



Financial Services Guide | CFDs

31st October 2019

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This Financial Services Guide (FSG) is designed to assist clients in deciding whether to use any of the services offered by GAIN Capital Australia Pty Ltd (trading as City Index) (GCA). It contains information about the services we provide, how to communicate with us, remuneration that may be paid to the financial services licensee and other relevant persons in relation to the services offered. The FSG also contains information on how complaints against the financial services licensee are dealt with. If, after reading this guide, further information is required then please do not hesitate to contact us.

GCA is also required to issue clients with a Product Disclosure Statement (PDS). The PDS is designed to allow clients to make an informed decision about whether to purchase a financial product and to allow for comparison of financial products. It includes information such as fees payable, risks, benefits and significant characteristics of a financial product. GCA is required to issue a PDS as a result of its offer of over-the-counter (OTC) financial products to retail customers. Generally, a PDS should be given to a retail client before a recommendation is made to buy a financial product or an offer is made to issue a financial product.

GAIN Capital Australia Pty Ltd

GAIN Capital Australia Pty Ltd (trading as City Index) (GCA) is a company incorporated in Australia (ACN 141 774 727) and holder of an Australian Financial Services License (AFSL 345646) issued by the Australian Securities & Investment Commission (ASIC).

GCA is a wholly owned indirect subsidiary of GAIN Capital Holdings Inc., a corporation organised and existing under the laws of Delaware, United States of America. GAIN Capital Holdings Inc. is publicly traded and listed on the New York Stock Exchange (NYSE; GCAP). GAIN Capital Holdings Inc and its subsidiaries are regulated in 7 jurisdictions worldwide, including the CFTC and NFA in the US, the FCA in the UK and ASIC in Australia.

GCA offers off-exchange / over-the-counter (OTC) derivative products generically referred to as Contracts-for-Difference (CFD's).

How to contact us

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Sydney NSW 2001,
Australia

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Direct: (02) 9270 3600
Fax: (02) 9270 3650

Email: enquiries@cityindex.com.au
Internet: www.cityindex.com.au

Services

GCA is licensed by ASIC to provide dealing and execution services in derivative products and to give general financial product advice. It acts as an issuer, market-maker and dealer in its own OTC derivative products.

The general financial product advice provided by GCA relates only to the product, and will not be based on clients' personal circumstances. As a result clients should, before acting on the advice, consider the appropriateness of the advice and the product,

having regard to their own objectives, financial situation and needs. Clients should obtain a Product Disclosure Statement (PDS) and consider the contents of the PDS relating to the product before making any decision about whether to use the product.

Products

GCA offers Contracts-for-Difference (CFD's) over a range of financial assets including Australian and International listed equities, Stock Indices, Commodities, Metals and Foreign Exchange.

CFD's are margined OTC derivatives that allow clients to profit from price movements without physical ownership of the underlying stocks or instruments.

A CFD constitutes an agreement between two parties to exchange, at the close of the contract, the difference between the opening and closing prices of the contract, multiplied by the number of units specified within the contract.

Instructions

You may give us dealing instructions by telephone or via our trading platform. Any other form of communication which is not a dealing instruction may be made by telephone, in person, or in writing by post, fax or email.

We advise that all of our telephone lines are recorded in order to provide a record of transactions.

Fees & Charges

Depending on which CFD's are traded, customers of GCA may be liable for any of the following fees or charges.

When purchasing a CFD, the buyer agrees to pay the cash return on the notional amount of the investment in exchange for the difference in the purchasing and sale price.

In the case of equity and index CFD's the buyer also receives any dividend and is otherwise compensated by the seller for any corporate action (rights issue, stock split, takeover) that takes place whilst holding the bought position.

In this way, a CFD aims to fully reflect the full return that would have been earned if the transaction had taken place in the underlying market (not including personal tax).

Overnight Financing

With a long position, the buyer's GCA account is debited a financing fee. The interest rate applied to the value of the bought position will normally not exceed 4.0% over the current local inter-bank offered rate.

With a short position, the seller's GCA account is credited with financing. The interest rate will normally not be less than 4.0% below the current local inter-bank offered rate.

The actual interest rates applied in the calculation of financing will vary from time to time. Details are contained in the PDS.

Commissions

Commissions apply ONLY to Individual Share CFD's. If you trade Indices, Foreign Exchange or Commodity CFD's then GCA will not charge any commission.

