



Product Disclosure Statement

CONTRACT FOR DIFFERENCE

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GENERAL INFORMATION

FXCM Australia Limited (“FXCM”) is incorporated in New Zealand and registered and authorised to conduct business in Australia. FXCM holds an Australian Financial Service (“AFS”) Licence (number 309763), issued by the Australian Securities and Investments Commission (ARBN 121934432)

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Important Information about the FXCM’s Product Disclosure Statement (“PDS”)

FXCM is the issuer of this Product Disclosure Statement (“PDS”) for FX Contracts and CFDs.

Under the Corporations Act 2001 (*Cth*) (“Corporations Act”), a retail client must receive a PDS from an AFS Licensee before acquiring a financial product. The PDS is the document that sets out the significant features of a financial product, including its risks, benefits, costs and fees and other related information. The purpose of this PDS is to provide you with sufficient information to make an informed decision in relation to the acquisition of our FX Contracts and CFDs. You may also use this PDS to compare the financial products described with other issuers of similar products.

The English language version of this PDS overrides all other language versions of this PDS to the extent of any inconsistency.

You should keep this PDS, the Terms of Business and the Financial Services Guide (FSG) and any supplementary and replacement documents and updated information that is provided to you by FXCM or FXCM Holdings, LLC including via emails for your records.

We will amend this PDS or withdraw it from circulation in the event of any material alteration of the information it contains. FXCM may modify any of the terms and conditions in the PDS. If the change is an increase in fees and charges, or any other significant changes that are adverse or potentially adverse to an investor, we will give notification issuing a new PDS. Any updated information which is not materially adverse to investors will be available on the FXCM Website.

Jurisdiction

This PDS is distributed by FXCM to Australian clients and foreign clients. The distribution of this PDS may be restricted in certain jurisdictions outside Australia. Should you gain access to this PDS in a restricted jurisdiction, you should observe such restrictions. This PDS does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation. If you are a foreign client intending to deal or dealing with FXCM, you should note:

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

Application Process with FXCM

Before you begin dealing in CFDs with FXCM, in addition to reviewing the FSG and PDS you must review the Terms of Business and complete an Application Form and be approved by FXCM.

Before starting the account opening process, you must read:

- the Terms of Business
- this PDS
- the Financial Services Guide [FSG]

The documents are available on the Website or can be obtained by contacting us.

The Application Forms require you to disclose personal information. You should refer to the Privacy Policy in the Terms of Business which explains how FXCM Holdings, LLC collects personal information and then maintains, uses, and discloses that information.

Terms of Business

The Terms of Business governs the contractual relationship between FXCM and the client (including but not limited to the consequences of events of default). The Terms of Business sets out the basis on which transactions will take place and the obligations of both FXCM and the client when accessing and trading on the Trading Platforms. However, entering into the Terms of Business does not itself constitute a trade or in any way oblige you to enter into future transactions. This is always your decision. You must confirm via the Website that you accept the Terms of Business before you can enter into transactions with us.

FXCM's Terms of Business is incorporated by reference into this PDS and is available on our Website. A paper copy is available free of charge on request.

Representations

CFDs offered on and from the date of this PDS are offered solely on the basis of the information and representations contained in this PDS and the Terms of Business. No other information or representation is authorized nor is any person authorized by FXCM or FXCM Holdings, LLC to give any information to clients or to make any representation other than any information or representation contained in this PDS, the Terms of Business and the FSG.

Consult your advisor

You should obtain independent financial, legal, taxation and any other professional advice concerning this PDS, the Terms of Business and the FSG.

FXCM DOES NOT PROVIDE PERSONAL ADVICE

We only provide general advice. General advice under Australian law can include information about FXCM products and the underlying markets and FXCM's opinions about, or outlook for, FXCM products. Any information you have requested about FXCM products and the markets, or have discussed with a FXCM employee should only be regarded as general advice.

If you require personal advice specific to your particular financial situation, objectives or needs, you will need to speak to your financial adviser. FXCM does not give personal advice.

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

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

Investors and traders should obtain professional financial advice based on their own particular circumstance before making an investment decision on the basis of the general advice provided. While we ensure that all the information provided is kept up-to-date and accurate we accept no responsibility for any use made of the information. Upon your acceptance of FXCM's Terms of Business you warrant that communications between FXCM and yourself will not be interpreted as personal financial advice and that any investment or trading decision(s) made by you is/are a result of your own free will and choice.

FXCM may collect personal or investment information from you to identify you and to administer your account. Collection of personal information does not imply that personal advice is given.

Australian Securities and Investments Commission (“ASIC”)

ASIC takes no responsibility for the contents of this PDS.

Use of examples in this PDS

The examples set out in this PDS and those on our Website are provided only for illustrative purposes. All amounts in the examples are approximations for illustration purposes only. The examples use figures which attempt to demonstrate how FXCM’s CFDs work. The figures do not necessarily reflect your personal circumstances and do not restrict in any manner the way in which FXCM may exercise its powers or discretion. All monetary amounts are references to Australian Dollars. The examples do not constitute general or personal financial product advice to any person reading this PDS.

Additional Information on Website

Should FXCM offer additional platforms to trade CFDs, or other CFD related products FXCM shall provide a detailed description of such CFD products or platforms on FXCM Website. You will be provided notification of any additions.

CONTRACT FOR DIFFERENCE (CFD)

Description of Contracts for Difference (CFD)

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

Underlying Reference CFDs Offered by FXCM on Trading Station II and MetaTrader 4 Platforms

FXCM currently offers clients the ability to trade CFDs in Stock Indices, Oil, and Precious Metals on the FXCM Trading Station II Platform and the MetaTrader 4 Platform (MT4). [For more information on Trading Station, please refer to FXCM other PDS Part 2].

Key features of CFDs offered by FXCM include:

- Contracts are non deliverable and some remain open until the position is closed. Others are closed when the underlying reference asset expires.

- Contracts are traded between you and FXCM and are not traded on any exchange.
- Contracts are non transferrable so that a CFD bought from FXCM cannot be sold to another broker, trader or market maker.
- CFDs are a product that provides the opportunity to profit (or incur loss) by dealing in the underlying asset without having to actually own the underlying asset.
- A CFD broadly replicates the price movement of the underlying asset i.e. if the price of the underlying asset changes, so will the value of the CFD.
- Unlike contracts traded on an exchange, OTC products are not standardised. The terms of a CFD are individually tailored to the particular requirements of the parties involved in the contract i.e. FXCM and the client but subject to minimum contract values.
- Because you do not own the underlying asset itself, you have none of the rights associated with owning the underlying asset.
- You can take both Long and Short positions.

Applying to Trade with FXCM

Before you begin trading in CFDs you must complete an Application Form and be approved by FXCM. Before completing the Application Form you should read this PDS, the Financial Services Guide (“FSG”) and the Terms of Business. If you are trading in FX Contracts you must read and understand the FX Contracts PDS.

Opening a CFD

A position is opened by either buying (going Long) or selling (going Short) a CFD.

BUYING - If you expect an instrument to rise in value, you buy.

SELLING - If you expect an instrument to fall in value, you sell.

Closing a CFD

You close a CFD by right clicking on the position and selecting “Close Trade” within the FXCM Trading Stations.

Contract Expiration

All Index CFD positions will remain open until they are closed by the client or the position is liquidated due to insufficient Usable Margin to support the open position.

Contract/Trade Size

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

Pricing

CFD prices are derived by referencing the underlying futures instrument. Specifically, for Index CFD products, the quoted price is based on referencing the relevant underlying index futures price, whilst taking into account fair value. Fair Value is the difference between the futures market and the cash market taking into consideration dividends for constituent stocks and interest rates. For Commodity CFD products, the FXCM price is based on the relevant futures price plus FXCM markup. CFD prices that are available on TSII include FXCM's markup.

