Margin Foreign Exchange, Contracts for Difference & Spread Betting Product Disclosure Statement

AxiCorp Limited

24 February 2020

CONTENTS

1. IMPORTANT INFORMATION

1.1 ABOUT THIS PDS

This Product Disclosure Statement (**PDS**) is dated 24 February 2020 and is issued by AxiCorp Limited who are regulated by the Financial Conduct Authority [FCA] number 509746. ("AxiTrader", "**we"** or "**us"**) in relation to its Margin FX Contracts, Contracts for Difference and Spread Bet Products. This PDS is designed to assist you in making an informed decision regarding opening an Account and trading our Products. Before deciding whether to acquire our Products, you should read this PDS, the Client Agreement (**CA**) the Product Schedule (**PS**) and other relevant information and consider whether our Products are a suitable investment for you.

The PDS is made available on our Website and we will provide a paper copy upon request at no cost to you. The information contained in the PDS is current at the date of publication. We may issue a supplementary or replacement PDS from time to time and, where updated information is not materially unfavourable to you, such information may be updated by us by publishing it on our Website. The version of this PDS published on our Website at the time of entering into a transaction governs that Contract and supersedes all previous PDSs and any other oral or written representations.

The PDS should be read together with, and not instead of, the Client Agreement.

1.2 GENERAL ADVICE WARNING

Information we provide is general information only. Any information provided to you in this PDS, on our Website, through the Trading Platform, by our staff, via email, chat or telephone or otherwise is generic and does not take into consideration your individual objectives, financial situation, needs or circumstances.

Accordingly, before applying to trade with us, you must decide whether our Products are suitable for you. We recommend that you obtain independent financial, taxation or other professional advice.

Our Products are leveraged and speculative and may not be suitable for you. Their prices and those of the Underlying Instruments may fluctuate rapidly and widely because of events or conditions which may not be foreseeable and cannot be controlled. When leveraged, our Products can place a significantly greater risk on your investment than non-leveraged investment products.

You should read and consider the risk factors associated with trading our Products in section 6 (Risk Warning).

You may incur losses in addition to any fees and costs that apply. **These losses are not limited and may be far greater than any money deposited into your Account or amounts required to deposit to satisfy any Margin Requirement**.

Risk Warning

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage.

You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

The percentage of retail investor accounts that lose money when trading CFDs with us are published quarterly on our Website.

1.3 AXITRADER AS THE PRODUCT ISSUER

Our creditworthiness as the product issuer has not been assessed by an approved rating agency. This means that we have not received an independent opinion of our capability and willingness to repay our debts from an approved source.

1.4 COMPANY REGISTRATION

The Financial Conduct Authority in authorising and regulating AxiTrader does not imply approval or endorsement of the business, its trading or solvency or the content of this document.

The FCA has not approved this PDS, the Client Agreement or any other document issued by us.

1.5 JURISDICTION NOTICE

The material in this PDS is not to be construed as a recommendation; or an offer to acquire, buy or sell; or the solicitation of an offer to acquire, buy or sell any security, financial product, or instrument; or to participate in any trading strategy in any jurisdiction in which such an offer or solicitation, or trading strategy would be illegal.

There are legal requirements in various countries that may restrict the information that we are lawfully permitted to provide to you. Accordingly, unless expressly stated otherwise, the information in this document is not intended for any person who is a resident of any country where the provision of this information or the issue of the Products is restricted.

You must be 18 years of age or over to use our Services.

1.6 CONFLICT OF INTEREST DISCLOSURE

Our employees, officers and directors, including those involved in the preparation of this PDS are paid in part based on profitability, which includes earnings from our trading.

Due to the nature of our Products and the Services we provide, we may have "long" or "short" Positions in, act as principal in, and buy or sell Underlying Instruments. We also act as market maker which may result in a conflict between our interests of and those of our clients.

We also have relationships with other third parties which may give rise to conflicts of interests. See section 11 (Client Agreement) for more information.

1.7 OUR CONTACT DETAILS

Email	service@axitrader.com
Website	www.axitrader.com/uk

The "Contact Us" page of our Website provides our business addresses and international toll-free telephone numbers for clients from many countries and an international telephone number for clients from other countries.

1.8 TRADING & OFFICE HOURS

Trading hours for Margin FX Contracts and CFDs vary and will depend on the relevant Underlying

Instrument's hours of operation. They are published on our Website.

We are under no obligation to quote prices or accept orders or instructions on Contracts to which Limited Trading Hours applies.

Client services are available during trading hours and can be contacted through online chat available on the Website, by email or phone.

Our office hours are Monday to Friday, 8:00am to 5:00pm UK time, with coverage provided 24hrs by our other offices.

1.9 REFERENCES TO TIMES AND AMOUNTS

Unless otherwise specified, references in this PDS to dollar amounts are to US Dollars and references to times are to the time in New York, United States.

2. CLIENT SUITABILITY

2.1 SUITABILITY ASSESSMENT

Our Products are derivative products and are not suitable for all investors due to the significant risks involved. Our Products are most suitable for those with investment experience in leveraged products gained either by trading their own accounts, using similar products during their employment or through demonstrated knowledge of the products and understanding of the risks.

In order to qualify to trade with us, potential clients undertake a suitability assessment, also known as an “Appropriateness Test”

The client suitability assessment does not amount to personal financial product advice. We will only be providing you with general advice and as such, this advice will not consider your objectives, financial situation or needs. Accordingly, you should obtain your own financial, legal, taxation and other professional advice as to whether Margin FX Contracts, Spread Bets or CFDs are an appropriate investment for you.

2.2 OPENING AN ACCOUNT

Your dealings in our Products will be conducted in accordance with the following documents that you will have received from us or downloaded from our Website:

- Client Agreement;
- Application Form; and
- Product Schedule.

You must complete an Application Form and be approved by us to open an account.

The Application Form requires applicants to provide Personal Information to meet relevant legal requirements. You are not required to provide us with all the information requested but if you fail to provide some information, we may be unable to offer you our Products or they may be provided on a restricted basis. You should refer to the Privacy Policy published on our Website which explains how we collect, use, maintain and disclose that information. By providing us with information about yourself, you consent to the collection, use, disclosure and transfer of that information as set out in the Privacy Policy.

2.3 ANTI-MONEY LAUNDERING

We may require further information from you from time to time to comply with our obligations to the MLR 2017, The Terrorism Act 2000 (as amended by the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Terrorism Act 2000 and Proceeds of Crime Act 2002 (Amendment) Regulations 2007).

By opening an Account and transacting with us, you undertake to provide us with all additional information and assistance that we may reasonably require complying with the AML Regulations.

You also warrant that:

a) you are not aware and have no reason to suspect that:

   i) the monies used to fund your transactions have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities whether prohibited under UK law, international law or convention or by agreement;

   ii) the proceeds of your investment will be used to finance any illegal activities; and

b) you are not a politically exposed person or organisation as the term is used in the AML Regulations.

2.4 ACKNOWLEDGMENTS

By signing and returning, or submitting the Application Form, you will be deemed to have understood and agreed to the following items. In addition, after having commenced trading with us you will be deemed to have understood and agreed to the following terms if you continue trading after receiving a supplementary PDS, a replacement PDS, and/or a replaced or amended Client Agreement or Product Schedule. You:

- are aware that investing in derivatives carries a high level of risk to capital and due to the potential volatility and fluctuations in value, you may not get back the amount of your original investment and in certain circumstances you may be liable to pay a far greater sum than your initial investment, with losses being higher than all the funds you have deposited with us;

- have considered your objectives, financial situation and needs and the significant risks of loss that accompany the prospects of profit associated with dealing in Products and have formed the opinion that dealing in those Products is suitable for your purposes;
- were advised by us to obtain independent legal and financial advice concerning this PDS, the Client Agreement and any other ancillary information which you have questions about;
- consent to us collecting, maintaining, using and disclosing Personal Information about you and provided by you in accordance with our Privacy Policy;
- received or downloaded this PDS with the Client Agreement, and have read and understood those documents;
- agree that we will provide our Services to you based on the Client Agreement and that you will receive documents such as trade Confirmations and where applicable, daily statements in electronic form; and
- understand that Margin Calls will be delivered as set out in section 8.9 (Notification of Margin Call) below.

2.5 DEPOSITING FUNDS

Clients may deposit funds through various channels. We do not accept cash as an initial deposit or to meet any of your ongoing obligations.

We may process funds through a Related Body Corporate or a service provider.

All funds must be cleared funds on your Account before those funds are made available to use in dealing in Products.

It is your responsibility to ensure that funds sent to us are correctly designated in all respects, including, where applicable, that the funds are by way of Margin and to which Account they should be applied. Payments by you under the Client Agreement must be free of any withholding tax or deduction by a third party. If the funds are not correctly designated, then we may be unable to allocate the funds to your Account. We will make enquiries with payment providers to allocate the funds appropriately as soon as possible or return the funds if it is not possible to allocate them. Clients are encouraged to contact us if funds have not been applied as expected and we will verify the details before allocating the funds to your Account. Until funds have been applied, your Account may remain on Margin Call.

You must ensure that any transfer made to us is from an account in your name and not from that of a third party. In the event we suspect third-party funding has occurred, we reserve the right to return the funds to the remitter and retain the balance in your Account, pending verification of proof of identity and the source of funds before processing. In the absence of verification, we reserve the right to retain the balance in your Account and you will not be permitted to withdraw the balance of your Account,

We will not accept or bear any liability or responsibility whatsoever for any loss incurred by you as a result of, or arising out of, or in connection with, us returning any transfer of funds from a third-party account including any loss incurred by you where you are subsequently in default of your obligations under the Client Agreement

2.6 CHANGING YOUR MIND – COOLING OFF PROVISIONS

See clause 1.11 of the Client Agreement which explains your cancellation rights.

There are no cooling-off arrangements for Products. This means that when we arrange for the execution of a Contract, you do not have the right to return the Product, nor request a refund of the money paid to acquire the Product. You are bound by the terms of a Contract, when you enter into it, even though settlement may occur later.

2.7 DEBTS

Where you have more than one Account with us, we may treat your Accounts as aggregated for the purposes of settling any money owed, by using money on one Account to pay off a debt on another. Please note that this does not apply for Margin Requirements as each Account is treated separately.

