5 pips |
| AUD/USD | 2 – 5 pips |
| USD/CAD | 2 – 5 pips |
| GBP/JPY | 4 – 8 pips |
| GBP/CHF | 6 – 10 pips |
| AUD/JPY | 2 – 5 pips |

**Contract Sizes**

The amount being traded always refers to the first currency of the currency pair.

| | |
|---|---|
| EUR/USD | EUR 100,000 |
| USD/JPY | USD 100,000 |
| GBP/USD | GBP 100,000 |
| USD/CHF | USD 100,000 |
| AUD/USD | AUD 100,000 |
| NZD/USD | NZD 100,000 |
| USD/CAD | USD 100,000 |
| EUR/JPY | EUR 100,000 |
| GBP/JPY | GBP 100,000 |
| EUR/CHF | EUR 100,000 |
| GBP/CHF | GBP 100,000 |
| EUR/GBP | EUR 100,000 |
| AUD/JPY | AUD 100,000 |
| AUD/NZD | AUD 100,000 |

Clients can trade in multiples of 1/100th (0.01) contract size.

**Types of Orders**

GFA's trading platform provides sophisticated entry and execution of entry orders and stop/limit orders. The client may choose to limit the duration of such orders to Good Until Cancelled (GTC), Good Till Friday/Good For Week (GTF/GFW) and Good For Day (GFD). Expired unexecuted orders will be deleted automatically from the system and shown on the client's statement. The client may change the duration any time without the hassle of deletion and re-insertion.

A limit and/or stop order placed with an open trade will be cancelled when that open trade is closed.

Entry order prices must be away from the market price for at least x pips. Limit and/or stop order price must be away from the entry order price or the market price for at least y pips.

## Contract Size - Metals

### Products

We offer the following metals:

| | |
|---|---|
| LLG/USD | LOCO LONDON GOLD / US DOLLARS |
| LLS/USD | LOCO LONDON SILVER / US DOLLARS |
| HKG/HKD | HONG KONG TAEL GOLD / HONG KONG DOLLARS |

### Dealing Spreads

| | |
|---|---|
| LLG/USD USD | 0.2 – 0.5 |
| HKG/HKD HKD | 5.0 – 7.0 |
| LLS/USD USD | 0.03 – 0.06 |

### Contract Sizes

| | |
|---|---|
| LLG/USD | 100 ounces |
| LLS/USD | 2500 ounces |
| HKG/HKD | 100 taels |

You can trade in multiple of 1/100th (0.01) contract size.

### Types of Orders

GFA's trading platform provides sophisticated entry and execution of entry orders and stop/limit orders. The client may choose to limit the duration of such orders to Good Until Cancelled (GTC), Good Till Friday/Good For Week (GTF/GFW) and Good For Day (GFD). Expired unexecuted orders will be deleted automatically from the system and shown on your statement. The client may change the duration any time without the hassle of deletion and re-insertion.

A limit and/or stop order placed with an open trade will be cancelled when that open trade is closed. Entry order prices must be away from the market price for at least x. Limit and/or stop order price must be away from the entry order price or the market price for at leasty.

**Entry Order**

| Product | x | y |
|---|---|---|
| LLG/USD | USD 3.0 | USD 3.0 |
| LLS/USD | USD 0.2 | USD 0.2 |
| HKG/HKD | HKD 24 | HKD 24 |

## Margin Requirement

In order to trade with GFA, a client must provide a security deposit to ensure they have sufficient funds to cover and CFD debts, this is called margin requirement.

The amount of margin requirement is calculated in real time, and will be displayed to the client. The Margin Call is the amount of margin requirement in order for the client's CFD trade to remain open. If insufficient funds are deposited, the CFD trade product may be liquidated and the client's CFD position will close automatically.