Pip

At FXCM, in CFD trading, price movements are measured in pips, like ticks which are used to measure price movements in many other financial instruments.

What is Pip Cost?

The pip cost is the monetary value of a pip in terms of the currency in which the account is denominated.

EXAMPLE: For AUD-denominated accounts, the pip cost is expressed in AUD per 10k lot.

The Gross Profit/Loss ("P/L") column displays the value of the profit or loss expressed in terms of account currency. It is determined by taking the profit or loss in pips (P/L) and multiplying it by the value of a pip (Pip Cost).

EXAMPLE: For AUD-denominated accounts, the Gross P/L is expressed in terms of AUD.

YOUR MARGIN OBLIGATIONS TO FXCM

The Margin you need when you open a FX Contract or CFD with FXCM

CFDs offered by FXCM will be subject to Margin Requirements i.e. clients must deposit funds for security / margining purposes. Accordingly, you are responsible to meet all Margin Requirements required by FXCM.

When you enter into a CFD with FXCM and while that transaction remains open you need to have sufficient Usable Margin in your account to satisfy the Used Margin amount for the relevant number of FX Contracts or CFDs you hold. Examples of the calculation of the Margin Requirement are listed below. You should refer to the current Margin percentages per instrument which are listed on the FXCM Trading Platforms.

The FXCM Trading Stations will calculate in real time both the Margin Requirement and the remaining Usable Margin in your Account. You can see them stated in the accounts window of the FXCM Trading Stations under the columns "Usd Mr" (Used Margin), and "Usbl Mr" (Usable Margin). When trading on Trading Station II or Active Trader if the Usbl Mr column reaches zero, a Margin Call will be applied on the Account, and all open positions will be triggered for liquidation.

Q. What is Used Margin?

A. Margin is the amount that you must have in your Account to enter into CFD positions with FXCM.

The level of Margin required to open and maintain a CFD is called the "Used Margin".

Margin Requirements can fluctuate from intraday, to overnight, to over the weekend. Please refer to the FXCM Trading Station II Platform for current levels of Margin Requirements.

Q. What is my Usable Margin?

A. Usable Margin is the funds available for entering new positions. It is also the amount of funds you have until open positions in your Account are liquidated or closed out by FXCM.

Your "Usable Margin" is the difference between:

- Your Account Equity; and
- Any Used Margin set aside to fund open positions.

Usable Margin = Account Equity - Used Margin

Margin Call

If you open a CFD position and it moves against you and your Usable Margin falls to "0", your Account will be placed on Margin Call and all positions will be triggered for liquidation or closing out by FXCM at the next available price.

If Account Equity falls below Margin Requirements, the MT4 system will trigger an order to close some of the open positions. If the Usbl Mr column reaches zero, the positions with the largest losses will be closed first in order to free up additional Margin. The Margin Call process is entirely electronic and FXCM does not actively monitor positions.

FXCM does not provide notice prior to a Margin Call. It is **your responsibility to actively monitor and manage your open positions** and your obligations, including ensuring that you meet your Margin Requirement and the Usable Margin exceeds "0". It is also your responsibility to ensure you are aware of any changes in the Margin Requirement or where the Usable Margin is approaching "0". FXCM is under no obligation to contact you in the event of any change to the Margin Requirement or where the Usable Margin approaches or falls to "0" or to advise you of any actual or potential shortfalls in your Account.

You may increase the amount of Usable Margin available in your Account by:

- Closing out or reducing one or more of your open position(s) in order to reduce your Used Margin amount; and/or
- Depositing additional funds into your Account.

If you choose to deposit additional funds into your Account, these additional funds must be Cleared Funds before they will be available.

These steps may not be necessary if there is an increase in the value of your open positions due to a further market fluctuation.

For example: you opened a long (buy) position in a CFD, and the price of the CFD subsequently fell. As a result, your Usable Margin available is close to reaching "0" and you decide to increase the Usable Margin available by closing out your long position at a lesser price (thereby reducing your Margin Requirement), and depending on the amount of Used Margin for the original long position, that amount would then be available for Usable Margin i.e. it is no longer required to fund an open position.

FXCM does not represent or warrant, or give any assurance that your open positions will be closed out at any particular level. Accordingly, your losses may be higher than what they would have been had FXCM exercised its right to place a liquidation order.

Furthermore, you will be liable for all losses incurred, despite FXCM having had the right to close out your position at a time before you incurred those additional losses. Any such loss may result in you losing all moneys that you have deposited in your Account with FXCM, but you will not be liable for debit balances in your Account in excess of the moneys that you have deposited, that is not directly resulting from trading activity

It is your responsibility to ensure that your Usable Margin does not fall below the Margin Call trigger level of "0", and to ensure that you do not rely on FXCM to close out your positions should they be nearing, or exceed, the Margin Call level. You may do this by reviewing your Account details on the FXCM Trading Stations with a view to monitoring your Usable Margin, bearing in mind that any additional funds that you deposit into your account will not contribute towards your Account Equity balance until those funds become cleared funds. You may also contact our Client Services Department should you have any queries about your current Margin Requirement obligations.

Changes in Margin Requirement

According to the Terms of Business, FXCM reserves the right to modify at its discretion the margin requirement of any FX Contract or CFD at any time. This, in turn, modifies your Used Margin. For current details of the Margin Requirements we refer you to the FXCM Trading Platforms.

Conflicts of Interest

FXCM, its associates or other persons connected with FXCM may have an interest, relationship or arrangement that is material in relation to any CFD entered into with FXCM, or advice provided by FXCM.

FXCM is a market-maker, not a broker. Accordingly, you will be trading CFDs directly with FXCM, and not on any financial market. As a market-maker, FXCM sets the prices that refer to, but may not always be the same as, those provided by other market makers. FXCM will always act as a principal, not as an agent, for its own benefit in respect of all FX CFDs with you.

FXCM aims to provide transparent and fair execution.

TYPES OF CFDS

Index CFDs

FXCM offers CFDs where the underlying reference is an index. Following are the **Index** CFD products currently offered:

Indices

Instrument Name		Min Trade Size	Margin Requirement Per Min Trade Size			Target FXCM Spread	Minimum Stop Distance (Points)*	Trading Hours**	Break Time**
Trading Station II	MT4		USD	AUD	NZD				
US 30	US 30	1	90	100	125	4 (6)	6	Sun 23.00 – Fri 21.15	Daily from 21.15 until 21.30
SPX500	SPX500	1	120	140	165	0.5	2	Sun 23.00 – Fri 21.15	Daily from 21.15 until 21.30
NAS 100	NAS 100	1	25	30	35	2	4	Sun 23.00 – Fri 21.15	Daily from 21.15 until 21.30
UK 100	UK 100	1	90	100	125	1 (2)	3	Daily 08.00 – 21.00	None
GER 30	GER 30	1	90	110	125	1 (2)	3	Daily 07.00- 21.00	None
ITA 40	ITA 40	1	250	300	350	15	20	Daily 08.00 – 16.40	None
ESP 35	ESP 35	1	200	240	275	8	12	Daily 08.00 – 16.30	None
FRA 40	FRA 40	1	60	70	80	1 (2)	5	Daily 07.00 – 21.00	None
HKG 33	HKG 33	10	750	900	1000	15	25	Daily 01.15 – 08.15	Daily 04.15- 06.30 (Market closes at 08.15)
JPN 225	JPN 225	100	150	180	200	15	25	Sun 00.00 – Fri 20.15	(daily from 21.15 until 00.00)
SWE 30	SWE 30	1	90	100	125	0.5	2	Daily 08.00 – 16.20	None
SUI 30	SUI 30	1	90	100	125	4	4	Daily 06.50- 16.25	None
AUS 200	AUS 200	1	60	70	80	1 (2)	7	Daily 22.50 – 21.00	05.30 – 06.10 (Market closes at 21.00)

**All trade times are GMT.

*The 'Minimum Stop Distance' also applies to Limits for MT4 Accounts.