3. QUESTIONS AND ANSWERS

3.1 WHAT ARE MARGIN FX CONTRACTS?

A Margin FX Contract is an agreement under which you may speculate on fluctuations on the value of an underlying currency relative to another. The price of our Margin FX Contracts is based on the exchange rate of an underlying currency pair (Underlying Instrument). **However, when dealing in Margin FX Contracts with us you will not own or have any interest or right in the Underlying Instrument or have an ability to receive the currency.**

If you have a need to purchase the underlying currency (i.e. to receive the purchased currency), our Margin FX Contracts are not appropriate for you because they do not involve an exchange of one currency for another.

The amount of any profit or loss made on a Margin FX Contract will be the net of:

- the difference between the opening price of the contract and the closing price of the contract;
- any commission charged by us on the transactions; and
- any Swap Charge, Rollover Charge, Swap Benefit, Rollover Benefit or other financing changes or benefits relating to the Contract.

The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as interest on negative balances.

3.2 WHAT IS A CFD?

A contract for difference or CFD is an agreement under which you may speculate on fluctuations in the price of an Underlying Instrument. The price of the CFD is based on the price or level of the relevant Underlying Instrument, which may be an index, commodity, futures contract, cryptocurrency or other Underlying Instrument as may be notified to you from time to time. **However, you will not own or have any interest or right in the Underlying Instrument and cannot close an open Position through an exchange or other CFD provider.**

The amount of any profit or loss made on a CFD will be the net of:

- the difference between the opening price of the CFD and the closing price of the CFD;
- commissions charged by us on the transaction; and
- any Swap Charges, Swap Benefits, Rollover Charges or Rollover Benefits relating to the CFD.

WHAT IS A SPREAD BET?

A Spread Bet, like a CFD or Margin FX, is an agreement under which you may speculate on fluctuations in the price of an underlying financial asset which can be an FX currency pair, Index, Commodity, Share or other financial market.

The difference between a Spread Bet and a CFD or Margin FX Contract is that Spread Bets are tax free (for those eligible in the UK & Ireland).

At AxiTrader, our Spread Bet accounts operate just like our FX and CFD Accounts in that you trade in Lots equating to a notional amount, which can be seen on the Product Schedule. We do not offer Spread Bet accounts where you trade in pounds per point movement in the price.

3.3 WHAT IS A POSITION?

A Position is a Margin FX Contract, CFD or Spread Bet entered into by you under the Client Agreement. It may be a bought ("long") or sold ("short") Position.

3.4 WHAT IS "OVER THE COUNTER"?

Over the counter ("**OTC**") means that our Products are not offered or traded on a regulated exchange. Rather, transactions are between you and us, ("bilateral") with each party responsible for assessing the credit standing and capacity of the other party before trading. You do not have the protections normally associated with trading on a regulated exchange.

This means you can only close out Contracts in Products with us and the prices offered by other derivative providers or on an exchange do not apply to your open Positions with us. It is not possible to close a Margin FX Contract, CFD or Spread Bet by giving instructions to another provider or broker.

Refer to section 6 (Risk Warning) for more information.

3.5 WHAT CHARGES ARE PAYABLE WHEN DEALING IN OUR PRODUCTS?

The common fees and charges you will incur when dealing in our Products may include any or all of the following:

- payment of Margins;
- commissions;
- Swap Charges, Rollover Charges or Financing Charges;
- interest applied to debit balances in your Account; and
- administration charges.

In addition, our Products are quoted in bid / offer terms. The difference between bid and offer prices is called the "**spread**". Due to this difference, the price must move favourably for you before you can break even. In other words, even if the price does not move at all and you close out your Position, you will incur a loss to the extent of the spread and any other fees.

Example of going long in Margin FX

You expect that the Australian Dollar (**AUD**) is going to appreciate against the US Dollar (**USD**) which is currently trading at 0.9280 (the offer price) and you decide to buy AUD100,000 against the USD at that price.

You decide to hold the Position overnight and the closing price of AUD/USD at the end of the day was 0.9280, the same as your purchase price. At that point the bid price was 0.9279.

As the Position is held overnight you will incur a daily Rollover Charge or Rollover Benefit which is based on the overnight swap rate in the interbank market, presenting the interest rate differential between the two currency pairs involved.

The next day you decide to close your Position as the AUD has appreciated to 0.9350 (bid price).

In this example you were correct in predicting that the AUD would increase against the USD.

A Rollover Benefit is generated because AUD is the higher yielding currency and you are long AUD: 100,000 x (0.9280 – 0.9279) = USD10

You close your Position by selling AUD, realising profit because of the appreciation in AUD:

100,000 x (0.9350 – 0.9280) = USD700

There is no commission or other charges on this transaction.

The total profit of this transaction is USD710.

Example of going short in Margin FX

If you had expected AUD to depreciate against the USD which was trading at 0.9278 (bid price), the overnight offer price was 0.92765 and you close the Position when the USD was trading at 0.9352 (offer price).

In this example you were wrong in predicting that the AUD would fall against the USD.

A Rollover Charge is generated because AUD is the higher yielding currency and you are short AUD:

100,000 x (0.9278 – 0.92765) = USD15

You close your Position by buying AUD realising loss because of the appreciation in AUD:

100,000 x (0.9352 – 0.9278) = USD740

There is no commission or other charges on this transaction.

The total loss of this transaction is USD755.

Other examples

Our Website has an education section which provides several other worked examples including other Underlying Instruments and the application of commission and other charges.

3.6 HOW DO WE DETERMINE OUR PRICES?

Margin FX Contracts & Bullion Spot CFDs: Our prices are based on the prices available to us in the Underlying Instrument through our various hedge counterparties. We aggregate the prices available to us and derive our bid and offer from the best bid and ask available. The published prices are the prices on which you deal with us and prices quoted or published by others do not apply to our Products.

On occasion our prices can have very wide spreads that can cause stop losses to be triggered.

Other CFDs: We derive our price by applying our spread to the prevailing bid and offer price in the Underlying Instrument.

Spread Bets: We derive our price by applying our spread to the prevailing bid and offer price in the Underlying Instrument.

We offer Spread Bet markets on most of the markets that we offer for FX and CFDs.

Important information regarding Cryptocurrency CFDs

If a Cryptocurrency splits into two, new coins are created, this is known as a "**Hard Fork**". We will generally follow the coin that has the majority consensus of Cryptocurrency users and will therefore use this as the basis for our prices. In addition, we will also consider the approach adopted by the exchanges or market-makers we deal with, which will help determine the action we take. We reserve the right to determine which Cryptocurrency unit has the majority consensus behind them.

As the Hard Fork results in a second Cryptocurrency, we reserve the right to create an equivalent Position on your Accounts to reflect this. However, this action is taken at our absolute discretion, and we have no obligation to do so. If the second Cryptocurrency is tradeable on major exchanges, which may or may not include the exchanges we deal with, we may choose to represent that value, but have no obligation to do so. We may do this by making the Product available to close based on the valuation, or by booking a cash adjustment on your Accounts. If, within a reasonable timeframe, the second Cryptocurrency does not become tradeable, then we may void Positions that had previously been created at no value on your Accounts.

Over periods of substantial price volatility around fork events, we may take any action we consider necessary in accordance with our terms and conditions including suspending trading if we deem not to have reliable prices from the Underlying Market.

Cryptocurrency Soft Fork Events

A "**Soft Fork**" event reflects a Cryptocurrency change which influences the price but typically exhibit smaller price changes than a Hard Fork event. These events are simply passed through as an updated price of the symbol. We reserve the right but not the obligation to booking a cash adjustment on client accounts for any material Soft Fork adjustments.

3.7 CAN WE CHANGE OR RE-QUOTE THE PRICE AFTER YOU HAVE ALREADY PLACED YOUR ORDER?

Yes. Our prices reflect those in the Underlying Instrument. Prices can vary quickly and in some circumstances prices that we publish may not be available for large volumes.

In addition, errors can occur, and we reserve the right to alter the price or even void the transaction. If this occurs, we will activate our error handling policies and procedures, which are summarised below.

Our aim in making any adjustment to pricing will be to act fairly to you. We will not seek to take advantage of pricing errors to advantage ourselves.

If we consider that a pricing Error has occurred, we may adjust various parameters of your Position, including potentially reversing or closing out Positions, which may mean that your profit is less than would otherwise be the case, or even that you incur a loss. However, such an adjustment will only occur when we are satisfied that a genuine pricing Error has occurred, that is, the price or value of the Position did not accurately reflect the price or value of the relevant Underlying Instrument.

For example, if there is a market disruption which results in our liquidity provider quoting pricing which does not reflect the price or level of the relevant Underlying Instrument, we may inadvertently quote an incorrect price to you. If you enter into a Position based on such incorrect pricing, we may subsequently adjust parameters of the transaction to put you and us back into as close a position as possible to the position the parties would have been in had the pricing Error not occurred.

3.8 WHAT IS "SLIPPAGE"

Slippage is the difference between a requested price of a transaction and the price at which the order is executed or filled.

Slippage may be positive or negative. When executing client transactions our execution price will reflect both positive and negative movements in the Underlying Instrument.

Slippage should not be confused with a market gap. Markets may gap, either over the weekend or due to significant unexpected news events. In this case, there is no trading between one price and another. No transactions are conducted in the Contract and the market price is discontinuous.

3.9 IF THERE IS LITTLE OR NO TRADING GOING ON IN THE UNDERLYING MARKET FOR AN ASSET, CAN YOU STILL TRADE MARGIN FX CONTRACTS AND CFDs OVER THAT ASSET?

If the Underlying Instrument is suspended due, for example, to a change in currency policy by a government then our Products may be suspended. If the Underlying Instrument is suspended from trading or trading restrictions are introduced, then we may suspend or introduce trading restrictions on our Products. If market conditions in the Underlying Instrument become erratic or prevent us from determining a fair price, we may suspend trading, refuse to accept orders or refuse to enter into transactions. We are not under any obligation to quote or deal in these circumstances but may do so if we are reasonably satisfied that we can provide our Services effectively.

The trading hours for our Products are published on our Website and are also available in the Trading Platform.

Typically, foreign exchange markets trade continuously from 05:00pm American Eastern Standard Time (EST) Sunday evening until 05:00pm, New York time on Friday. Consequently, we price our Margin FX Contracts for those periods in which we can offer an orderly market. If the underlying currency is suspended due, for example, to a change in currency policy by a government then Products may be suspended. In addition, we may suspend trading over the close of business (05:00 pm New York time) in order to process end of day transactions.

For our Bullion Spot CFDs, Other CFDs and Spread Bets, we typically price Products whenever the Underlying Instrument is trading. If the Underlying Instrument is subject to exchange halts or suspension, then our pricing will typically be suspended or halted, and clients will not be able to enter or exit Positions.