## Liquidation

Margin in forex trading means that investors have to keep certain amount of money to hold positions in the client's account. A margin call occurs when the trading account no longer has enough money to keep the open positions. When there are not sufficient margins in the trading accounts to keep the open trades, GFA will send a Margin Call warning and may follow with closing open positions automatically if the margin level keep dropping, to prevent further losses which might incur.

When the used margin level in a GFA trading account drops below GFA's indicated value, investors will receive a Margin Call warning on the message area to remind them that they may not have sufficient margin in their account. In this situation, investors may need to add additional funds in their accounts or manually close some positions, otherwise their open positions maybe at risk of being closed automatically when the margin level keep dropping. Once the Margin Call warning happens, investors will see the warning message in the trading platform. Investors who receive the Margin Call display messages from the platform are advised to manage their accounts to avoid further losses. Meanwhile, investors will not be able to open any new positions when the Margin Call warning is received. However, during the time when the market moves quickly, there will be limited time to be warned so be advised that a client may not have chance to get the warning message.

When the margin level drops below the maintenance level required by GFA, it will automatically trigger sales and the client's partial or entire open position will be closed automatically to prevent further losses incurred in their accounts. Investors are suggested to monitor and manage their accounts carefully to avoid the potential risk of getting a Margin Call warning or the Stop Out.

Depending on the platform which the client chooses to use, a Margin Call message or warning may not be available. It is the client's responsibility to ensure they have sufficient liquidity for each trade.

**Margin Levels (Metals)**

GFA allows trading to be conducted on a leveraged basis. The deposit made with GFA to support a trade is called a margin.

**Initial Margin** - In order to open a new position, effective equity must exceed 1% of the position value. That is to say, a client may trade a position as much as 100 times of their effective equity.

Effective equity is the account balance plus any loan/credit plus any market floating profit/loss plus any non-cash collateral value. For example, an account with US$10,000 effective equity could open up to US$1,000,000 new position.

Closing an open position does not need additional margins and releases the margin held up with the open position.

Placing an order will earmark the same margin as if the order were executed. This is to ensure that the execution of the order will be problem-free. However, placing a stop-loss or limit-profit order with an open trade or an entry order does not require any additional margin.

When the margin is lean and the client decides to execute an order at market rate, they can do so without first deleting the order to release margin for the subsequent trade. This is a very unique user-friendliness of GFA's system.

**Maintenance Margin** - This is the margin required to support an open position. When the effective equity falls below the maintenance margin level, GFA will issue a margin call via the system and other possible means to the client. The client will be asked to top up their margin until the margin percentage of their account reaches above the maintenance margin level.

The maintenance margin level is 0.5% of open positions value. Alternatively, the client can have an aggregate position value of 200 times their effective equity without having a margin call. For example, an account with effective equity of US$10,000 can support open positions of aggregate values up to US$2,000,000 in open position.

Open positions count all long or short positions of different products. The open position value is calculated at the historical rate the position was opened with. There will be no margin offset between any two different products. Therefore, trading a cross-currency product can save the client margin as compared with trading two straight currency products.

**Cut-off Margin** - When the effective equity falls below the cut-off margin level, GFA is required to close the client's open positions at market rates until their effective account equity reaches above the cut-off margin level again.

The cut-off margin level is 0.1% of open positions value. Or, your aggregate open positions value cannot be more than 1000 times your effective equity. The open position value is calculated at the historical rate the position was opened with. For example, an account with net equity of US$10,000 cannot support an aggregate position value of US$10,000,000 or more.

Initial Margin 1.5%
Maintenance Margin 0.8%
Cut-Off Margin 0.3%

**ASIC intervention Order 20-254MR**
Pursuant to ASIC's intervention order dated 23 October 2020, from 29 March 2021, GFA as a licensee is limited and restricted to offer CFD leverage to a maximum ratio of:

- 30:1 for CFDs referencing an exchange rate for a major currency pair
- 20:1 for CFDs referencing an exchange rate for a minor currency pair, gold or a major stock market index
- 10:1 for CFDs referencing a commodity (other than gold) or a minor stock market index
- 2:1 for CFDs referencing crypto-assets
- 5:1 for CFDs referencing shares or other assets

The above restriction shall stand until such time ASIC revokes the intervention order.