1.1 Trading Hours

FXCM Index CFD trading hours is based on when their underlying reference markets are open. FXCM indices CFD will not be open for trading during holidays in which the reference markets are closed. You may also note that some indices have an intraday break in addition to a daily closing. During these times you will still be able to place stop and limit orders.¹ You will not be able to close existing positions or open new ones. All trading functionalities will cease upon the end of the week's close.

1.2 Contract/Trade Size

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

1.3 Pip Cost

As profit and loss is converted into the account currency, a pip cost is associated with each product. For example, if the trading account is dominated in AUD then all of the profit and loss will be calculated in AUD. If you traded the UK 100 (which is priced in GBP), FXCM shall automatically convert profit and loss into AUD. The PIP cost details the conversion rate, which, in this case would be the GBP/AUD exchange rate. If the GBP/AUD exchange rate was 1.6400, then the pip cost would be 1.6400 converting all profit/loss from the UK100 trade into USD. The pip cost on display in the Trade Station II shows the cost per point for a single contract traded.



Symbol	Sell	Buy	Spread	Amt	High	Low	Roll S	Roll B	Pip Cost	MMR	Time
US30	8,353	8,357	4.0	5	8,522	8,336	0.00	-0.86	1.00	200.00	14:34:28

1.4 Minimum Margin Requirements (MMR)

FXCM Margin Rates are displayed in the dealing rates window on TSII and detail the client's capital obligation to buy or sell the minimum contract of a single index. FXCM has standardized minimum trade size for each instrument to make calculating the margin required to place a trade straight forward.

For example, the MMR is detailed as \$90 for 1 US30. If a trade is placed for a larger amount, the total MMR will increase. Using the example for the US30, if a client placed a trade for 5 US30 the MMR would be 5 multiplied by the minimum MMR (\$90) creating a MMR of \$450 to open a trade for 5 US30.

¹ MT4 accounts will not be able to amend or place stops/limits when the instrument is closed.

The margins detailed are FXCM's default margin requirements. Should you wish to change your margin requirement please log on to myfxcm.com where you will be able to increase your default margin for oil, metal and index products.

1.5 Minimum Spread

This is the tightest spread (smallest difference between our sell and buy price) FXCM will display in its pricing.

1.6 Overnight Credits/Debits

1.7 Financing costs

Costs Cost of carry and dividends make up the overnight credits/debits. The value of these two variables is independent of one another. The overall credit/debit that is applied to your account will depend on the size of the open trade.

1.7.1 Finance Charges

Interest rates are a factor in any market. FXCM's daily interest debit or credit amounts (hereafter "rollover") are based on the total face value of the position. Our rollover rates are calculated by referencing the relevant 3 month LIBOR for all index products. Each day, the rollover amounts per lot are shown transparently in the simple dealing rates window. Index positions that are open at the close of business on Friday will incur 3 day rollover.

For example, if 3 month USD LIBOR is 4.50% and FXCM is applying a haircut of +3/-3% a long position would pay 7.50%/360 per day, whereas a holder of a short position would receive 1.50%/360 per day.

It is worth noting that FXCM references the relevant underlying 3 months LIBOR rate for the native currency which an instrument is quoted. For example, GER 30 is quoted in euro, therefore, FXCM will reference 3 months Euro LIBOR. Similarly, for clients who have open UK100 positions, the reference interest rate would be 3 month GBP LIBOR and so forth.

Financing Calculation

f = Overnight finance charge

s = Trade size

p = Closing price as determined by FXCM

r = Relevant LIBOR rate, add 300 basis points for long positions, or deduct 300 basis points for short positions (6.00% - 3.00%) = 3%

d = Number of days, i.e., 365 for GBP products and 360 for all others

1.8 Dividends

Applicable to most cash indices, dividend payments will be applied as debit/credit along with the rollover to your open positions. Adjustments will apply on the eve of the ex-dividend date of the constituent members of the relevant Index. The adjustment will appear as part of the roll over debit/credit on your statement.

When equity goes ex-dividend, the price of that equity 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 cash CFD drops by is dependent on the weighting of the equity within the index. If more than one constituent equity of an index CFD goes ex-dividend on the same day, the amount of points each equity will theoretically cause the sector or index to drop by is added together to calculate the total amount of dividend points or 'drop points'. FXCM will either collect or pay dividends on the hedge positions that we have entered into against client issued CFDs.



US30		11:19:30 X	
L:8,578	5.0	H:8,794	
RollS:0.00	1.00	RollB:-0.88	
85	87	85	92
Sell	5	Buy	

Where an index is a Total Return Index, dividend payments will not be credited/debited.

An example of a total return index is the GER 30 where the cash disbursements are reinvested back into the index

1.8.1 Final Thoughts on Credits and Debits

Please note that the Roll S and Roll B displayed in the dealing rates window are the costs per contract. Since such is the case, the clients will pay or earn whatever the charge is, times the size of the position the client is holding.

Example:

- Client is long 100 US 30.
- Current Roll (B) is -0.88 (as displayed in the dealing rates window).
- Assuming the client is a holder of this position through 17:00 (NY Time), they will be assessed a charge of \$\$88.00 for that particular trading day.

1.9 Cash Index Contract Expiration

All cash index positions will remain open until they are closed by the client or the position is liquidated due to insufficient margin to support the open position.

Oil CFDs

FXCM offers US and UK Oil CFDs where the underlying reference is the relevant futures contract traded on InterContinental Exchange and NYMEX.

Instrument Name		Minimum Trade Size	Margin Requirement Per Min Trade Size			Target FXCM Spread	Minimum Stop Distance	Trading Hours*	Break Time
Trade Station II	MT4		USD	AUD	NZD				
US Oil	US Oil	1	200	240	280	0.05	0.10	Sun 23.00 – Fri 21.45	Daily from 21.15 until 23.00
UK Oil	UK Oil	1	200	240	280	0.05	0.10	Mon 01.00 – Fri 21.45	Daily from 23.00 until 01.00

**All hours are stipulated in GMT*

2.1 Trading Hours

FXCM Oil trading hours is based on the underlying reference market prices and opening hours. US Oil and UK Oil will not be open for trading during holidays in which the reference market is closed. Similar to many indices, US Oil and UK Oil have a daily break in addition to a daily closing; during this time you will still be able to place stops and limits.² You will not be able to close existing positions or open new ones. All trading functionalities will cease upon the week end closing.

2.2 Oil CFDs Pricing

FXCM receives its prices upon which it bases its quotes to you from various liquidity providers. The only variation in the FXCM price from its reference market will be a small mark up on the bid and offer (the spread).

2.3 Contract Size/Trade Size

FXCM utilizes a 'lot-based' trading system. This means that all FXCM products are aggregated into standardized trade sizes. These sizes generally replicate the underlying reference instrument (the futures or cash instrument) or are a fraction of that figure. This simplifies trading by allowing clients to trade in lot increments, and also provides a price for each lot size rather than averaging open and close prices when multiple positions are taken in the same instrument. A tick or pip value is associated with each lot for precise calculations,

² MT4 accounts will not be able to amend or place stops/limits when the instrument is closed.

and profits and losses on a position are automatically converted into the currency of the particular account. For example, a euro-denominated account will experience real-time profit or loss in euro when trading any instrument, whether it is UK 100 or US Oil.