Clients should be aware that where a suspension occurs, we may restrict account withdrawals and raise Margin Requirements to ensure we have sufficient security against open Positions.

3.10 WHAT PAYMENT OPTIONS DO I HAVE?

We offer several payment options for clients to open and fund their accounts and provide credit card funding for ease of providing secure electronic payment system to our clients. This is used for both instantaneously funding accounts and meeting Margin Calls.

We may process payments through a Related Body Corporate or service provider.

We do not encourage the trading of leverage Products using borrowed funds and do not accept non-cash collateral (e.g. no securities as deposits). Additional risks will arise where a client opens and funds their accounts using a leveraged product (including a credit card) as the client will be effectively increasing their leverage. There is a risk that the client could have higher interest costs and where the client experiences trading losses, it will lead to a greater risk of the client entering financial difficultly.

3.11 WHAT IS THE MINIMUM BALANCE TO OPEN AN ACCOUNT?

There is no minimum balance to open an Account except when related to certain promotions. We may however set minimum opening balances at our discretion.

3.12 HOW DO YOU DEAL IN MARGIN FX CONTRACTS OR CFDS WITH US?

You may place orders to deal in Margin FX Contracts or CFDs by using our Trading Platform through a computer or other device connected to the internet.

We will not accept orders or instructions from you through any other means, such as by email or telephone.

Subject to the above, it is possible for a third party to place orders on your behalf provided that a written and executed power of attorney or other permissible evidence of authority has been received and accepted by us.

3.13 WHAT ARE "LONG" AND "SHORT" POSITIONS?

You can take both 'long' and 'short' Positions. If you anticipate the rate or price of the contract to rise in value, then you take a 'long' or bought Position. If you anticipate the rate or price of the contract to fall in value, then you take a 'short' or sold Position.

You may take a short Position and in this way benefit from a fall in the value of the Underlying Instrument. However, if the value of the Underlying Instrument rises against your expectation and you subsequently close out the Position at a higher price, you will suffer a loss.

See section 3.5 (What is a position?) above for examples of 'long' and 'short' Positions.

3.14 WHAT ARE MY "FREE EQUITY" AND "TOTAL EQUITY"?

Your Total Equity is the aggregate of:

- the current cash balance in your Account;
- any accumulated Swap Charges; and
- your current unrealised profits and losses.

The Free Equity is Total Equity less any Initial Margin requirements and unrealised profit or loss on open Positions. This Free Equity is the amount you have available to satisfy any additional changes in Margin Requirements.

3.15 WHAT IS MARGIN?

Margin is an amount you are required to hold in your Account to protect us against the risk that you will be unable to meet your obligations to us.

Margin is initially the minimum amount of Free Equity required to enter into a Margin FX Contract, a CFD or Spread Bet with us. This is also referred to as Initial Margin.

The level of Margin required to maintain open Contracts is called the "Total Margin Requirement" and includes Initial Margin and Variation Margin and is denominated in your Account Currency. Variation Margin is the value of unrealised losses (if any) on open contracts.

Total Margin Requirements will fluctuate with the value of the Underlying Instrument on which the contract is based. Further, where you deal in a contract that is denominated in a currency other than your Account Currency, your Total Margin Requirement will be affected by changes in value of the respective currencies.

See section 8 (Margins and Margin Calls) for more information.

3.16 WHAT IS A MARGIN CALL?

A Margin Call is a demand for additional funds to be deposited into your Account to meet your Total Margin

Requirement because of adverse price movements in your open Positions or a change in Margin Requirement.

Your Total Margin Requirement can be reduced by electing to close one or more Positions.

See section 8 (Margins and Margin Calls) for more information.

3.17 HOW DO I CLOSE OUT A POSITION?

You close a Position by selecting a Position in the Trading Platform and clicking the 'Close' button.

You can partially close an open Position by opening the order ticket and reduce the volume to the number of contracts to be closed. This will execute a transaction closing a portion of the open Position resulting in a settlement of profit or loss on the closed portion and a reduction in Margin Requirement. The balance of the open Position will be retained.

3.18 CAN I HOLD LONG AND SHORT POSITIONS AT THE SAME TIME?

Yes, we call that "hedging". The Trading Platform will allow long and short Positions in the same instrument to be held at the same time.

Partially Hedged Positions

You can enter into a transaction in the relevant instrument in the opposite direction to the open trade. This will open a new Contract partially offsetting the existing open Position. Your Initial Margin requirement will reduce reflecting the net open Position in the instrument.

In addition, both long and short open Positions will be revalued against our current price at the bid and offer respectively, meaning that there is a net Variation Margin across all Positions equal to the bid – offer spread.

There are however financial risks associated with partially hedged Positions:

- you may be charged Finance Charges, Swap Charges, dividend adjustments or Rollover Charges on both sides of the Contract;
- charges in one Contract and Losses in other Contracts may trigger a liquidation of part or all of the hedged Contracts leaving you with a larger unhedged Position;
- During periods of low liquidity, high volatility or prior to, or just following, the closing or opening of markets the spread may be wide resulting in increased Margin obligations which could lead to liquidation and/or losses.

Fully Hedged Positions

Alternatively, the open Position can be fully hedged by entering into a new offsetting Contract for the full amount of the open Position. The Initial Margin requirement on the net open Position will be nil. However, again, all open Contracts could be revalued against our current price and, given the difference between the bid and offer, there will be a Variation Margin on the net open Position which must be maintained.

A widening of the bid – offer spread at any time may trigger the Liquidation Level. If the Liquidation Level is triggered, offsetting Positions may be closed by us, leaving you exposed.

There are however financial risks associated with fully hedged Positions:

- you may be charged Finance Charges, Swap Charges, dividend adjustments or Rollover Charges on both sides of the Contract;
- charges in your hedged Contracts and Losses in other Contracts may trigger a liquidation of part or all the hedged Contracts leaving you with a Position exposure or an unhedged Position.

3.19 HOW ARE PAYMENTS MADE IN AND OUT OF MY ACCOUNT?

You may deposit funds by credit card, bank transfer or by other methods as disclosed on our Website. See section 2.5 (Depositing Funds) for more information.

All funds must be cleared funds in your Account before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in Margin FX Contracts or CFDs or Spread Bets.

Withdrawals from your Account will be processed either by payment back to your card, through bank transfer or by other methods as disclosed on our Website.

We do not make payments to third parties and may need to request proof of bank account details prior to making a payment to an account not previously used by a client.

3.20 DO I RECEIVE INTEREST ON FUNDS HELD IN MY ACCOUNT OR PAY INTEREST ON FUNDS I OWE TO YOU?

We are solely entitled to any interest derived from client money deposited in bank accounts. We may establish when and how much interest we will pay to clients on funds held.

We may charge interest on any debit balances in a currency ledger on your Account. Interest will be calculated separately on each currency ledger after deducting Margin Requirements for instruments held and valued in those currencies.

3.21 WHAT HAPPENS IF I HOLD A POSITION OVERNIGHT?

In relation to Margin FX Contracts and Bullion Spot CFDs, a Swap Charge or Swap Benefit may accrue daily for any trades held past the market close at 5PM New York time (00:00 MT4 server time) Monday to Friday. The Swap Charge or Swap Benefit is based on the relative interest rate between the two currencies. For example, if you were buying the AUD and selling the USD, and the Australian interest rate is higher than the US Interest rate, you would typically receive a positive Swap Benefit overnight. If you were selling the AUD-USD or going 'short', you would typically pay a Swap Charge. The Swap process is completed at 5PM New York time (00:00 MT4 server time) Monday to Friday.

In relation to other Products and for further information see section 9.3 (Swaps and Rollovers).

3.22 HOW DO I LEARN TO USE THE TRADING PLATFORM AND HOW TO DEAL WITH YOU?

Our Trading Platform contains an extensive user guide which is accessible from the 'Help' menu. We also provide free practice accounts also known as "Demo" accounts. Contact our client services team for further details.

3.23 WHAT IF I NEED FURTHER INFORMATION?

You should speak to your financial advisor, or, alternatively, you can contact us by:

- Telephone: +44 203 544 9646
  or 0800 612 7070 (within UK Toll Free).
- Email: service@axitrader.com
- Internet: www.axitrader.com/uk

4. SPREAD BETTING

4.1 WHAT IS SPREAD BETTING?

Spread Betting is just like any other form of online trading: you select a financial instrument – whether it be Forex, CFDs or Indices – then speculate whether the price is going to go up or down. You're essentially 'betting' on whether the price will have increased or decreased at a specified point in time.

4.2 WHAT'S THE DIFFERENCE BETWEEN FX TRADING AND SPREAD BETTING?

With AxiTrader the answer is: not much. Both FX trading and Spread Betting work in the same way, using the same MT4 trading platform – if you know how to place a Forex trade, you can place a Spread Bet. The fundamental difference is that Spread Betting is classified differently to regular trading, giving it tax free* status in the UK.

*under current UK tax law and depending on your circumstances.

4.3 HOW IS SPREAD BETTING DIFFERENT WITH AXITRADER?

AxiTrader operates differently to most Spread Betting operators.

The most common form of Spread Betting operates on a "pound per point" basis whereby you get an incremental return for every pound you put down, based on how much the market moves – this is a characteristic typical of sports betting. For example, if the current price is £100 and you think it was going to go up, you could place a £5 Spread Bet. If the price increased to $105, you would take a £25 profit. If it went down to $95, you would incur a £25 loss.

Our Spread Betting works in exactly the same way as our standard Forex and CFD trading. Unlike typical sports betting, our pricing is not fixed – it ebbs and flows with the normal movement of the markets. In effect, Spread Betting with AxiTrader is simply standard FX trading with a different tax classification.

4.4 WHAT IS THE 'SPREAD' IN SPREAD BETTING?

A spread is derived from two prices: The Buy price and the Sell price. The difference between these two prices is what's known as the 'Spread'. The main factors influencing the spread include market liquidity, supply and demand; any time liquidity is low and there is an imbalance between supply and demand, the spread is likely to be wider. As a trader, you generally want – and you want your broker to offer – the narrowest spread.

4.5 IF I PLACE A SPREAD BET, DO I OWN ANY ASSETS?

No. When you open a spread bet you're simply investing in a price movement, like that of a currency or commodity. This is different to buying stocks where you take physical ownership. In the case of stocks, you need the price to increase in order to realise a profit, but the nature of Spread Betting means you can trade on the downside and profit even if the price of an instrument is falling.