For clarity, the definitions used above are to be read as:

| | |
|---|---|
| major currency pair | means any two of the Australian dollar, British pound, Canadian dollar, euro, Japanese yen, Swiss franc and US dollar; |

| | |
|---|---|
| a minor currency pair | is any currency pair that is not a major currency pair; |
| major stock market indices | are the CAC 40, DAX, Dow Jones Industrial Average, EURO STOXX 50 Index, FTSE 100, NASDAQ-100 Index, NASDAQ Composite Index, Nikkei Stock Average, S&P 500 and S&P/ASX 200; |
| a minor stock market index | is any stock market index that is not a major stock market index. |

## Margin (FX)

GFA allows trading to be conducted on a leveraged basis. The deposit made with GFA to support a trade is called a margin.

**Initial Margin** - In order to open a new position, effective equity must exceed 1% of the position value. That is to say, a client may trade a position as much as 100 times of their effective equity.

Effective equity is the account balance plus any loan/credit plus any market floating profit/loss plus any non-cash collateral value. For example, an account with US$10,000 effective equity could open up to US$1,000,000 new position.

Closing an open position does not need additional margins and releases the margin held up with the open position.

Placing an order will earmark the same margin as if the order were executed. This is to ensure that the execution of the order will be problem-free. However, placing a stop-loss or limit-profit order with an open trade or an entry order does not require any additional margin.

When the margin is lean and the client decides to execute an order at market rate, they can do so without first deleting the order to release margin for the subsequent trade. This is a very unique user-friendliness of GFA's system.

**Maintenance Margin** - This is the margin required to support an open position. When the effective equity falls below the maintenance margin level, GFA will issue a margin call via the system and other possible means to the client. The client will be asked to top up their margin until the margin percentage of their account reaches above the maintenance margin level.

The maintenance margin level is 0.5% of open positions value. Alternatively, the client can have an aggregate position value of 200 times their effective equity without having a margin call. For example, an account with effective equity of US$10,000 can support open positions of aggregate values up to US$2,000,000 in open position.

Open positions count all long or short positions of different products. The open position value is calculated at the historical rate the position was opened with. There will be no margin offset between any two different products. Therefore, trading a cross-currency product can save the client margin as compared with trading two straight currency products.

**Cut-off Margin** - When the effective equity falls below the cut-off margin level, GFA is required to close the client's open positions at market rates until their effective account equity reaches above the cut-off margin level again.

The cut-off margin level is 0.1% of open positions value. Or, your aggregate open positions value cannot be more than 1000 times your effective equity. The open position value is calculated at the historical rate the position was opened with. For example, an account with net equity of US$10,000 cannot support an aggregate position value of US$10,000,000 or more.

| Type | Forex |
| --- | --- |
| Initial Margin | 1% |
| Maintenance Margin | 0.5% |
| Cut-Off Margin | 0.1% |

**No Interest for Client Deposit**

No interest will be credited in respect of any monies held on account or for margin payments, which will be held by us in a client bank account. Any interest will be paid to GFA as part of the administration fee.

**Interest chargeable**

Interest rate is a factor if the investor intends to hold their CFD position until the next business day. The amount charge is dependent upon whether the investor is going long or going short. If a client is going long, the investor will be charged for the financing of the full value of the position. On the contrary, if the investor is going short, they will receive a credit for the face value of the position.

Finance charge is calculated as follows:
Interest payable = (Trade Size) x (closing price in accordance to GFA) x (GFA preference rate) divide by 365 days

## Dividends

When a security within an underlying index to a CFD goes ex-dividend, the price of that security theoretically decreases by the dividend amount. In practice, this does not always happen as there are many market forces affecting an equity price. The amount of points an Index CFD drops by because a security within an index goes ex-dividend is dependent on the weighting of the equity within the index. If more than one security within an index goes ex-dividend on the same day the amount of points each equity will theoretically cause the sector or index to drop is added together to calculate the total amount of dividend points.