2.4 Pip Cost

Pip cost is determined in the same manner as it is done for the various index CFDs offered. Please refer to page 16 for the detailed explanation.

2.5 Minimum Margin Requirements (MMR)

FXCM Margin Rates are displayed in the dealing rates window on the Trade Station II and detail the client's capital obligation to buy or sell 1 contract of a single Oil CFD. FXCM has standardized minimum/incremental trade sizes for each instrument. To calculate the margin required to place the minimum trade size, simply multiply the minimum trade size by the margin required (per contract) displayed in the dealing rates window.

- Oil CFD - minimum trade size is 1 contract
- MMR is \$200 (US) per contract
- 1 contract x \$200= \$200

The margins detailed are FXCM's default margin requirements. Should you wish to change your margin requirement please log on to myfxcm.com where you will be able to increase your default margin for oil, metals and index products.

2.6 Minimum Spread

This is the tightest spread (smallest difference between our sell and buy price) FXCM will display in its pricing.

2.7 Overnight Credits/Debits

Since the Oil CFD product FXCM offers is in fact with reference to an underlying futures contract, no overnight credits/debits or dividends are applicable.

2.8 Expiration

US Oil has a monthly expiration (please see the table below). Clients that hold an open position on the 'FXCM Expiration' will be closed at our bid/offer at 22:15 GMT*, the only consequence of this is the client will realize any floating P/L at the time it is closed. There are no rollovers for all oil contracts offered. *FXCM's official monthly expirations are based on Eastern Time (5:15 p.m. ET) or New York time. Due to the observance of Daylight Saving Time in the United States, monthly expirations listed in GMT are subject to change.

Example:

- Client is long 5 Oil CFDs @ 72.00.
- 1 day prior to expiration the expiring month is trading at 73.00.
- The customer position is closed at 73.00 and the profit is credited to the clients trading account.
- All pending Stop and Limit orders that are associated with the expiring contract will be cancelled.
- Client will need to re-establish another long position (assuming they wish to) and reinsert Stop and Limit orders to the new open position.

US OIL			
2012	Contract Month	Reference Expiration	FXCM Expiration
	January	19-Dec	16-Dec
	February	19-Jan	18-Jan
	March	17-Feb	16-Feb
	April	19-Mar	16-Mar
	May	19-Apr	18-Apr
	June	21-May	18-May
	July	19-Jun	18-Jun
	August	19-Jul	18-Jul
	September	20-Aug	17-Aug
	October	19-Sep	18-Sep
	November	19-Oct	18-Oct
December	15-Nov	14-Nov	

UK Oil			
2012	Contract Month	Reference Expiration	FXCM Expiration
	January	15-Dec	14-Dec
	February	16-Jan	13-Jan
	March	14-Feb	13-Feb
	April	15-Mar	14-Mar
	May	13-Apr	12-Apr
	June	16-May	15-May
	July	14-Jun	13-Jun
	August	16-Jul	13-Jul
	September	16-Aug	15-Aug
	October	13-Sep	12-Sep
	November	16-Oct	15-Oct
December	15-Nov	14-Nov	

Metal CFDs

FXCM offers CFDs where the underlying reference is a precious metal such as gold and silver.

Instrument Name		Minimum Trade Size	Margin Requirement Per Min Trade Size			Target FXCM Spread	Minimum Stop Distance	Trading Hours*	Break Time*
Trading Station II	MT4		USD	AUD	NZD				
XAU/USD	XAU/USD	1	4	5	5	0.5	0.1	Sun 23.00 – Fri 21.45	Daily 22.00 until 23.00
XAG/USD	Not Available	50	7.5	9	10	0.04	0.01	Sun 23.00 – Fri 21.45	Daily 22.00 until 23.00

**All hours are stipulated in GMT*

3.1 Trading Hours

Metal CFD products are available to trade 23 hours per day. During these hours you are able to open and close trades and place limit and stop orders.³ When the Trading Station II is closed you will not be able to place any trades or stop or limit orders.

3.2 Metal CFD Pricing

Our aim is to provide you with very competitive transaction costs and tight bid/ask spreads on every Metal CFD.

3.3 Contract Size/Trade Size

FXCM utilizes a 'lot-based' trading system. This means that all FXCM products are aggregated into standardized trade sizes. This simplifies trading by allowing clients to trade in lot increments, and also provides a price for each lot size rather than averaging open and close prices when multiple positions are taken in the same instrument. A tick or pip value is associated with each lot for precise calculations, and profits and losses on a position are automatically converted into the currency of the particular account. For example, a euro-denominated account will experience real-time profit or loss in euro when trading any instrument, whether it is XAU/USD or XAG/USD.

³ MT4 account will not be able to amend or place stops/limits when the instrument is closed.

3.4 Pip Cost

Pip cost is determined in the same manner as it is done for the various index CFDs offered. Please refer to page 16 for the detailed explanation.

3.5 Minimum Margin Requirements (MMR)

FXCM Margin Rates are displayed in the dealing rates window on the Trade Station II and detail the client's capital obligation to buy or sell the minimum trade size of Metal CFD. To calculate the margin required to place the minimum trade size, you simply multiply the minimum trade size by the margin required (per contract) which is displayed in the dealing rate.

The margins detailed are FXCM's default margin requirements. Should you wish to change your margin requirement please log on to myfxcm.com where you will be able to increase your default margin for oil, metal and index products.

3.6 Minimum Spread

This is the tightest spread (smallest difference between our sell and buy price) FXCM will display in its pricing.

3.7 Overnight Rollover

All open Metal CFD positions are rolled to the next trading day. Depending on whether you are Long (buy) or Short (sell) you will either be debited or credited rollover interest on a daily basis. Details of FXCM's rollover rates (rolls) are detailed on the Trade Station II in a transparent manner. Please note that at all open positions at the close of business on Wednesday at 22.00 GMT incur a 3 day rollover debit/credit, and bank holidays will affect the number of days that a position is rolled forward. Furthermore, the rollover detailed on Trading Station II is for 1 ounce of gold or silver and not the minimum trade size.

3.8 Expiration

All Metal CFD trades will remain open until such time the client closes the position or there is insufficient margin to support the open position. In this instance the open position will be automatically closed by FXCM.

FEES AND CHARGES WHEN DEALING IN CFDS

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

- Commission on CFDs executed;

- Margin adjustments;
- Rollover at FXCM's Rollover Rates;
- Interest charges applied to debit balances in your Account;
- Administration charges.

Fees and charges may change from time to time. Accordingly, you should ensure that you refer to this PDS for further details.

Commissions on CFDs Executed

What is FXCM's Commission structure for FX trades executed?

A Referring Broker may be compensated for introducing a client to FXCM or managing a client on the FXCM product. Such compensation may be on a per trade basis. Such compensation from the client to a Referring Broker may require the client to incur a mark-up, above and beyond the ordinary spread generally provided by FXCM. Some clients using the services of a Referring Broker will be required to fill out a commission acknowledgement form which will describe all additional commissions, fees and mark-ups. FXCM will not charge any commissions without the client's express consent. Commissions are debited from your Account as soon as a trade is executed. Commission charges are viewable in your Account statement at any given points in time.

Commission

The amount of commission paid to Referring Brokers is negotiated on an individual basis and the commission paid to Referring Brokers ranges from: 0.50 AUD – 5.00 AUD per 10K lot. All clients will be asked to agree to commissions charges prior to any such commissions being charged, via a commissions acknowledgement form.