5. KEY BENEFITS

The use of our Margin FX Contracts and CFDs Spread Bets provide several benefits, which must, of course, be weighed up against the risk of using them. Benefits include the following: -

5.1 SPECULATION

You can use these financial Products for speculation, or with the view to profiting from exchange rate fluctuations and the rises and falls in prices in the Underlying Instruments.

5.2 MARKET POSITION

You can potentially profit (and lose) from both rising and falling markets depending on the strategy you have employed. Strategies may be complex and will have different levels of risk associated with each strategy.

5.3 LEVERAGE

The use of our financial Products involves a high degree of leverage. These contracts enable a user to outlay a relatively small amount (in the form of Initial Margin) to secure a larger exposure to the Underlying Instrument. But you must be aware that this leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains (see section 6 Risk Warnings).

5.4 TRANSACTION COSTS

Over-the-counter products typically offer economic exposure to a wide range of Underlying Instruments at transaction costs that can be lower than when dealing in the Underlying Instrument. Acquiring an interest in bullion or a currency in the past typically required an investor to hold the asset in physical form. This involved transport and storage costs. As no right, obligation or entitlement to the Underlying Instrument attaches to dealing in OTC derivative products, this reduces the transaction costs. For the same reason, the difference between the buying and selling price (spread) is typically smaller in Products than in the physical markets.

5.5 MULTIPLE ASSET CLASSES

Over-the-counter derivative products allow investors to trade many different financial instruments in a single account without having to purchase the Underlying Instrument and transfer funds internationally. Through a single Account an investor can speculate in multiple asset classes from multiple underlying economies.

5.6 THE TRADING PLATFORM

There are significant benefits associated with the use of our Trading Platform. These include:

- the ability to trade in small notional amounts as little as USD1,000 or 0.01 of a standard Contract;
- Margin foreign exchange markets open at 05:00pm New York time Sunday and close at 05:00pm New York time on Friday.
- CFDs are generally available during times the Underlying Instrument is trading;
- Real-time streaming of quotes and the facility to check your Accounts and Positions in real time and 24 hours a day on any global market which is open for trading; and
- full control over your Account and Positions.

5.7 WORKING ORDERS

We offer clients a range of order types to assist in managing their Positions. Orders can be placed whenever the Underlying Instrument is open for trading.

Important notice about this section:

If you request placement of one of the types of orders described in this section, we have absolute discretion whether to accept and execute any such requests.

Stop-Loss Orders:

A stop-loss order is an order placed with the aim of limiting the potential loss on an open Position. A stop-loss order allows you to specify a price at which you wish to close out a Position.

Stop-loss orders must be placed at a minimum distance from our current bid and offer prices. The minimum distance is specified on the Trading Platform and will be advised to you upon request.

We will execute a stop-loss order once the offer price reaches the order price in the case of a buy-order, or our bid price has reached the order price in the case of a sell-order.

We note that stop-loss orders are not guaranteed; the execution of such orders will depend on market volatility and liquidity. Once the stop-loss price is reached, the stop-loss order becomes a Market Order to buy or sell (depending on your instructions) and will be executed at the prevailing price. The execution price may be different from the stop-loss order price.

The operation of these order types should be discussed with one of our representatives. You should also refer to the Client Agreement with respect to the operation of these order types.

Stop-Entry Orders:

A stop-entry order is an order placed to open a new Position or increase an existing Position at a price which is inferior to the current market price. You may choose to use this type of order when you only want to enter a Position after confirmation of a change or establishment of a trend.

We note that stop-entry orders are not guaranteed; the execution of such orders will depend on market volatility and liquidity. Once the stop-entry price is reached, the stop-loss order becomes a Market Order to buy or sell (depending on your instructions) and will be executed at the prevailing price. The execution price may be different from the stop-entry order price.

Stop-entry orders can be placed to open new Positions in all our Products.

You should also note that stop-entry orders must be placed at a minimum distance from a current bid and offer prices, which distance is determined at our discretion. The minimum distance is specified on the Trading Platform.

Limit Orders:

A limit order may be used by you to either open or close a Position at a predetermined price that is more favourable to you than the current market price.

We will execute your limit order when our offer price has reached the price of your buy-limit order or our bid price has reached the price of your sell-limit order.

We note that limit orders are not guaranteed; the execution of such orders will depend on market

volatility and liquidity. Once the limit price is reached, the limit order becomes a Market Order to buy or sell (depending on your instructions) and will be executed at the prevailing price. The execution price may be different from the limit order price.

How to place working orders with us:

Orders may be placed online via our Trading Platform. If you require assistance you should contact one of our representatives. There are no fees specifically associated with using working orders via our online Trading Platform.

Our right to impose order limits:

We retain the right to impose or change a limit on the number of open pending orders of each account to prevent the degradation of the Trading Platform.

6. RISK WARNING

6.1 ARE OUR PRODUCTS APPROPRIATE FOR YOU?

You must carefully consider whether our Products are appropriate for you while considering your personal circumstances, financial markets experience and investment objectives. **In making this decision you should be aware you could both gain and lose large amounts of money. You could potentially lose all the funds you deposit into your Account.** In addition, you could lose further amounts as explained below.

- If the market moves against your Position, or in the case of Commodity CFDs your Position is rolled over you may be required, at short notice, to deposit with us, further monies as Margin in order to maintain your Position. Those additional funds may be substantial. If you fail to provide those additional funds your Position may be liquidated if the Liquidation Level is triggered. You will be liable for any shortfall in your Account resulting from that liquidation.
- You could lose all moneys deposited with us, and in addition, be required to pay us further funds representing losses and fees on your open and closed Positions. For example, although you may only invest $1,000 in an Account as Margin, if the market moves against your Position, you could lose more than $1,000.
- Under certain conditions, it could become difficult or impossible for you or us to close or liquidate a Position. For example, this can happen when there is a significant change in prices over a short period or some change in government policy causes an Underlying Instrument to be suspended, closed or revalued.
- We will not or may be unable, in all circumstances, to accept your request to place an order.
- If we accept your request to place an order, such an order may not always limit your losses to the amounts that you had intended.
- Market conditions may make it impossible to execute such orders.
- The high degree of leverage that is obtainable in dealing in Products because of small Margin Requirements can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

We will not give you any personal financial product advice in relation to Margin FX Contracts, Spread Bets or CFDs. Further, the client suitability process does not amount to personal financial product advice. We will only be providing you with general advice and as such, this advice will not consider your objectives, financial situation or needs. Accordingly, you should obtain your own financial, legal, taxation and other professional advice as to whether Margin FX Contracts, Spread Bets or CFDs are an appropriate investment for you.

NEGATVE BALANCE PROTECTION

Clients who are classified as retail clients are given the added protection of negative balance protection. This means that you cannot lose more than the amount of money held with AxiTrader.

For the avoidance of doubt clients may have one Trading Account with AxiTrader but may have multiple sub Accounts in the form of Trading Platform logins.

Therefore, the aggregate sum of monies held on all platforms will be taken into consideration and may be used to offset a negative balance

6.2 MARKET RISK

Derivative instruments are speculative & volatile

Derivative instruments can be highly volatile due to the market conditions of the Underlying Instrument and the amount of leverage available. The prices of our Products and their Underlying Instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled.

The prices of our Products may be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events.

Dealing is affected by factors in the Underlying Instrument

The prices of our Products are derived from the prices in the Underlying Instruments. Under certain market conditions, it could become difficult or impossible for you to manage the risk of open Positions by entering into offsetting Positions in another Contract or closing existing Positions.

Sometimes markets move so quickly that "gapping" occurs. 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 global political or economic events. If "gapping" occurs in the Underlying Instrument, it will also be reflected in the price of the relevant Product. In this case, 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.

The Underlying Instrument may lack liquidity, caused by insufficient trading activity or because the aggregate of all requests for orders at a price determined by us exceeds the available volume in that market. This may affect our ability to offer Margin FX Contracts, Spread Bets or CFDs to allow you to close out your Position or open a new Position.

As a result, a potentially profitable transaction may not be executed, or it may not be possible to close out a Position in a timely fashion at the price you require.

This may lead to reduced profits and high losses.

Trading in the Underlying Instrument may be suspended or halted. In such cases, we may not be able to offer the corresponding Product, and it may not be possible for you to close out your Position or open a new Position.

As a result, a potentially profitable deal may not be executed, or it may not be possible to close out a Position in a timely fashion at the price you want, resulting in reduced profits or higher losses.

In any of these circumstances, we have the right to close your open Positions, limit the size of your open Positions, refuse to quote or execute transactions. You will be liable for any losses suffered in such circumstances. You should refer to clause 4 of the Client Agreement for more information.

Foreign exchange risks

Your Account is maintained in the currency you have nominated, that is, the Account Currency.

Where dealing in a Product that is denominated in a currency other than the Account Currency, all Margins, profits, losses and Swap Charges and Swap Benefits are calculated using the currency in which the relevant Product is denominated.

Accordingly, your profits or losses will be affected by fluctuations in the relevant foreign exchange rate.

Upon closing a Position in a Product that is denominated in a currency other than the Account Currency we will automatically convert all amounts into your Account Currency. Any conversion will be at the Exchange Rate quoted by us (this may be different to the price quoted for a Margin FX Contract).

Until the foreign currency balance is converted to the Account Currency, fluctuations in the relevant foreign exchange rate will affect the ultimate profit or loss made on the Position when revalued in the Account Currency.

Loss caused by spread

Because of the difference between the buying and selling price, the relevant price must move favourably before you can break even. In other words, even if the contract price does not move at all and you close out your Position, you will incur a loss to the extent of the spread and of any fees.

Furthermore, the spread may be larger at the time you close out the Position than it was at the time you opened it.

Interest rate fluctuations

Should you deal in a Margin FX Contract, fluctuations in the interest rates applicable to those underlying currencies will affect Swap Charges. In some cases, these interest rates can vary widely and at short notice causing the Swap Charges to be significantly higher. If you are holding a short Position in a high yielding currency, then the Swap Charges may cause significant losses.

Should you hold a long Position in a Bullion Spot CFD or Other CFD and the interest rate of the currency in which it is denominated rises significantly then the value of the Position may drop significantly causing losses.

Should you hold a long Position in a Cash CFD and the interest rate of the currency in which it is denominated rises significantly then the value of the Position is likely to drop significantly causing losses however a Swap Benefit will be realised.

Rolling over Future CFDs & Spread Bets

Upon expiry of any Future CFD or Spread Bets, open Positions will be rolled on the expiry date of the CFD contract.