## Spreads

Under all available CFD products, there is a price for buying (bid) and selling (offer). This range of bid/offer spread represents the best current price to sell CFD and the best current price to buy CFD. When the client places an order to buy or sell one of these products, in order to break even or obtain a profit in the later stage, the closing position needs to be at least equal or in a more advantageous position.

## Fees and Charges

### Commissions on CFDs

GFA will not charge any commissions on CFDs.

### Account keeping fee

GFA will not charge any account keeping fees. However, if a customer does not trade for more than fourteen (14) days after deposit and account creation, GFA reserves the right to close the customer's account for non-activity and charge the customer for any transaction fee charged to GFA by the relevant banking institution.

### Withdraw fee, Credit Card charges and minimal deposit

Credit card and Electronic Transfer is currently available.
Minimum deposit of $500.00 USD, no maximum deposit

### Conversion Fee

GFA will not charge any conversion fees. However, a financial institution may apply their applicable charges ranging from USD$10 to USD$12 for each transaction.

## Key Features of GFA

### User Friendly Trading Station

GFA's platform and user interface for trade is easy to use and is an online platform designed to give investors all relevant market information required to make an informed decision regarding their trade.

### Trading Hours in Australia

GFA's office trading hours in Australia are open at 9:00am and although they do not operate during Public Holidays, this does not stop trade in its entirety. CFD product availability is based on its country of origin. Customers should make their own enquiries in this regard before trading, as holidays and availabilities may cause delays in the opening and closing of trade.

### Real Time Quotes

GFA's platform and use of state of the art technology provides investors with up to date quotes, in most circumstances, up to the minute. Clients may also check their account and CFD positions in real time twenty-four (24) hours a day, seven (7) days a week.

  

## Risks in CFD trading

Clients should be informed that trading CFDs offered by any financial service involves risks. It is important that clients consider each trade carefully whether it is dealt in FX, contracts or otherwise. They should also consider their personal objective and financial standing prior to trading.

GFA will not, and cannot provide investors with any personal product advice. The information contained in this PDS should be considered as general information only, and clients should not rely on this PDS for their investment advice.

It is strongly recommended that clients should obtain their own financial, legal, taxation, and other expert advice as applicable, prior to engaging in CFD trading. Clients should ascertain whether CFDs trading and investment is the right product based on their personal financial situation and objective. If the client loses money, GFA is not obligated to reimburse them under any circumstances.

**Risk of capital exposure**
Although GFA's software provides support for risk management for a client's obligations to GFA, this does not prevent or limit a client's potential loss in total capital as a result of their trade. GFA has no control over the capital exposure as a result of a client's CFD trading, and cannot be held liable for any losses, risk or mismanagement of a client's own funds.

Clients should never enter into a CFD trade if they are not prepared, or in a position to lose. Clients should always adopt a stop-loss order, or other risk mitigation techniques (such as a Stop Entry Order, Market Trigger Order, Limit Order, One Cancels the Other Order), to minimise their loss if their trade is not moving in the desired direction. A stop-loss order is an inbuilt function with the GFA platform that allows the software to close your CFD position if the difference is outside your anticipation. The software allows you to set a minimum or maximum value to your trade, where the software will execute to close your CFD position if those values are met. The client should consult a financial advice to obtain detail understanding of each mechanism.

Example: If a client is buying USD, with AUD at a rate of 0.9 and set the stop-loss order at 0.89 as you they buying long. The software will close their position to avoid further loss by selling the client's CDF position once it reaches 0.89.

Clients should be aware that although GFA's sophisticated software allows for stop-loss orders; there may be instances where gaps in the market will arise. Example, the price of the above USD may jump from 0.899 down to 0.71, therefore GFA cannot provide any warranty, or guarantee that your CFD will be closed with your stipulated price.