The minimum commission charge for each transaction is set out in the table below. There is no maximum charge. Further details are provided in the PDS.

Rate	Country	Minimum
0.02 per share	U.S.A	USD15.00
0.08%	Australia	AUD5.00
0.15%	Hong Kong	HKD15
0.08%	Singapore	SGD10
0.05%	Japan	JPY1,000
0.10%	England	GBP10
0.10%	Europe	EUR10
0.10%	Switzerland	CHF10
0.10%	Denmark	DKK50
0.10%	Norway	NOK50
0.10%	Sweden	SEK50
0.15%	Canada	CAD15

The charges above apply to both buy and sell transactions. Commissions greater than the minimum amount are calculated in the following way:

$$\# \text{ of Contracts} \times \text{Traded Price} \times \text{Commission Rate}$$

All Commissions are inclusive of GST

Bid – Offer Spread

Dealing spreads vary according to the instrument and reflect market conditions in the underlying financial asset. Consequently, they can vary.

The wider the bid-offer spread, the more the price of the CFD must move in your favour to make a profit.

Administrative Charges

Exchange Fees

Customers may be liable to pay an exchange fee. The exchange fee reflects the cost incurred by GCA to the Stock Exchanges for use of real-time prices in GCA's Internet Trading Platform software.

Remittance Fees

Typically, GCA does not charge its customers for withdrawal of funds from their account. However, where a customer requires same-day payment of funds, GCA reserves the right to charge for this additional service. This fee will not be more than A\$15 or the currency equivalent.

Inactivity Fees

Where no activity has occurred on your account(s) for a period of 24 months or more, your account(s) will be deemed inactive. 'Activity' is defined as placing a trade and/or maintaining an open position during this period. Placing an order on an account without executing a trade will not qualify as 'Activity' for these purposes. A monthly inactivity fee of \$15 (or currency equivalent) in aggregate (or your cash balance if less than \$15) will be applied for accounts that are inactive for 24 months or more.

If your account has been inactive for 3+ years we'll need to reassess your trading experience and ensure that we have your up-to-date contact details. You will need to complete our account reactivation form and a member of our Account Management Team will be in touch to let you know if we need anything further from you or to let you know that your account(s) have been reactivated.

How are staff paid?

All GCA staff are salaried employees. In addition to salary, some members of staff may be entitled to a performance-based commission and a discretionary bonus. Commissions and bonuses are calculated according to a number of factors including the general operating performance of the company.

No related body corporate of GCA nor any director of GCA or of any related body corporate of GCA receives commission attributable to the products.

Third party suppliers

We can, at our discretion, enter into arrangements with third party suppliers, such as introducing brokers, who may directly or indirectly introduce you to us. GCA may pass on a proportion of the fees, dealing spread, financing charges and other charges applicable to your Account to such introducing brokers as consideration for the services the introducing broker provides to you. In respect of introducing brokers, and with your prior written consent, GCA will collect these standard fees and charges applicable to your Account from you as agent on behalf of the introducing broker. Any benefits those third party suppliers receive are paid out of our own funds and are not an additional cost to you.

Dispute resolution

We have clearly laid down internal and external complaint resolution procedures. GCA also belongs to an ASIC-approved independent complaints resolution scheme, to which disputes about GCA may be referred.

If you have any complaints or queries about the service provided by us you should contact our dealers. If your complaint is not satisfactorily resolved please contact our Complaints Officer or put your complaint in writing and send it to:

The Complaints Officer
 GAIN Capital Australia Pty Ltd
Compliance@cityindex.com.au

All complaints or queries will be investigated promptly and fully. Our customer services team will conduct a full investigation of your complaint or query and will report their findings to you either by telephone or in writing. If you are dissatisfied with the report given to you, you can ask our compliance department to conduct a further investigation of the matter. You will be sent a written report of the findings of this further investigation.

GCA belongs to an independent external dispute resolution scheme, run by the Financial Ombudsman Service (FOS). This scheme has been endorsed by ASIC. Any unresolved complaints regarding GCA can, on the client's request, be referred to FOS.

FOS can be contacted toll free on 1300 780808. Alternatively, you can write to:

Financial Ombudsman Service (FOS)
GPO Box 3
Melbourne VIC 3000

Email: info@fos.org.au

Upon the referral of any complaint to FOS, we will provide you with a guide to the External Dispute Resolution Scheme. We are bound to fully assist FOS in the investigation of customer inquiries or complaints and are bound by any decision made by FOS.