We will revalue the Position at the prevailing price. Clients are advised that the next serial CFD Spread Bet may trade at a premium or discount to the expiring contract and you may immediately have a profit or loss without conducting a new transaction.

6.3 LEVERAGE & DEALING ON MARGIN

You may incur losses due to a Margin FX Contract or CFD trading. These losses may be far greater than the money that you have deposited into your Account or are required to satisfy Margin Requirements. In addition, you could be required to pay further funds that represent losses and other fees on your open and closed Positions.

Changes in Margin Requirements

We may under clause 8.1 of the Client Agreement exercise our right to alter the Margin Requirements in relation to any of our CFDs, Spread Bets or Margin FX Contracts at any time at our discretion. Notification of this alteration can be given to you either orally or in writing. The alteration will take immediate effect over the affected open Positions. This change will affect your Free Equity and may cause Positions to be liquidated.

If we determine that a Force Majeure Event exists, then we may (without prejudice to any other rights under the Client Agreement and at our sole discretion) increase the Margin Requirement. Whilst we endeavour to provide as much notice as possible this may occur without us being able to provide prior notice. Accordingly, you should be prepared at any time to have funds equal to the notional value of their Positions available to meet any increase in the Total Margin Requirement.

Where an Underlying Instrument is suspended or halted, we will use the last traded price of that

Underlying Instrument for the purposes of determining

Margin Requirements and valuations. Where we have reasonable grounds to believe that a different price reasonably reflects the value of the Contract then we may, at our absolute discretion, price the contract differently.

You will incur a Margin Requirement based on the value of the Product determined by us. If you do not satisfy that Margin Requirement, we have the right, but not the obligation, to close that Position and you will be liable for any loss suffered.

Risk Resulting from Margin Calls

If the price moves against your open Position you may be required, at short notice, to deposit further moneys with us to satisfy your Total Margin Requirement and maintain your Position. The amount of the additional Margin may be substantial and failure to pay it promptly may result in:

- some or all your open Positions being closed or liquidated by us;
- you being prevented from opening new Positions or extending existing Positions; and
- you being liable for interest charges on negative or debit balances if you are classified as a professional client.

Further, any additional funds must become cleared before they will be taken as satisfying your Margin Call. In some circumstances, your Positions may be liquidated before any additional funds that you deposit in response to a Margin Call have had the opportunity to become cleared funds.

You should note that when holding both long and short Positions in the same instrument (hedge Positions) the transactions are revalued for Margin purposes at their respective bid and offer prices. During periods of low liquidity, high volatility or prior to, or just following, the closing or opening of markets the spread may be wide resulting in increased Margin obligations. This may trigger the liquidation of Contracts even though the Position is hedged.

Clients are warned not to rely solely on us issuing a Margin Call notification. It is your obligation to monitor Margin Requirements and to ensure you maintain sufficient Free Equity to meet any potential adverse movement. We do not guarantee that Margin Calls will be received or that sufficient time will be available to forward monies to avoid suffering losses.

Margin Calls when Positions are Hedged or Partially Hedged

Clients are permitted to have both long and short Positions in the same instrument at the same time. However, Margin Requirements still apply.

All open Contracts are revalued against the bid and offer respectively to calculate Variation Margin. Due to the bid – offer spread Variation Margins will apply even though the Positions may be hedged.

A widening of the spread during periods of low liquidity or high volatility may mean that Variation Margins are significant. Where Free Equity is relatively small this may result in triggering the Liquidation Level causing all open Contracts to be closed.

Clients are reminded that all open Contracts are rolled independently and not on a net basis. This means that there is a net cost incurred when holding open offsetting open Contracts even when the net open Position may be nil.

Consequently, clients are advised to monitor Total Margin Requirements even when partially hedged.

6.4 WE ACT AS PRINCIPAL & PRODUCT ISSUER

We are a market maker, not a broker, and accordingly will act as a principal, not as an agent, in respect of all transactions.

As we issue the Products, you are exposed to the financial and business risks, including credit risk, associated with dealing with us.

Protections normally associated with dealings on licensed markets are not available when trading in our Products. For example, in some jurisdictions, trading on a licensed securities exchange, often has the benefit of a guarantee system which provides protection from fraud or misconduct by brokers. Such guarantees do not apply to our Products.

If you require further information about our financial position, please contact us and request a copy of our audited financial statements. These will be provided at no cost to you.

6.5 COUNTERPARTY RISK

You will be dealing with us as counterparty to every transaction and you will, therefore, have an exposure to us in relation to each transaction. This is common in all OTC financial market products.

Consequently, you will be reliant on our ability to meet our counterparty obligations to you to settle the relevant Contract. There is a risk that we will not be able to meet our obligations under the relevant Contract. If we default on our obligations, you may become an unsecured creditor in an administration or liquidation.

Our creditworthiness as the Product issuer has not been assessed by an approved rating agency. This means that we have not received an independent opinion of our capability and willingness to repay our debts from an approved source.

Furthermore, as we enter into hedge transactions with other counterparties in relation to the exposures arising from client transactions you are indirectly exposed to the risk of default by one or more of our counterparties.

6.6 SEGREGATED ACCOUNTS

It is important to note that the holding of client moneys in one or more segregated bank accounts may not afford you absolute protection.

You could incur a loss, depending on the creditworthiness of us, our covering counterparties or counterparties holding client segregated assets.

The purpose of segregated bank accounts is to separate our clients' money, including your moneys, from our own funds. However, an individual client's money may be co-mingled in one or more segregated client Accounts and this exposes clients indirectly to the risk of default by other clients who fail to settle their losses.

You are also exposed indirectly to the financial risks of the institutions with which we hold client monies.

Should there be a deficit in the segregated bank accounts, and we become insolvent then the UK government backed Financial Services Compensation Scheme (FSCS) will apply providing £85,000 protection on client funds to clients, and you will be an unsecured creditor in relation to the balance of the moneys owing to you. Refer to section 7.3 (What is an unsecured creditor) for information about how client monies are treated in this circumstance.

6.7 OUR DISCRETIONS

Under the Client Agreement, we have certain discretionary powers. These include discretion not to accept orders, not to provide a quote or refuse to deal. Clients should review the Client Agreement carefully and, if necessary, seek legal advice.

Circumstances in which we may close client open Positions

Clients should be aware that under the Client Agreement we have the right, whether with or without prior notice, to refuse to quote, refuse to deal and close out all or part of clients' open Positions if an Event of Default or Force Majeure Event arises. These events include the suspension of an Underlying Instrument from which a Product is derived.

In such circumstances, although we may attempt to provide notice it may not always be possible, and we are not obliged under the Client Agreement to provide such notice.

We reserve the right to close a client's open Positions if a Product is removed from our Product Schedule. Circumstances in which we may remove a Product include when the Underlying Instrument is prohibited by a government or by regulations from being traded.

Right to limit Open Positions

We have the right under the Client Agreement to limit the size of a client's open Positions, whether on a net basis (difference between short Positions and long Positions) or gross basis (aggregate of short Positions or long Positions).

This may occur for example, because of some event in the Underlying Instrument or in order to limit our exposure to an Underlying Instrument or client or otherwise protect our interests.

Right to refuse transactions

We have the right under the Client Agreement to refuse any transaction or order for any reason. Circumstances in which we may decide to do so include, but are not limited to the following:

- where we are, in our opinion, unable to maintain an orderly market in any one or more of the Products as a result of the occurrence of any act, omission or event (including any specific or general circumstance beyond our control such as a natural disaster, political or regulatory occurrences or upheaval, disruption to, communications, power or other infrastructure);
- the suspension, closure, liquidation or abandonment of any relevant market or Underlying Instrument;
- where we consider that it is in the client's best interests to delay opening, close early or suspend a market temporarily;
- the imposition of limits or special or unusual terms in the relevant markets or Underlying Instrument such as the prohibition of short selling in an Underlying Instrument or the introduction, change or abandonment of any price controls;
- the excessive movement, volatility or loss of liquidity in the relevant markets or Underlying Instrument;
- when we, in our opinion, consider it necessary for the protection of its rights under the Client Agreement; or
- when we consider that the client may be in possession of "inside information" as defined by the laws of the relevant country.

6.8 REGULATORY & SOVEREIGN RISK

Changes in taxation and other laws, government fiscal, monetary and regulatory policies may have a material adverse effect in your dealings in Contracts with us.

6.9 WARNING REGARDING ONE-CLICK DEALING

The Trading Platform dealing tickets can be operated on a single click. Clients are warned that once an instruction to buy or sell is passed, they will not be provided with an opportunity to check the details of the instruction before it is sent to us. Consequently, clients should take additional care that their instructions are correct.

6.10 OPERATIONAL RISKS

Electronic Advisors

Clients are advised of the risks in utilising electronic trading advisors (EAs). We bear no responsibility for the performance of these trading systems and will accept no responsibility for losses arising from their use whatsoever.

AxiTrader reserves the right at all times to disable an EA or other software functioning on a client's Account.

Trade Copiers

If you use trade copiers, you do so at your own risk with the full knowledge that order fills on slave Accounts may be different to that of the master Account due to timing, pricing liquidity and slippage. AxiTrader accepts no liability for any trades that are not copied or are copied incorrectly.

Money Manager

If you instruct others to trade on your Account, you do so entirely at your own risk. AxiTrader accepts no liability for any Losses that may be incurred as a result of such actions. It is your sole responsibility to ensure you have carried out due diligence on anyone you allow to trade on your Account. If a Money Manager appears to have an association with AxiTrader then this should not be taken as an endorsement. You accept that you are entering into an independent commercial arrangement with a third party for which AxiTrader is not liable or responsible.

Communication Networks

When using the Trading Platform transactions are conducted over the internet. Clients are therefore exposed to the operational risks associated with transmitting instructions over communication networks. This includes but may not be limited to:

- Reliability and stability of local and international communication connections;

- Reliability and stability of clients' own personal computer or internet connection.

Trading Platform

There are operational risks associated with any trading platform and any disruption to our Trading Platform may mean that you will be unable to trade in the Product with us when desired. Accordingly, you may suffer a loss as a result caused by a delay in our operational processes such as communications, computers, computer networks, software or external events that cause delays in the execution of a transaction. We do not accept or bear any liability whatsoever in relation to the operation of the Trading Platform, except to the extent that it is caused by fraud or dishonesty on our part or on the part of our employees.