Rebates

Client understands and acknowledges that FXCM may compensate Referring Brokers for introducing clients to FXCM and that such compensation may be on a per-trade basis or other basis. Generally, FXCM's compensation to Referring Brokers for introducing Clients ranges from 0.1 pip to 2.5 pips per round-turn trade.

(For more detailed information on pips, please refer to the Product Disclosure Statement, in the section "Pip Cost".)

Administration Charges

Telegraphic Transfers or "Wire" Fees

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

CCY	Domestic Payments*	International Payments
USD	25	40
NZD	30	30
AUD	15	15
EUR	30	30
GBP	15	15
JPY	0	3,000

*Australia and New Zealand

For dormant accounts with no transactions for at least 1 year, and with an account balance of \$50 or less, you will be subject to a dormant account management fee. The fee will be equal to or the lesser of \$50 or the remaining balance in your account. Upon assessment of this fee, your account will automatically be closed.

Credit Card Fees

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

Conversion Fees

An administrative conversion is your request for an Account denominated in a currency other than a currency you opened your Account with. Administrative conversions are made at the bank rate or at the prevailing spot rate shown on the FXCM Trading Platforms when the transaction is completed by FXCM. The following mark-up will apply. The pip charge will be determined by the amount converted (USD equivalent).

Range	Pip Charge
< \$10,000 USD	150
\$10,000 to \$49,999 USD	100
\$50,000 to \$100,000 USD	50
> \$100,000 USD	10

FXCM reserves the right, in its sole discretion, to refuse to process any conversion requests. The refusal may be including but not limited to the following reasons:

1. The currency denominated account requested by client is not available or not offered by FXCM;
2. If client is suspected of opening the Account solely to convert currency; and
3. To deter possible unusual activity or transaction.

KEY BENEFITS OF DEALING IN FX CONTRACTS OR CFDs WITH FXCM

NO Requotes

CFD's trades are executed on a dealing desk basis, which gives FXCM discretion on when and how it offsets client trades with their respective counterparties. FXCM will in its discretion provide a no re-quote service to clients ensuring a smooth trading experience.

Phone Dealing

FXCM offers you the option of placing trades over the phone with our dealers. The trading desk is open from 9:15a.m. Sydney time Monday morning through to 9:00a.m. Sydney time Saturday morning.

Trading and Support

FXCM representatives are available 24 hours a day, 7 days a week. FXCM CFD trading hours is based on when their underlying reference markets are open. Index CFDs will not be open for trading during holidays in which the reference markets are closed. You may also note that some Index CFDs have an intraday break in addition to a daily closing. During these times you will still be able to place stop and limit orders. However, you will not be able to close existing positions or open new ones. All trading functionalities will cease upon the end of week closing.

User Friendly Trading Station II Platform

FXCM Trading Station II Platform is an easy to use online platform to trade CFDs and designed to provide clients with comprehensive market information and a high level of execution. The Trading Station II platform allows you to customize your trade station.

Real Time Quotes

FXCM uses sophisticated technology and/or liquidity providers (counterparties) in order to offer you up-to-the-minute quotes. You may check your accounts and positions in real time and you may do so 24 hours a day.

Trading Education

FXCM has developed a series of courses that are designed to teach a novice trader basic skills in order to trade; using charts, identifying potential trading opportunities, trade the market based on news, events and economic data, and learn to maximize his/her trading opportunities while managing risks.

Competitive Spread

FXCM is compensated through the Spread. The Spread is the difference between the Buy Price and the Sell Price for any instrument, and is displayed in pips. Ten banks compete to provide tight, competitive spreads. At any time, you may view the Dealing Rates window of your Trading Station.

Leverage

CFDs are traded with leverage, allowing a trader to control a large market position while employing a smaller amount of capital than would be required to control an equivalent position in the underlying asset. Leverage can significantly increase both your gains and losses.

SIGNIFICANT RISKS OF DEALING IN CFDs WITH FXCM

You should be aware that trading CFDs offered by FXCM involves risks. It is important that you carefully consider whether dealing in FX Contracts is appropriate for you in light of your financial circumstances such as your objectives, financial situation and needs.

FXCM will not give you any personal financial product advice. As FXCM will only be providing general advice, this advice will not take into account your objectives, financial situation or needs. Accordingly, ***you should obtain your own financial, legal, taxation and other professional advice as to whether CFDs are an appropriate investment for you.***

FXCM has a risk management framework within the software supporting the Trading Station which, assuming you meet all of your obligations to us (as fully set out in the Terms of Business), attempts to limit your potential loss to the amount of money you have deposited in your account. However, at all times, if you have open positions with us your potential loss can be substantial and is not limited to any amount.

FXCM recommends that you do not risk money that you are not in a position to lose and that you adopt a philosophy of capital preservation and implement risk mitigation techniques (such as the use of stop-loss orders). Stop-loss orders assist you in managing your risk by preventing your account from declining below what you are prepared to lose. This type of order is designed to automatically close

some or all of your open positions at the best available price once a certain price is reached. A Stop-loss order can only be set at a price less favourable than the current price.

For example: If you buy the AUD/USD at 0.87739 and want the position to close automatically if it moves 1000 pips against you, you would enter a stop-loss order into the Trading Platform at 0.86739. (If you are short, you would enter the stop-loss order above the current price i.e. 0.88739.)

Please note that your stop-loss orders may be filled at prices inferior to those at which they were originally placed. FXCM will execute a stop-loss order once one of the following conditions is met:

- FXCM's Offer price has reached the stop-loss order price in the case of a buy order, or FXCM's Bid price has reached the stop-loss order price in the case of a sell order; or
- The price offered by FXCM on the relevant Trading Platform has traded at or through the level at which the stop-loss order was placed.

In some market conditions, such as Gapping in the underlying market, the price offered by FXCM on the relevant Trading Platform will also Gap through your specified price (stop level), then the stop-loss order will be executed at the next available price.

Due to the above factors, FXCM does not guarantee that your stop-loss order will be executed at the same price you requested.

Market Risk

The prices of CFDs are provided from the prices in the underlying market. There exists a risk that the value of your positions will change as a result of a movement in the underlying market price. The prices of CFDs and the underlying reference instruments offered by FXCM such as Indices, Metals, and Oil may fluctuate and reflect unforeseeable events and/or changes in market conditions.

Sometimes markets move so quickly that Gapping occurs. If Gapping occurs in the underlying market, it will also occur in the price of the relevant CFD and you may be unable to close out your position or open a new position at the price at which you have placed your order or may have liked to place your order.

Prices/rates

Prices/rates quoted may not necessarily reflect the broader underlying market. FXCM will select closing prices to be used in determining Margin Requirements and in marking to market the positions in client accounts. Although these prices can be expected to be relevant underlying market prices of the asset which is the subject of the CFD, prices used may vary from those available and other participants in the markets.

Regulatory Risk

You may be exposed to the risk of a change in laws and regulations that materially may impact FXCM. A change in laws or regulations made by the government or a regulatory body can possibly increase the costs of operating a business, or possibly reduce the attractiveness of investment financial product.

Counterparty Risk

As FXCM issues the CFDs, you are dealing with FXCM as counterparty to every transaction. Thus, you are exposed to the financial and business risks, including credit risk, associated with dealing with FXCM. That is, if FXCM were to become insolvent it may be unable to meet its obligations to you. This is common to all OTC financial products.

FXCM clients may assess FXCM's financial ability to meet its counterparty obligations by reviewing the financial position of FXCM. Upon written request, a client may, at no additional cost, obtain a copy of our most recent financial statements. You should also refer to the section of the Terms of Business or FXCM's conflict of interest policy, where information about FXCM's conflicts of interest is discussed.