**Market fluctuations**
CFD market prices fluctuate unexpectedly. The price of CFDs are dependent upon the underlying asset which means there is an inherit risk that a client's position(s) will change as a result of these movements. Products offered by GFA will fluctuate and be reflected upon any events or changes to the market condition.

In circumstances where the impact is substantial, market price gapping will occur. In such cases, GFA may be unable to provide investors with the listed price, either opening or closing position, due to the rapid change in market price.

**Risk of true value not being reflected**
Clients should be aware that CFD products may not reflect the true value of the underlying asset. CFD prices vary depending upon other participants in the market as well as their underlying assets. GFA's Margin Requirement takes into account all factors and may not only correspond to the CFD price.

**Legislative change**
GFA cannot be held liable for any increase in costs or fees as a result of legislative change, or reforms which impacts the operation of GFA.

**Insolvency**
If GFA were to become insolvent, GFA will also be unable to meet its obligations to you. By trading with GFA, clients acknowledge they are aware of this fact. In light of this, clients may request that GFA provide a copy of the company's financial statements, in order to ascertain whether GFA has the financial ability to meet the client's obligations.

You should be made aware that FX contracts and CFD offered by financial institutions constitute the biggest investment risk amongst financial market products. Prior to engaging in this trade, clients should be aware that this type of investment is not for all investors. CFD is a speculative product which exposes investors to greater losses than anticipated, therefore it carries greater risk than other financial market products. Clients may sustain losses in excess of their Margin Requirement in maintaining their

CFD position.

**Volatility of the market**
CFD trading is very volatile. It is not an investment suitable for all investors. The fluctuation in pricing can work for, as well as against an investor. Anyone who partakes in CFD trades should consider their personal financial standing, objective, experience and risk exposure they are willing to take. It is always recommended investors consult an independent financial advisor or other experts in the field prior to engaging in trade.

**Disruption in trade owing to failures and delays**
GFA cannot be held liable for any disruption in trade as a result of GFA's system failure including the failure of computers, computer networks, software, communication or any other event which lead to disruption or delay in opening or closing of CFD position.

GFA cannot be held liable for any delay in execution of trade, whether in connection with the internet connection or software delay. The client should be aware that any delay in trading CFD may result in the CFD pricing moving significantly. GFA cannot be held liable for any delay as a result of this.

In circumstances beyond GFA's control, an order may be reset due to high volume. In circumstances where GFA may have received such a high volume of orders, it may not be able to accept the client's order and their order may be rejected and position reset.

Due to technical issues, GFA may be required to perform emergency maintenance on their website, which could result in a client's lack of access to the trading software. GFA cannot be held liable for any loss incurred as a result of this.

If a client is accessing the software using a mobile phone or any other less secured connection tool, they need to be aware that such connection may be lost without warning, and their position may change substantially before they can resume trade. GFA cannot be held liable for any loss incurred in these circumstances. Furthermore, GFA advises against trading using a mobile device, as this increases a client's risk of dropouts, hanging orders and other issues which would delay in relaying information directly to the client.

**Operational risk**
Operational risk is the risk of loss from disruptions to internal processes, such as people, system or disruptions arising from external events. These disruptions may

affect the ability of GFA in providing or settling a client's CFD transaction in a timely and accurate manner, resulting in an outcome which is less favourable to the client. GFA cannot be held liable for any loss incurred from this type of disruption.

**Hanging orders**

In other cases, an order may have been accepted, but due to high volume, confirmation of such an order may be on hold resulting in a "hanging order".

In cases beyond GFA's control, some CFD products may not be traded under suspended mode. Investors will not be able to purchase this type of CFD product during this time.

**Hedging**

A common practice in CFD trade is hedging. Investors should ascertain their own knowledge in investment prior to performing hedging. Due to the high volatility of CFD products, even a hedged investment may incur losses due to rollover. Investors should consult professional financial experts in this field for more information.