We reserve the right in unforeseen and extreme market situations to suspend the operation of our Trading Platform or any part or section of it. In such an event, we may, at our sole discretion, and under the Client Agreement, with or without notice, close out your open Contracts at prices we consider fair and reasonable at such time.

6.11 EVENT OF DEFAULT

In an Event of Default as defined in clause 20.1 of the Client Agreement, we may take all or any of the actions identified in clause 20.2 of the Client Agreement.

7. HOLDING YOUR MONEY

7.1 SEGREGATED BANK ACCOUNTS

All retail client funds are held on trust and will be paid into segregated bank accounts maintained by us with top-tier banking institutions regulated by the UK Prudential Regulation Authority (PRA) or equivalent regulatory authority in accordance with FCA Client Money Rules.

When you place an opening trade utilising some or all of those funds in initial margin, that margin will still be held in that segregated account.

If you close a trade which results in a loss, then those funds will be removed from the segregated account by AxiTrader. Similarly, if you close a trade that results in a profit then AxiTrader will deposit those funds into the segregated account.

AxiTrader will also transfer funds to and from the segregated account which it requires to maintain your open positions in the form of daily profits or losses on open positions.

Under the FCA Client Money Rules, client funds held by us will no longer be deemed client money when that money becomes 'owed' to us by the closing of a trade or bet that results in a loss.

At any time, you may request all unutilised funds on your account to be repaid to you. If from the time of your request to the time that we process the request the value of any open positions has moved such that you no longer have the amount requested available, then this will not be possible. We also reserve the right to withhold any payment if we feel that it may be required to meet future short- term payments.

AxiTrader reserves the right, in accordance with the FCA's Clients Assets Sourcebook, to use part or all of a non-retail client's funds, where this has been specifically pre-agreed and a TTCA has been signed. These funds will at that time, from a legal standing, no longer be considered as client funds, will not be segregated and may be used by us in the course of our business, under the 'title transfer collateral arrangement'.

AxiTrader does not accept cash deposits. If anyone does deposit cash without prior agreement then AxiTrader reserves the right to confiscate these funds until the source of their origin can be confirmed, and the appropriate authorities will be informed.

We do not hold individual segregated accounts and your moneys will be co-mingled into one or more segregated bank account with other retail client money.

7.2 WARNING ABOUT SEGREGATED ACCOUNTS

It is important to note that our holding your moneys in one or more segregated bank accounts may not afford you absolute protection.

The purpose of these accounts is to segregate retail clients' money, from our own funds. However, an individual client's money is comingled into one or more segregated bank accounts.

Furthermore, segregated bank accounts may not protect your money from a default in the segregated customer accounts.

Should there be a deficit in the segregated bank accounts, then in the unlikely event that we become insolvent, you will be an unsecured creditor in relation to the balance of the moneys owing to you.

FSCS

The Financial Services Compensation Scheme [FSCS] is an independent body set up under the Financial Services and Markets Act 2000 which came into operation in 2001. It is paid for by the firms that it represents and is free to the customers that they serve.

In the unlikely event that a financial institution or firm fails, which is regulated by the FCA in the United Kingdom, then the FSCS will step in and guarantee funds which clients may hold with that entity. The amount that the FSCS guarantee depends on the client and type of institution but for the FX/CFD sector retail clients and most professional clients are covered for up to £85,000 in the event of a default.

For further information, look at their website www.fscs.org.uk or contact them at:

Financial Services Compensation Scheme
PO Box 300, Mitcheldean. GL17 1DY
Tel: 0800 678 1100

Further information also available from the FCA:

https://www.handbook.fca.org.uk/handbook/COMP/4/2.html

7.3 WHAT IS AN UNSECURED CREDITOR?

In the event that you become an unsecured creditor of us, you will need to lodge a proof of debt with the liquidator for the amount of moneys that are owing to you as evidenced by your Account statements. The liquidator then assesses all proofs of debts to determine which creditors are able to share in the assets of the company, and to what extent depending on the amounts owing to them and any priority they may have to be paid.

8. MARGIN AND MARGIN CALLS

8.1 MARGIN AND MARGIN CALLS

Margin FX Contracts and CFDs are subject to Margin Requirements, which it is your responsibility to meet to maintain your Positions.

There are two components of the Margin, which you may be required to pay in connection with Positions.

These are the *Initial Margin* and *Variation Margin*.

8.2 INITIAL MARGIN

The Initial Margin is an amount of money, which is due from you at the time the Position is entered into. The Initial Margin is security to protect ourselves against possible market movements.

When you open a Position with us in Margin FX

Contracts and CFDs you will need to have sufficient

Free Equity in your Account to satisfy the Margin Requirement for that Position. Margin Requirements vary with each product and a list of current Standard Margin Rates is set out in the Product Schedule available on our Website.

8.3 EXAMPLES OF MARGIN REQUIREMENTS

Examples of the calculation of the Margin Requirement for various types of CFDs follow. You should refer to the Product Schedule for the current Margin Requirements applicable for each instrument.

Margin FX Contracts and Bullion Spot CFDs

The Margin Requirements for Margin FX Contracts and Bullion Spot CFDs are influenced by your Account leverage.

For these symbols your Initial Margin rate is calculated by using two factors; the symbol's Standard Margin Rate and your Account leverage.

Your Margin Requirements can be calculated as follows:

Lot volume x Contract size x Contract price x Standard Margin Rate x 100 / Account leverage.

For a client with an account leverage of 100:1, to buy 1 Lot of EURUSD Margin FX Contracts at 1.2000 with a 1% Standard Margin Rate, the Margin Requirement would be calculated as follows:

1 Lot x EUR 100,000 Contract size x 1.20000 price x 1% Standard Margin Rate x 100/ 100 Leverage = EUR 1,200.

For a client with a higher Account Leverage of 400:1 the Margin Requirement is calculated as follows:

1 Lot x EUR 100,000 Contract size x 1.20000 price x 1% Standard Margin Rate x 100/ 400 leverage = EUR 300.

Other CFDs

All Other CFDs have a fixed Initial Margin requirement, they are not influenced by your Account leverage.

Your Margin Requirements on Other CFDs can be calculated as follows:

Lot volume x Contract size x Contract price x Initial Margin Rate.

To buy one Lot of US30 CFDs trading at USD25,000 with a 0.5% Initial Margin Rate, the Margin Requirement would be calculated as follows:

1 Lot x 1 USD Contract size x USD25,000 price x 0.25% Initial Margin Rate = USD250.

8.4 TOTAL EQUITY BALANCES

The Total Equity of your Account will fluctuate reflecting the money you have deposited in your Account, the dealings you have conducted and the Positions you hold.

Your Total Equity and Margin Requirements are revalued in line with movements in our prices.

Once a Position is opened, the Total Margin Requirement must always be maintained for the open Position(s). It is your responsibility to ensure that your Account is always sufficiently funded, especially during volatile trading periods.

To assist you, Total Equity and Free Equity together with Total Margin Requirement are available on the Trading Platform and are published in a daily statement.

You will only be allowed to withdraw funds up to the ledger balance in your Account. Clients must maintain a positive ledger balance (in cleared funds) whilst Positions are open. Additionally, you will only be allowed to deal and maintain open Positions based on cleared funds in your Account, not on promised funds or funds in transit.

8.5 PROFITS AND LOSSES

Profits made from your dealing activities increase the Total Equity in your Account. Losses made as a result of your dealing activities decrease the Total Equity balance on your Account, and therefore the Total Equity available for dealing in Margin FX Contracts and CFDs or holding Positions.

8.6 VARIATION MARGIN

The Variation Margin is an amount payable when a Position moves against you. Again, this amount is determined by us in our discretion and is intended to protect us against unrealised losses which you may have suffered.

The Variation Margin liability is incurred at the time of the occurrence of any movement in the market that results in an unrealised loss.

8.7 CHANGE TO MARGIN REQUIREMENTS

We may under the Client Agreement exercise our right to alter the Margin Requirements of any Margin FX Contract, CFD or Spread Bet at any time at our discretion.

Furthermore, if we determine that a Force Majeure Event exists then we may, without prejudice to any other rights under the Client Agreement and at our sole discretion, take any one or more of the steps outlined in clause 27 of the Client Agreement.

One of the steps that we may take is to increase the Margin Requirements from that specified up to 100%. Accordingly, in extreme cases, you should be prepared at any time to have funds equal to the notional value of your Margin FX Contract or CFD available to meet any increase in the Margin Requirements by us.

8.8 MONITORING MARGIN REQUIREMENTS

Clients are responsible for monitoring their Margin Requirements. Positions are revalued whilst markets are open, and clients can monitor the requirements within the Trading Platform.

If the value of the Position moves against you, then you will be required to deposit additional funds (Variation Margin) and, if so, you will be subject to a Margin Call; i.e. to pay additional Margin or, alternatively, to close the Position in order to reduce your Initial Margin. In other words, you must maintain enough Free Equity in your Account in cleared funds to cover any increases in your Total Margin Requirement. If your Total Margin Requirement exceeds your Total Equity, your Account will be placed on Margin Call. If your Account reaches the Liquidation Level some or all your Positions may be liquidated.

8.9 NOTIFICATION OF MARGIN CALL

When an Account has insufficient funds to satisfy the Total Margin Requirements a Margin Call is generated and sent to the email address provided by the Client to us. Clients are advised that they must always maintain sufficient Free Equity to meet the Total Margin Requirement. We are not obliged to allow time to forward funds to meet Margin Calls as markets can be volatile, and we may without notice, in our discretion, close out all or some Positions if the Margin Requirements are not satisfied.

Clients are warned not to rely solely on us issuing a Margin Call email or notification. It is the client's obligation to monitor Margin Requirements and ensure they maintain enough Free Equity to meet any potential adverse movement. We do not guarantee that Margin Calls will be received by you or that enough time will be available for you to forward monies to avoid suffering losses.

Derivatives can be highly volatile and consequently we can make Margin Calls at any time. It is your responsibility to monitor and manage your open Positions and exposures and ensure Margin Calls are met as required.

8.10 MARGIN CALLS WHERE SEVERAL POSITIONS ARE OPEN

Margin Calls will be made on a net Account basis, i.e. should you have several open Positions Margin Calls are netted across all open Positions. In other words, the unrealised profits of one Position can be used or applied as Initial Margins or Variation Margins to offset the unrealised losses of another Position.

However, should a client have another Account any Free Equity will not be taken into consideration when assessing Margin Requirements. In other words, each Account is assessed individually and separately.

Note that any Free Equity in one Account may be applied by us to settle a deficit in another Account.