Leverage Risk

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

CFDs are speculative products that are highly leveraged and carry significantly greater risk than non-g geared investment products such as share trading and you could lose large amounts of money. You may sustain losses in excess of the Margin Requirement needed to establish and maintain a CFD with FXCM.

CFD trading carries a high degree of risk, and may not be suitable for all investors. The high degree of leverage can work against you as well as for you. Before deciding to trade CFDs you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment or even more in extreme circumstances (such as Gapping underlying markets) and therefore, you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with trading CFDs, and seek advice from an independent financial advisor if you have any doubts.

An example of leverage risk: An account with FXCM permits you to trade on a highly leveraged basis (up to approximately 200 times [400 times for Micro Accounts] your account equity or as otherwise permitted by FXCM). An initial deposit of AUD\$500 may enable the trader to take a maximum position of AUD\$100,000 notional market value. In such a case, the funds in an account trading at maximum leverage can be completely lost, if the position(s) held in the account has more than a one percent swing in value. Given the possibility of losing an entire investment, speculation in financial markets should only be conducted with risk capital funds that if lost will not significantly affect your financial well-being. If you have pursued only conservative forms of investment in the past, you may wish to study financial markets trading further before commencing with an investment of this nature. You must realize that you could sustain a total loss of all funds you deposit with us as initial margin, should the market go against your investment or Gapping occurs in the underlying market making it

impossible to execute your stop-loss order (if placed). If you wish to commence trading, you acknowledge that the funds you have committed are purely risk capital and loss of your investment will not jeopardize your style of living nor will it detract from your future retirement program. Additionally, you fully understand the nature and risks of trading FX Contracts and CFDs and your obligations to others will not be impacted should you suffer investment or trading losses.

Systems Risk

Operational risks in relation to the FXCM Trading Station are inherent in every CFD transaction. For example, disruptions in FXCM's operational processes such as communications, computers, computer networks, software or external events may lead to delays in the execution and settlement of a transaction.

Clients receiving a disruption to the Trading Stations must call the dealing desk in order to open\close positions. In the event a disruption occurs on the FXCM side, you may be unable to trade in a CFD offered by FXCM when you wish and you may suffer a financial loss or opportunity loss as a result.

FXCM does not accept or bear any liability whatsoever in relation to the operation of the FXCM Trading Station, except to the extent that it is caused by the fraud or dishonesty on the part of FXCM or its employees, agents or representatives.

Execution Risk

Slippage

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

Delays in Execution

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

Reset Orders

Market volatility creates conditions that make it difficult to execute orders at the given price due to an extremely high volume of orders and/or available liquidity and therefore may be reset. By the time orders are able to be executed, the Bid/Offer price at which FXCM (or

its counterparty) is willing to take a position may be several pips away. For Limit Entry or Limit Orders, the order would be rejected and reset until the order can be filled.

Hanging Orders

During periods of high volume, hanging orders may occur. This is a condition where an order sits in the "orders" window after it has been executed. Generally, the order has been executed, but it is simply taking a few moments for it to be confirmed. During periods of heavy trading volume, it is possible that a queue of orders will form. That increase in incoming orders may sometimes create conditions where there is a delay in confirming certain orders.

Greyed Out Pricing

FXCM does not intentionally "Grey Out" prices; however, this is a condition that occurs when liquidity decreases, and market-makers that provide pricing to FXCM are not actively making a market for particular currency pairs or CFDs. Clients will not be able execute trades on "Greyed Out" prices.

Hedging

The ability to hedge allows you to hold both buy and sell positions in the same product simultaneously. You have the ability to enter the market without choosing a particular direction. While the ability to hedge is an appealing feature, you should be aware of the factors that may affect hedged positions. It is important to note that even a fully hedged account may suffer losses due to rollover costs, exchange rate fluctuations or widening spreads. Such losses may even trigger a Margin Call.

Inverted Spreads

Unfortunately, online trading technology is not perfect and, in rare cases, this feed can be disrupted. This may only last for a moment, but when it does, Spreads (Bid and Offer prices) often become inverted. The clients may not be able to trade on inverted FXCM Spread and FXCM reserves the right to reverse such trades.

Trading Station II Closed

Due to the dynamic nature of the financial markets, it is possible that the value of your open positions will change while the trading function of the FXCM Trading Station II closed i.e. on days which are not a Trading Day. In this case, you will not be able to trade in a CFD such as open a new transaction or close out an open transaction until the trading function re-opens. You may suffer a financial loss or opportunity loss as a result.

Use and Access to the Website

You are responsible for providing and maintaining the means by which you access the FXCM Trading Station II and Website. While the internet is generally reliable, technical problems or other conditions may delay or prevent you from accessing the FXCM Website. If you

are unable to access the internet and thus, the Trading Stations, it will mean you are unable to trade in a FX Contract or CFD offered by FXCM when you wish to do so and you may suffer a financial loss or opportunity loss as a result.

Furthermore, FXCM reserves the right to suspend the operation of our Website or any part or section thereof.

Transactions are not Transferable

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

Mobile TS II Trading System Risks

You understand that by choosing to conduct trading activity via Mobile TS II, you assume and accept certain risks for which you agree that neither FXCM nor its third party service provider shall be liable, including but not limited to the risk of: power outages; broken connections; network circuit obstruction or congestion; transmission failures; transmission delays; the risk of delayed communications during periods of increased market volatility; and/or other occurrences outside FXCM's direct control (collectively, "Technical Problems"). Order execution via Mobile TS II is not guaranteed. You hereby agree to indemnify and hold FXCM harmless with respect to any and all losses you may sustain in connection with any and all Technical Problems. Customer service inquiries relating to Technical Problems should be directed to FXCM. However, in no event will FXCM be liable for your inability to engage in trading activity via Mobile TS II and FXCM shall not be responsible for any losses incurred by you or missed opportunities experienced by you due to the delayed or non-delivery of any order or instruction via Mobile TS II.

You agree that FXCM shall not be responsible for any fees associated with your use of Mobile TS II should you incur any fees from your internet service provider, phone service provider, or any other service provider used to access Mobile TS II.

Online trading and trading via portable device, no matter how convenient or efficient, do not reduce the risks associated with trading CFDs. FXCM will not be liable to you or any third party for the accuracy or timeliness of any and all information provided via Mobile TS II or for any and all actions on such information.

IF YOU HAVE ANY DOUBTS AS TO WHETHER AN ORDER PLACED VIA MOBILE TS II HAS BEEN EXECUTED, YOU SHOULD NOT PLACE ADDITIONAL ORDERS VIA MOBILE TS II. RATHER, YOU SHOULD CONTACT FXCM FOR INFORMATION REGARDING ORDER STATUS OR LOG ON TO THE RELEVANT FXCM TRADING PLATFORM. FXCM'S PHYSICAL TELEPHONE TRADING DESK IS MAINTAINED DURING TRADING HOURS AS AN ALTERNATIVE METHOD OF COMMUNICATION DURING MOBILE TS II SERVICE INTERRUPTIONS OR WHEN EXPERIENCING TECHNICAL PROBLEMS.

CLIENT MONEY

Any money that you deposit with FXCM will be segregated and held in a separate Client Trust account or accounts and may be invested in accordance with the Australian Client Money Rules and the Terms of Business.

The purpose of the trust accounts is to segregate our clients' money, including your money, from our own funds. However, individual client's money is co-mingled into one or more segregated trust accounts. Trust accounts may not insulate your money from a default in the trust accounts.