**Delay and disruption in price feed**

In circumstances beyond GFA's control, delay and disruption in price feed may occur. Investors who trade on inverted prices may have their trades reset or amended to reflect the true nature of the price. GFA reserves its rights in this regard.

As CFD products are volatile, during the closing period, a client's CFD position may change when trading re-opens. A client may suffer a loss as a result of this. GFA cannot be held liable for this type of losses as it is beyond GFA's control.

**Margin Calls**

Due to the CFD's volatile nature, a Margin Call may be placed on the investor on short notice. This would require the investor to place additional funds in the account or liquidation will take place. In these circumstances, the investor is exposed to losing their entire CFD product.

**Currency exchange rates**

As an added factor, currency exchange rate will affect a client's CFD position. In Australia, the default currency is AUD, which means if AUD loses value, a client's CFD products will also be affected.

**Leverage risk**

Leverage risk refers to using various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment.

For example:
A client deposited $10,000.00 into an account with GFA. With 1% margin, the client may open positions to a total value of $1,000,000 ($10,000 ÷0.01 =$1,000,000).

Buying A$500,000 (or 5 Standard Contracts) against the USD at an exchange rate of 0.800: Initial Margin Requirement = 5 Lots X (Contract Size X 0.01) = A$5,000

If the Australian Dollar depreciates in value against the USD to 0.7950 then Variation Margin (Unrealised Losses) are USD$2,500 (A$3,145).

Total Margin Requirement = Initial Margin + Variation Margin = A$5,000 + A$3,145 = A$8,145

The Margin Ratio = Account Equity ÷ Margin Requirement = 137%

This margin facility allows the client to potentially make large profits from a relatively small initial investment. It must be pointed out, however, that any losses are equally multiplied.

If positions remain open and the AUD falls further in value GFA may exercise its right to close some or all of the positions (Liquidation). The Liquidation Level is where the Margin Ratio falls below a certain level.

In the example, when the AUD/USD Exchange Rate is 0.7920 the Margin Ratio is: Account Equity ÷ Margin Requirement = Equity (A$10,000 – A$5,051) ÷ A$5,000 = 99%

As the Margin Ratio is less than 100% the account is in Margin Call. If the Australian Dollar continues to fall in value against the US Dollar to an exchange rate of 0.7858 then Unrealised Losses will rise to US$7,100 (A$9,035) and Account Equity will have fallen to A$965.

The Margin Ratio will be A$965 ÷A$5,000 = 19% and Liquidation will be triggered. The positions are liable to be closed by GFA.

### Legal risk

Australia, being a member state of the United Nations, has an obligation to implement United Nations Security Council sanctions. Australia may also be required to follow the direction of the United Nations in relation to international sanctions or unilateral sanctions. These sanctions may or may not include financial restrictions on a person, company or a particular type of trade. GFA may be forbidden from providing certain

CFD products as a result of these sanctions.

Unlike ASX, which is regulated and has the benefit of a guarantee system known as National Guarantee Fund which provides protection against fraud or misconduct by brokers associated with ASX trade, CFD trading and GFA is not under this ambit of power. GFA is only regulated by ASIC.

**Rights of GFA to sell**

GFA reserves the right to:

1. Close part or the whole of the client's position, if GFA considers it appropriate;
2. To limit the size of a client's opening position;
3. To refuse an order; or
4. Cancel a client's position.

This may happen in circumstances where GFA considers:

1. There are abnormal trading conditions;
2. It is reasonable and fair to make such changes in order to protect its rights under the contract;
3. It unable to make prices in the relevant contract due to its availability beyond GFA's control;
4. It is necessary and has served the client with written notice;
5. The client had insider information which is in breach of the *Corporations Act* 2001 (Cth);
6. It is necessary for GFA to do so under the direction of ASIC, or any other governing body;
7. The client had breached the Liquidation Level and GFA deemed it necessary;
8. The client's orders are outside the normal dealing size;
9. There is a technological error, IT malfunction or communication errors which has resulted in pricing errors; or
10. The client had taken advantage of price manipulation, or price error as a result of GFA's systems.