8.11 MARGIN CALLS WHERE POSITIONS ARE HEDGED OR PARTIALLY HEDGED

Clients are permitted to have both long and short Positions in the same instrument at the same time.

If you have hedged a position by placing a trade in the same market but in the opposite direction, then the net margin requirement for those two trades will be zero.

In addition, all open Contracts are revalued against the bid and offer respectively for the purpose of calculating Variation Margin. Due to the bid – offer spread Variation Margins will apply even though the net Position may be hedged.

A widening of the spread during periods of low liquidity or high volatility may mean that Variation Margins are significant. Where Free Equity is relatively small this may result in triggering the Liquidation Level causing all open Contracts to be closed.

Clients are reminded that all open Contracts are rolled independently and not on a net basis. This means that there is a net cost incurred when holding open offsetting open Contracts even when the net open Position may be nil.

Consequently, clients are advised to monitor Total Margin Requirements even when partially hedged.

8.12 PAYMENT OF MARGIN CALLS

As pointed out in section 8.6 (Variation Margin), if your open Positions move against you and your Free Equity balance falls below your Total Margin Requirement, your Account will be placed on Margin Call.

Restoring your Free Equity and satisfying your Margin Call obligations will require:

- closing or reducing one or more of your open Position(s) in order to reduce your Total Margin Requirement; and/or
- depositing additional funds into your Account in order to satisfy the Total Margin Requirement.

If you choose to deposit additional funds into your Account, these additional funds must be cleared funds before they will be treated as having satisfied your Margin Call obligations.

Once your Free Equity balance falls below your Total Margin Requirement, you may be restricted from dealing on your Account until your Free Equity balance meets or exceeds your Total Margin Requirement.

8.13 FAILURE TO MEET MARGIN CALLS

If you fail to meet any Margin Call, or where we do not have time to make a Margin Call, then we may in our absolute discretion and without creating an obligation to do so, close out, without notice, all or some of your open Positions (or transactions) and deduct the resulting realised loss from your Account.

8.14 REVALUATION OF POSITIONS

Under the terms of the Client Agreement, we may in our discretion revalue open Positions to market to bring forward the payment of unrealised profits and losses on those Positions. We have the right to limit the size of your open Positions, whether on a net or gross basis under any appropriate circumstances as determined by us.

8.15 LIQUIDATION LEVEL

You are responsible for losses that you may incur, despite us having the right to close out your Position before the losses were incurred.

We may place a liquidation order for your open Position(s) when your Total Equity balance falls below the Liquidation Level or zero, whichever is the greater. At or below this Liquidation Level, your open Positions may be liquidated. When the Trading Platform automatically liquidates your Positions, those Positions will be ranked in order of profitability. The most unprofitable Position will be closed first, then the next most unprofitable and this pattern will continue until your Account is no longer in Margin Call. However, we are not obligated to, and do not represent or warrant that such liquidation orders will occur, that they will be executed, or that your open Positions will be closed out at any particular level.

Liquidation Level is the ratio between Total Equity and Margin Requirement.

The Liquidation Level is specified in the Product Schedule and within the Trading Platform. We may vary the Liquidation Level by providing details on the Website and in our Product Schedule or otherwise in accordance with the Client Agreement.

8.16 LIQUIDATION IN THE EVENT OF ACCOUNT CLOSURE

In circumstances in which an Account becomes subject to forced closure (Liquidation) and there are open Contracts in a number of Products or multiple Contracts open in the same Product; Contracts will be closed according to the following rules:

- Contracts which are currently open and quoted by us;
- The Contract with the largest Initial Margin
- requirement will be closed first; and
- Remaining contracts will be closed in descending order based on their Initial Margin requirement.

For any open Position in a Product closed for trading, suspended or halted the liquidation will be effected when trading resumes at the opening price quoted by us should the Liquidation Level still be in breach.

9. FEES, COSTS AND CHARGES

9.1 GENERAL

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

- Margin Requirements;
- Swap Charges and Rollover Charges;
- interest charges applied to debit balances in your Account;
- exchange fees;
- deposit or withdrawal charges; and
- administration charges.

The Product Schedule available on our Website sets out the current fees and commissions charged on Pro Accounts, the Margin Requirements and administration charges.

9.2 COMMISSIONS

Standard Account

Our transaction fees are incorporated into the bid-offer spread for each Product (our spread). Because we deal as principal, the prices we offer you may not be the same as those in the Underlying Market and may be wider.

The price offered to you may depend upon several factors including transaction size, term of the Product, our business relationship with you, the prevailing Underlying Market rates and, in the case of swaps and rollovers, on the differing interest rates applicable to the currency pair involved in a foreign exchange transaction.

Pro Account

Our commission on Pro Accounts pays for our clearing and aggregation costs, together with our cost of providing the service to you.

The commissions are set out in the Product Schedule available on our Website.

9.3 SWAPS AND ROLLOVERS

In relation to Margin FX Contracts and Bullion Spot CFDs a Swap Charge or Swap Benefit may accrue daily for any open contracts as at the market close (5PM New York time (00:00 MT4 server time Monday to Friday).

In relation to Future CFDs no daily Swap Charge or Swap Benefit will accrue. However, for any Contracts open at the expiry date, a Rollover Charge or Rollover Benefit will accrue. These rollovers occur every 1 or 3 months depending on the Underlying Instrument.

Financing Charges apply to Commodity Cash CFDs, Indices Cash CFDs and to Cryptocurrency CFDs.

Costs when Positions are Hedged or Partially Hedged

Clients are permitted to have both long and short Positions in the same instrument at the same time. However, costs apply to each Position.

All open Positions are rolled independently and not on a net basis. This means that there is a net cost incurred when holding hedged Positions even when the net open Position may be nil.

Margin FX Contracts Swaps

Any Swap Benefit or Swap Charge for Margin FX Contracts is dependent on the currency pair, the applicable swap rate in the interbank markets for the relevant dates, the size of the Position and the spread that is applied at our discretion.

The interbank swap rate that is applied reflects the interest rate differential between the two currencies, the demand for funds in those currencies and the prevailing market conditions.

Example: If you hold a long Australian Dollar / US Dollar (AUD/USD) Position over end of day and interest rates are higher in AUD than in USD, then you may receive a Swap Benefit. This is because you are long the high yielding currency. Conversely, if you were short AUD/USD in the above scenario then you may incur a Swap Charge. In circumstances where the two interest rates are near parity, almost equal to each other, a Swap Charge may be imposed for both long and short open Positions, because of the impact of the spread.

Bullion Spot CFDs Swaps

Any Swap Benefit or Swap Charge for Bullion Spot CFDs is a variable rate dependent on the applicable swap rate in the Underlying Instrument for the relevant dates, the size of the Position and the spread that is applied at our discretion.

The Swap Charge or Swap Benefit is calculated by multiplying the total notional value of the Position by the swap rate.

Example: In general, interest rates on United States Dollars are higher than bullion lending rates. In this scenario, long parties to a Bullion Spot CFD would typically incur a daily Swap Charge for Positions held over the market close. Conversely, short parties to a Bullion Spot CFD will typically receive a Swap Benefit.

Future CFD Swaps

There is a cost incurred when rolling Future CFD contracts. The cost is equal to the value of the bid – offer spread in the price.

Rollover arises when the Underlying Instrument of the Product is due for expiry and we commence deriving our price from the Next Serial Futures Contract. As the Next Serial Futures Contract will trade at either a discount or premium to the expiring futures contract the change in Underlying Instrument for revaluation purposes will cause a profit or loss on an Account. The Swap Charge or Swap Benefit applied by us adjusts for this revaluation but Positions that are rolled do incur the cost of the bid – offer spread.

In order to minimise the bid – offer spread we typically switch from using the front month to the Next Serial Future Contract 1-2 Trading Days prior to the Underlying Instrument's last Trading Day when liquidity can be limited.

Example:

You are the Long Party to 10 AUS SPI200.fs Contracts at a price of 5,950.

The Underlying Instrument is the March ASX S&P200 and is due to expire when the June contract will become the Underlying Instrument. The prevailing prices are set out below:

	CFD	March Future	June Future
Pre-Rollover	5,919 – 23	5,920 – 22	5,935 – 37
After Rollover	5,934 – 38	5,920 - 22	5,935 – 37

Your long Position is currently revalued at the bid of 5,919 and the unrealised profit is calculated as follows:

(Current bid – entry price) x AUD25.00 x 10 Contracts

(5,919 – 5,950) x AUD25 x 10 = (AUD 7,750) Loss

When the Product is derived from the Next Serial Future Contract the unrealised profit will be:

(5,934 – 5,950) x AUD25 x 10 = (AUD 4,000) Loss

Due to the change in revaluation the unrealised loss will be reduced by AUD 3,750.

To adjust for this revaluation, we apply a Rollover Charge using the following calculation:

(Opening price new Contract – closing price expiring

Contract) x AUD25.00 x 10 Contracts

(5,937 – 5,920) x AUD25.00 x 10 Contracts = AUD

4,250 Debit

The net effect of the revaluation and swap adjustment is:

Revaluation – swap adjustment = AUD 3,750 – AUD

4,250 = (AUD 500) Loss

That is, the net cost is equal to the value of the bid – offer spread in the price.

If you were the Short Party to this contract in the same circumstances the revaluation would have resulted in a reduced unrealised profit. The Rollover Benefit would be a positive amount to compensate for the revaluation effect and the net cost would again be equal to the bid – offer spread in the price.

Rollovers typically occur on a quarterly basis for Commodity CFDs and Indices CFDs. However, the CAC40 is rolled on a monthly basis.

9.4 SETTLEMENT OF SWAP AND ROLLOVER CHARGES AND BENEFITS

Rollover Charges, Rollover Benefits, Swap Charges and Swap Benefits are accrued in the swap value field of the open trade Position when performed daily and are included in the calculation of Free Equity. When the Position is closed the total Rollover Charges are debited from the client Account in the Account Currency. If there are insufficient funds in your Account, the Fees will be debited and any balance due becomes a debt due and owing by you to us.

9.5 CONVERSION FEES

Profits or losses accumulated in your Account in currencies other than the Account Currency nominated by you will be converted to the nominated Account Currency, but at spreads that may differ from those shown on the Trading Platform.

9.6 INTEREST CHARGES APPLIED TO BALANCES

If you fail to make any payment required under the Client Agreement when it falls due, interest will be charged on the outstanding sum at a rate of 5% per annum over the cash rate determined and published by the relevant foreign government authority. Interest accrues and is calculated daily on the outstanding sum from the date payment was due until the date the client pays in full and is compounded monthly.