Should there be a deficit in the trust accounts and in the unlikely event FXCM becomes insolvent, you will be an unsecured creditor in relation to the balance of the money owed to you. However, some protections are afforded to clients by the Australian Client Money Rules.

Protections afforded by the Australian Client Money Rules

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

- Money in the trust accounts is held in trust for the persons entitled to it, and is payable in the order set out below;
 - If money in the trust accounts is invested, the investment is likewise held in trust for each person entitled to money in the trust account; and
 - Money in the trust accounts is to be paid in the following order:
 - Money that has been paid into the accounts in error;
 - Payment to each person who is entitled to be paid money from the accounts;
 - If the money in the accounts is not sufficient to be paid in accordance with the above, the money in the accounts must be paid in proportion to the amount of each person's entitlement; and
 - If there is money remaining in the accounts after payments made in accordance with the above paragraphs, the remaining money is payable to FXCM.
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PRIVACY POLICY

This Privacy Policy explains how FXCM collects personal information and then maintains uses and discloses that information. It also provides some detail about Client's rights.

In accordance with the Anti-Money Laundering and Counter-Terrorism Act 2006, FXCM has an obligation to collect information and verify the identity of its clients. This information is referred to as Know Your Client information or KYC information. FXCM will carry out its customer identification and verification procedures in accordance with the Privacy Act 1988.

When submitting Client's application form to open an account with FXCM, Client will be providing entities within the FXCM group of entities (the "FXCM Holdings, LLC") with Client's personal information. FXCM Holdings, LLC will also maintain records of all transactions and activities on Client's account(s), including, but not limited to, details of liquidations on Client's account(s). FXCM Holdings, LLC may also collect information about Client from publicly available sources such as company registers. Client's personal information will be held by FXCM strictly in accordance with National Privacy Principles in the Privacy Act 1988. At any time, upon request, Client may gain access to the information FXCM holds about Client. FXCM Holdings, LLC may also record telephone conversations between Client and persons working for FXCM. Such recordings, or transcripts from such recordings, may be used to resolve any dispute between Client and FXCM Holdings, LLC and with a view to satisfying FXCM's statutory obligations including requests from regulators and other government bodies. Recordings or transcripts made by FXCM of Client's telephone conversations may be destroyed under FXCM Holdings LLC's normal practice, which is to destroy them usually, but not necessarily, 2 calendar months after the date of the conversation. FXCM Holdings, LLC will also collect and hold information about Client when Client completes an online application or other type of form or operates and deals on Client's Account through FXCM's Website.

FXCM has requested the information required in the application forms to enable FXCM to determine whether it will deal with Client using the FXCM Trading Station. That information, together with the information collected and maintained by FXCM during the course of its relationship with Client, is required to keep Client updated whilst Client is a client in relation to matters such as Client's Margin obligations and the funds in Client's account(s) and possibly other activities of FXCM. FXCM Holdings, LLC also requires the information to manage and administer the products and services provided to Client. FXCM may also be required to provide Client's personal information to ASIC and other regulatory and government bodies from time to time in Australia and overseas. FXCM Holdings, LLC may also disclose Client's personal information to: (i) financial institutions and other similar organisations in connection with its corporate activities or that are nominated by Client; (ii) the FOS, courts, arbitrators and other dispute resolution bodies; (iii) external service providers and professional advisers (which may be located overseas) that provide services to FXCM; (iv) any actual or potential delegate or assignee as referred to in the Terms of Business; (v) any other person or entity as required or authorised by law; and (vi) any organisation which Client request FXCM to or any persons acting on Client's behalf, including Client's financial adviser, broker, solicitor or accountant.

FXCM Holdings, LLC may use Client's personal information for: (i) marketing FXCM Holdings, LLC products and services to Client; (ii) developing an understanding of the products and services Client may be interested in obtaining from FXCM; (iii) any other purpose Client has consented to; and (iv) any use which is required or authorised by law.

FXCM Holdings, LLC takes all reasonable steps to protect Client's personal information from misuse, loss, unauthorised access, modification or disclosure.

Client need not give FXCM any of the personal information about Client requested in the application forms. However, without that information FXCM Holdings, LLC may not be able to open an account for Client. Should Client have any questions or complaints about Client's privacy, Client should contact FXCM. If a complaint is not resolved by FXCM Holdings, LLC to Client's satisfaction, Client may complain to the Privacy Commissioner.

Client can gain access to any information FXCM holds about Client by calling +1 212 897 7660, or electronically mailing compliance@fxcm.com. FXCM will process Client's request usually within 14 days. If Client's request is complex, more time may be needed in which case we will advise Client of the extra time required. There is no fee for requesting access to Client's information, although FXCM Holdings, LLC may charge Client the reasonable cost of processing Client's request. In some circumstances the law may allow FXCM Holdings, LLC to deny Client access. In such a case FXCM will explain to Client the reason for refusing access.

FXCM requires that Client promptly notify FXCM of any changes to the personal information that FXCM Holdings, LLC holds about Client. This will ensure that Client's personal information held by FXCM Holdings, LLC is up to date and enable FXCM Holdings, LLC to keep Client informed of the continuing circumstances of Client's account(s), Client's Margin obligations and Client's trading activities. Client may ask FXCM at any time to correct personal information held by FXCM Holdings, LLC about Client which Client believes is inaccurate. Should FXCM disagree with Client as to the accuracy of the information, Client may request that FXCM attach a statement to that information noting that Client considers it inaccurate or incomplete.

DISPUTE RESOLUTION

This Dispute Resolution Policy explains how FXCM handles disputes with clients, both internally and externally.

Internal complaints handling system

- (i) Upon receipt of a complaint from Client, the FXCM employee that receives the complaint will attempt to resolve the issue. If the complaint cannot be resolved at the first point of contact or after reasonable investigation and discussion with Client, the matter will be referred to a senior member of the relevant FXCM division. If Client is dissatisfied with the outcome, Client will be requested to provide: (a) written notice specifying the nature of the complaint, the desired outcome and what action Client thinks will settle the complaint; and (b) all relevant material to support the complaint.
- (ii) Complaints should be addressed to the Complaints Officer and sent to FXCM. Upon receipt of written notice ("Lodgement Date"), FXCM's Complaints Officer will: (a) within 45 days of the Lodgement Date, provide a written acknowledgment of receipt and an indication of the time-frame in which FXCM will respond to the complaint; (b) consider and investigate the circumstances surrounding the complaint; (c) advise Client of the criteria and processes applied by FXCM in dealing with complaints; (d) upon request, provide

Client with any relevant, non-confidential, material relating to the complaint; and (e) communicate directly with Client, with a view to resolving the complaint in a fair and timely manner.

- (iii) No later than 45 days following the Lodgement Date, the Complaints Officer must: (a) notify Client in writing of the decision in relation to the complaint; (b) provide Client with written reasons for the decision; (c) outline to Client the remedies, if any, available to Client; and (d) advise Client of any further avenues for complaint and the time frames involved in those avenues. Where Client has redress (financial or otherwise), FXCM will promptly provide Client with information regarding that redress. If the complaint is not resolved within 45 days following the Lodgement Date, the Complaints Officer will inform Client of the reasons for the delay.
- (iv) Client may contact the Client Services Department should Client require further information on how complaints are handled by FXCM internally.

External Dispute Resolution Process

- (i) In the event that Client's complaint is unable to be resolved by FXCM in accordance with its internal complaints handling system, Client may refer the complaint to the FOS for determination in accordance with its rules, provided that the complaint falls within the rules of the FOS.
- (ii) Client may lodge a complaint with the FOS by sending the necessary documents and information to:
 - Financial Ombudsman Service
 - GPO Box 3
 - Melbourne VIC 3001
- (iii) Before FOS will deal with Client's complaint, Client must have first lodged a formal complaint with FXCM and given FXCM time to resolve the complaint.
- (iv) A determination by the FOS will be binding on FXCM only if the Client accepts the decision.