**Special Event causing GFA to act**

In circumstances beyond GFA's control, GFA may be forced to direct all orders from electronic to manual processing through GFA's dealing department. Clients may contact the dealing department directly for enquiries, should this occur.

In circumstances beyond GFA’s control, GFA may be forced to:

1. Stop trade where, in GFA’s opinion, it is unable to maintain an orderly market in respect of one or more CFD products. Such event may include, but is not limited to strikes, riots, civil unrest, power failures, or IT or system failures;
2. Stop trade due to the excessive movement and volatility of a certain CFD product.

## Segregated Money

When you open an account and deposit money with GFA, your funds will be deposited into a segregated account where funds cannot be accessed by GFA directly. The client is therefore protected by legislation regulating how client money can be accessed.

The main purpose of the trust account is to separate all investor's money, with GFA's money. This protects each investor's position.

If GFA is to become insolvent, each investor will then be an unsecured creditor to which the balance of the trust account will be owed.

In the event GFA loses the necessary Australia Financial Service Licence granted by ASIC, or if GFA merges with another company:

1. The trust money will be repaid to each investor;
2. If the account has sufficient funds, a portion of the funds in the trust account will be paid back to each investor based on their contribution;
3. If there are excess funds, the remaining money will be paid to GFA.

## Other disclosures

Personal information that need to be disclosed to GFA:

1. Broker or agent that referred the client to GFA;
2. Any person which acts on the client's behalf;
3. Products which the client wishes to be transferred;
4. Organisation(s) which the client belongs to.

## Confidentiality

Pursuant to the *Anti-Money Laundering and Counter-Terrorism Act 2006*, GFA is obligated to collect, verify and report the identity of its clients. This information is only to satisfy the corresponding body and will be performed in accordance with the *Privacy Act 1988*.

Any communication between clients and GFA may also be recorded. This will be performed in accordance with the *Privacy Act 1988* and for the purpose of dispute resolution, should a dispute arise.

GFA is a fully regulated company and guarantees that any documents sent will not be passed on to any third party and will only be handled by professionals in keeping with the privacy agreement set out in the customer agreement the client consented to at the time of registering.

GFA's website is a secure site adopting a 128-bit encryption key for all client details and transactions. GFA are partnered with Verisign for added client security. All client transactions and details are handled with the utmost confidentiality.

GFA will take all steps necessary to protect its client's information from misuse, loss, unauthorised access, modification or disclosure.

GFA reserves the right to use its client's information for marketing purposes (to build up a relationship with its clients), or any other purpose which the client consents to.

GFA's clients may contact GFA to obtain a list of personal information GFA has obtained during the course of the relationship. If GFA is unable to comply with such request, a reason will be provided to the client citing legislative compliance or otherwise.

GFA's clients are obligated to provide GFA with up to date personal information in order for GFA to comply with all legislative requirement under a financial service body. If the client provides false, misleading or refuse to provide personal information, GFA may be forced to cancel the client's account and suspend their trading rights.

## Dispute Resolution

Pursuant to the *Corporations Act 2001* (*Cth*), GFA has established a recognised dispute resolution scheme for the benefit of its clients.

### *Internal complaint*

The client is encouraged to make a direct complaint to GFA in writing by either mail or email. If the complaint cannot be determined during the first contact, the complaint will then be determined by a managing/authorised representative for determination.

Upon receipt of the complaint, the officer in charge of the investigation may request evidence or documentation in support to the complaint.

The person who determines the matter will then provide an answer to the client, detailing the outcome of their determination, and whether any compensation is deemed necessary.

In the above circumstance, upon request by the investigator, the client must provide all documents and proofs requested within forty (40) days of the request. Failure to do so may result in the complaint being dismissed.