Compensation arrangements

FXCM has professional indemnity ("PI") insurance arrangements in place which satisfies the requirements for compensation arrangements under section 912B of the Corporations Act .These arrangements are in place to compensate individuals who suffer loss or damage as a result of a breach of FXCM's obligations. Our PI insurance takes into account the nature and volume of our business, the number of clients and kind of clients we have, our representatives and the maximum potential extent of liability.

Our PI insurance also covers claim in relation to the conduct of representatives and employees who no longer work for us but who did at the time of the relevant conduct.

Further information

You should refer to the Terms of Business for further information about resolving any complaint or dispute with FXCM.

TAXATION CONSIDERATIONS

Trading in FX Contracts and CFD products offered by FXCM has the potential for generating substantial profits and the potential for generating substantial losses. The tax implications of such profits or losses may be significant depending on the personal circumstances of the individual client.

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The Australian Taxation Office has released Taxation Ruling 2005/15 which describes the income tax and capital gains tax consequences of dealing in financial CFD products. A copy is available at the ATO's website www.ato.gov.au.

You should note that this is a public ruling for the purpose of Part IVA of the *Taxation Administration Act 1953* (Cth) and therefore, if the ruling applies to an investor or trader, the Commissioner of Taxation is bound to assess that person on the basis outlined in the ruling. Penalties may apply where the treatment outlined in a taxation ruling is not followed and the investor has a tax shortfall.

COOLING-OFF ARRANGEMENTS

There are no cooling-off arrangements for the FX Contracts and CFDs offered by FXCM.

This means that when you enter a transaction with FXCM you do not have a right to return the product and you do not have the right to request FXCM to repay the money you have paid to acquire the product. Should you change your mind after entering into a FX Contract or CFD with FXCM, you should close out your position by taking an opposite transaction.

ADDITIONAL INFORMATION

Other information about FXCM and its products may be obtained by accessing our Website at www.fxcm.com or by contacting us.

GLOSSARY

This Glossary is to be read in conjunction with this PDS. The FXCM Website also has a number of lists of market terminology which you should consult in the event that you do not understand any term when dealing with FXCM.

Account	An account of the client to deal or trade CFDs with FXCM.
Account Equity	Aggregate of the current cash balance in your Account and your current unrealized profit and losses less any Margin Requirement.
GMT	Means the time in the United Kingdom, Greenwich Mean Time
Application Form	The application form including the required account opening documentation and the Terms of Business completed by you and submitted to FXCM or FXCM Holdings, LLC whether electronically or in hard copy.
ASIC	Australian Securities & Investments Commission or any regulatory body which replaces it or performs its functions.
AUD\$ and \$	Australian dollars, unless specified otherwise in this PDS.
Australian Client Money Rules	The provisions in Part 7.8 of the Corporations Act 2001 and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with client money and property.
Bid	The price at which FXCM offers to buy a FX Contract or CFD.
Business Day	Business Day means: 8AM – 5PM AEST.
Cleared Funds	Funds that have been deposited and processed with FXCM and shown on the client's Account.
Commission	A transaction fee charged by FXCM for execution services.
Contract for Difference ("CFD")	CFDs are an agreement between you and FXCM to trade the difference arising from movements in the price or value of an underlying asset.
Contract	Means any FX Contract or CFD entered into by FXCM with the client or any back to back agreement which FXCM may enter into to enable it to enter into or fulfil its obligations under such contract.
Denominated Currency	The currency in which you have nominated your Account to be denominated.
FOS	The Financial Ombudsman Service.
FSG	FXCM's financial services guide, including a supplementary or replacement financial services guide.

Future Price	The price is an agreed upon price but delivery and payment will occur at a future date.
FXCM Exchange Rate	The foreign exchange rate as FXCM may reasonably determine from time to time having regard to current market rates and which is available to the client from FXCM on request. This rate may be different to the price quoted by FXCM for a FX Contract.
FXCM	FXCM Australia Limited.
FXCM Holdings, LLC	Forex Capital Markets LLC and its divisions, including FXCM Australia Limited.
FXCM Spread	Means the difference between the Bid and Offer prices of a Contract quoted from time to time by FXCM and, where appropriate, expressed as a percentage of the relevant price.
Gapping	Gapping is the exposure to loss from failure of market prices or rates to follow a "smooth" or continuous path due to external factors such as world, political, economic and specific corporate events.
Greyed Out	Occurs when liquidity decreases, and counterparties that provide pricing to FXCM are not actively making a market for particular currency pairs or CFDs.
Interbank Rate	The interbank rate calculated by FXCM with reference to the bid and offer prices for the underlying asset most recently quoted by any one or more third party banks.
Limit Entry/ Limit Order	This is an order to enter the market at a better price than the current one. Limit Orders are only filled at a designated price. When buying, lower prices are better, and when selling, higher prices are better.
Long	In relation to an FX Contract or CFD, the party that has bought the FX Contract or CFD in opening the position.
Margin	Margin is the minimum amount that you must have in your Account to enter into a FX Contract or a CFD with FXCM. Different Contracts have different Margin Requirements.
Margin Call	Call for additional money to be deposited to your Account in order to maintain your open positions.
Margin Requirement	The amount required to open and maintain a FX Contract or CFD.
MetaTrader 4	A type of Trading Platform FXCM offers through which FX Contracts and CFDs may be transacted.
Minimum Point Increment	Represents the minimum possible price change between two successive transaction prices permitted by FXCM. The Minimum Point Increment can represent either an upward or downward movement in price. The Minimum Point Increment may also be referred to as a "tick" or a "pip".
Minimum Stop Distance	The minimum price distance (from the current quote) at which you may enter a 'risk' or 'stop' level.
Offer	The price at which FXCM offers to sell an FX Contract or CFD.
PDS	Product disclosure statement.

Referring Broker	A person or organization that solicits and/or refers clients to FXCM and is compensated for the referral as described in Part 2 of this PDS.
Rollover Benefit	An amount you may receive for rolling your FX Contract or CFD and holding it as an open position overnight based upon the Rollover Rate multiplied by the notional value of the relevant open position.
Rollover Charge	An amount you may pay for rolling your FX Contract or CFD and holding it as an open position overnight based upon the Rollover Rate multiplied by the notional value of the relevant open position.
Rollover Rate	The rate at which you pay or receive interest on FX Contracts or CFDs that remains open overnight. This is a varying rate dependent upon the applicable rate in the interbank markets, the duration of the rollover period, the size of the position and the FXCM Spread that is applied at FXCM's discretion.
Short	In relation to a FX Contract or CFD, the party that has sold a FX Contract or CFD in opening the position.
Spot FX	Any foreign exchange contract, other than a FX Contract, entered into between FXCM and a client.
Spot Price	The price that is quoted for immediate (spot) settlement.
Trading Day	5PM AEST – 5PM AEST Monday to Friday.
Trading Platform	FXCM's Trading Station II, Active Trader, MetaTrader 4 and Forex System Selector or any other electronic trading system made available to you by us from time to time.
Trading Station II	FXCM's proprietary Trading Platform through which FX Contracts and CFDs may be transacted.
Usable Margin	Account Equity less Used Margin. This is the amount you have available to withdraw or to cover additional Margin Requirements.
Used Margin	Sum of your Margin Requirements for all of your current open FX Contracts or CFDs.
We, us or our	References to "we", "us" or "our" should be treated as references to FXCM Australia Limited.
Website	www.forextrading.com.au