Upon receipt of all documents, determination of the complaint will be dealt with within forty-eight (48) days. The client will then be informed of the decision and asked whether they wish to pursue legal action against GFA.

### ***External complaint***

If a client feels GFA did not handle the dispute adequately, they may refer the matter to the Australian Financial Complaints Authority ("**AFCA**") Service to further determine the matter. GFA has no control over which matters the Financial Ombudsman Service falls within their jurisdiction, and cannot make any warranty that the client's matter will be accepted for determination.

Clients may forward their complaint, enclosing documents in reliance to:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne, VIC 3001

GFA discloses that they are not an expert in AFCA proceedings and cannot provide the client with any advice based on procedure or argument points.

GFA has full Professional Indemnity Insurance to provide coverage to all investors. If the AFCA finds for the client, compensation may be paid by the insurer rather than GFA. This is for the benefit and protection for the client in ensuring they will receive compensation where awarded.

### **Taxation requirements**

The client should consult their taxation expert to ascertain whether they are liable for any tax towards the Australian Taxation Office.

GFA will not be liable for any taxation claim made against its clients by the Australian Taxation Office. Clients should be aware all taxation issues are to be their own responsibility.

Generally, foreign exchange rules under the *New Business Tax System (Taxation of Financial Arrangements) Act* 2003 (*Cth*) will apply when the client:

1. Disposes of foreign currency;
2. Disposes a right to receive foreign currency;
3. Ceases to have a right or obligation to receive foreign currency; or
4. Ceases to have a right or obligation to pay foreign currency.

The client should consult a taxation expert to ascertain how the above would impact on their personal financial situation.

Further Australian Taxation Ruling on CFD products can be found on their website under Taxation Ruling 2005/15.

**Definitions and Interpretation**

- Words denoting the singular include the plural and vice versa;
- Words denoting individuals or persons include bodies corporate and vice versa;
- Grammatical forms of defined words or phrases have their corresponding meanings;
- Words in this document can be defined as follows:

**Glossary**

| | |
|---|---|
| "Account" | An account with a client to enable trade in CFD with GFA. |
| "AUD" | Australian dollar. |
| "Authorised representative" | An authorised agent of GFA. |
| "Base currency" | A fixed currency in an exchange. |
| "Buying long" | Purchasing CFD product in anticipation of CFD price rising. |
| "Buying short" | Selling CFD product in anticipation of CFD price decreasing. |
| "CFD" | The contract for difference which GFA offers from time to time. |

| | |
|---|---|
| “Clear funds” | Funds that are immediately available in GFA’s account. |
| “Closing position” | When the client ends the contract on the particular CFD product. |
| “Contract” | An agreement, whether performed orally or in writing, in reference to any financial products entered into by the client and GFA. |
| “Client, Customer, Investor” | All carry the same meaning as someone who engages GFA for service. |
| “Exchange rate” | The rate which applies from converting one currency to another. |
| “Financial Market” | The asset, security, future contract, index, or sector to which the value of CFD is determined. |
| “Margin Requirement” | The deposit required to maintain a CFD position. |
| “Normal dealing size” | The amount of CFD product GFA deemed you are available to purchase. |
| “Opening position” | The first instance when buying or selling a CFD product. |
| “Term currency” | A variable currency in an exchange. |
| “Client” | The client referred to in this Product Disclosure Statement is taken to be a potential client of GFA Capital Markets Limited |
| “USD” | United States dollar. |
| “Margin Call” | Deposit used in a particular CFD trade to maintain its position. |
| “Stop Loss Order” | Exiting a trade, or closing all positions on a trade at a predetermined price, this happens whether or not the user is active and aware. |

| | |
|---|---|
| "Stop Out" | Exiting a position using a Stop Loss Order, or GFA will issue a forced Stop Out on the investor's when the account drops to or below 50% of the Margin. In this scenario, GFA will automatically close the investor's position to avoid losses. GFA will continue this operation until the Margin is above 50%. |