9.7 ADMINISTRATION CHARGES

Certain administrative fees and charges apply to our Services. These may include:

- deposit and withdrawal fees;
- international remittance fees;
- duplicate statements and audit letter fees; and
- debt collection or returned cheque fees.

Current fees and charges are set out in the Product Schedule.

10. TAXATION

AxiTrader does not provide advice on taxation and strongly suggests that you seek independent financial advice from a tax specialist if this is an area of concern to you.

As a general guide, Contracts for Difference (CFDs) may be subject to capital gains tax under most countries' laws, including the United Kingdom (such laws may be subject to change). This means profits may be taxable, but Losses may be used to offset any profits and thus reduce your tax liability.

UK tax payers for example have a Capital Gains Tax [CGT] allowance for each tax year and any profits made over that amount are liable for tax at a rate dependent on your tax status. This CGT limit cannot be carried over to future years and is known as a 'use it or lose it' tax.

With Spread Betting, all profits generated for UK tax payers are free, although there can be exceptions to this if Spread Betting is your sole income. Losses cannot be used to offset anything however, so you need to consider the tax implications of whether a Spread Betting or CFD account suits your needs best.

You should, seek professional taxation advice based on your individual circumstances and the taxation laws of your country of taxation.

11. CLIENT AGREEMENT

This PDS summarises many important elements of the Client Agreement. However, it is not a comprehensive description for the terms and conditions of the Agreement, and you must read it in its entirety. Indeed, you should consider seeking legal advice before entering into the Client Agreement, as the terms and conditions contained in it are important and affect your dealings with us.

You should note clause 1.5 of the Client Agreement, which empowers us to amend the Client Agreement.

Under the Client Agreement, we may exercise a variety of discretions. In exercising such discretions, we will act in accordance with the following:

a) we will have due regard to our commercial objectives, which include;
   (i) maintaining our reputation as a product issuer;
   (ii) responding to the market forces;
   (iii) managing all forms of risks, including, but not limited to operational risk and market risk; and
   (iv) complying with our legal obligations as a holder of a Financial Conduct Authority Licence;
b) we will act when necessary to protect our position in relation to the trade or event;
c) we will consider the circumstances existing at the time and required by the relevant provision, and not consider irrelevant or extraneous considerations or circumstances;
d) we may consider your trading or investment experience; and
e) at all times, we will act reasonably, commercially and bona fide, and where required or appropriate provide you with prior notice before exercising that discretion.

12. REMUNERATION OF OUR ADVISORS AND THIRD PARTIES

12.1 REMUNERATION AND OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

Our employees who provide you with transaction execution may receive remuneration for the provision of these Services. Our employees also receive salaries, performance-related bonuses and other benefits.

12.2 SHARING OF COMMISSIONS AND OTHER AMOUNTS

We may share charges or benefits with our associates or other third parties or receive remuneration from them in respect of transactions we enter into with you. We may share such amounts with introducing advisers and referrers for the introduction or referral of clients to us.

12.3 REFERRAL BENEFITS FOR OTHER SERVICES PROVIDERS

You may have been referred to us by a service provider who may receive financial or non-financial benefits from us. These should have been disclosed to you by the service provider in question. Please note that such benefits will not impact transaction fees, the rate you will be offered or deposits or instalments payable for financial Products or Services undertaken with us.

13. COMPLAINTS AND DISPUTE RESOLUTION

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the client services team (by telephone or email). We will do our best to resolve the issue at the first point of contact. However, if we are unable to do so to your satisfaction you may refer the complaint to the Complaints Officer. We will investigate your complaint and provide you with our decision and the reasons on which it is based, in writing.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the **Financial Ombudsman Service (FOS)**, an approved external dispute resolution scheme, of which we are a member, using the contact details below.

You can contact FOS by any of the means listed below:

The Financial Ombudsman Service

Exchange Tower

London, E14 9SR

United Kingdom

Toll Free (UK):	0800 023 4567
Overseas:	+44 207 964 0500

Website: www.financial-ombudsman.org.uk

14. PRIVACY POLICY

The information you provide to us upon application and in connection with your transactions will primarily be used for the processing of your application and for complying with certain laws and regulations. We collect, maintain, use and disclose Personal Information in the manner described in our Privacy Policy. Our Privacy Policy is available on our Website or by calling our client services team.

15.INTERPRETATION AND GLOSSARY

INTERPRETATION

1. The defined terms used in this PDS are capitalised and set out in this section. A term that has an asterisk next to it is a term not found in the PDS but is found in the Client Agreement.
2. If there is any conflict between the terms of this PDS and any applicable law, the applicable law will prevail.
3. In this PDS any reference to a person includes bodies corporate, unincorporated associations, partnerships and individuals.
4. In this PDS, all references to times of the day are to the time in London, United Kingdom, unless otherwise specified.
5. Headings, notes and examples in this PDS are for reference only and do not affect the construction of the Agreement. In this PDS any reference to any enactment includes references to any statutory modification or re-enactment of such enactment or to any regulation or order made under such enactment (or under such a modification or re-enactment).
6. In this PDS the following terms and expressions have, unless the context otherwise requires, the following meanings:

ACCOUNT	means the account(s) that has been opened by us for the Client;
ACCOUNT CURRENCY	means the currency selected by you under the Client Agreement and which, in the absence of a selection will be US Dollars;
AGREEMENT	means the agreement described in clause 1.1 of the Client Agreement, as amended, varied, or replaced from time to time;
AML REGULATIONS	means any relevant anti-money laundering and counter-terrorist financing laws, regulations, rules and instruments
APPLICABLE LAWS*	means all: (a) applicable provisions of laws and regulations, including all relevant rules of government agencies, exchanges, trade and clearing associations and self- regulatory organisations, that apply to the parties, this Agreement and the transactions contemplated by this Agreement; and (b) Saint Vincent and the Grenadines laws, procedures, standards and codes of practice that apply in relation to the parties, this Agreement and the transactions contemplated by this Agreement;
APPLICATION FORM	means the application form and account opening documentation, including documentation required to be returned for the purposes of complying with Anti-Money Laundering and Counter-Terrorism Financing legislation, completed by you and submitted to us whether electronically or in hard copy;
ASSOCIATE*	means: (a) a person who is an officer, employee, agent, representative or associate of a party; (b) a Related Body Corporate of a party; and (c) a person who is an officer, employee, agent, representative or associate of a Related Body Corporate of a party;
AUTHORISATION	means:

	(a) an authorisation, consent, declaration, exemption, notarisation or waiver, however it is described; and (b) in relation to anything that could be prohibited or restricted by law if a government agency acts in any way within a specified period, the expiry of that period without that action being taken;
AUTHORISED PERSON*	means you and/or any person authorised by you to give instructions to us under this Agreement;
AXITRADER	is the global brand name AxiCorp Limited and its Related Bodies Corporate use to promote the Products and Services and is a registered trade mark of AxiCorp Financial Services Pty Ltd. In this PDS it is also used to refer to AxiCorp Limited as the issuer of this PDS;
BASE CURRENCY	means US Dollars or the chosen currency of your Account;
BULLION	means gold, silver, palladium or platinum;
BULLION SPOT CFD	means a CFD whose price is derived from the valuation of an Underlying Instrument (being Bullion);
BUSINESS DAY	means any day other than a Saturday, Sunday or public holiday on which banks are open for business in London, England, New York, United States and Sydney, Australia (a) in the case of services relating to an index to which limited trading hours applies, any day on which the exchange on which the relevant security or each constituent security has its primary listing, or the exchange on which the index operates, whichever is applicable, is open for trading, and will exclude any day on which all trading on the relevant exchange is closed or suspended; and (b) in the case of services relating to an index to which Limited Hours Trading does not apply, any day on which any relevant exchange is open for trading;
CASH CFD	means a CFD whose price fluctuates by reference to the fluctuations in the value of an Underlying Instrument (being Commodities and Indices) and that may incur an overnight Financing Benefit or Financing Charge;
CFD or CONTRACTS FOR DIFFERENCE	means a Contract between you and us to buy or sell a derivative which is cash settled and whose price is derived from the value of an Underlying Instrument;
CLAIM*	means, in relation to a person, any claim, allegation, cause of action, proceeding, liability, suit or demand made against a person however it arises and whether it is present or future, fixed or unascertained, actual or contingent;
CLIENT	means you;
CLIENT AGREEMENT	means the Client Agreement for Margin FX Contracts and Contracts for Difference issued by us;
CLIENT MONEY	means the money Clients have deposited with us that are held by us;
CLIENT PORTAL	means the electronic gateway accessible over the Internet through our web browser.

CLOSE OF BUSINESS	means 17.00 New York time on a Business Day;
CLOSING DATE	means, in respect of a Position, the date on which the relevant Position is closed out;
COMMODITY	means oil or gas, or any other commodity acceptable to us;
COMMODITY CASH CFD	means a CFD whose value fluctuates by reference to the fluctuations in the value of Underlying Instrument relating to a spot priced crude oil Commodity and that may incur an overnight Financing Benefit or Charge
COMMODITY CFDS	means a CFD whose price fluctuates by reference to the fluctuations in the value of an Underlying Instrument (being a Commodity);
COMMODITY FUTURE CFDS	means a CFD whose value fluctuates by reference to the fluctuation in the value of the Underlying Instrument relating to a Commodity future that may incur a periodic Rollover Benefit or Rollover Charge.
CONFIRMATION	means a form of notification, which may be provided by us electronically, including via the internet, requiring access by the Client, confirming entry into a Position;
CONTRACT	means any transaction entered into between us and you, whether oral or written, including any derivative, option, future, contract for difference or other transaction relating to the financial products issued by us;
CONTRACT PRICE	means the price we offer you to trade in our financial products from time to time and which is calculated by us according to the Client Agreement;
CONTRACT QUANTITY	means in relation to a Position, the number of Contract Units making up that Position;
CONTRACT SIZE*	means in relation to a Product, the quantity of the Underlying Instrument included in a Contract Unit;
CONTRACT UNIT*	means a single unit of a Product;
CONTRACT VALUE*	means, in respect of a Product, the Contract price multiplied by the Contract Quantity multiplied by the Contract Size;
CONTROLLER	in relation to the property of a corporation, means: (a) a receiver, or receiver and manager of that property; or (b) anyone else who (whether or not as an agent of the corporation) is in possession, or has control, of that property for the purpose of enforcing a security interest.
CRYPTOCURRENCY CFD	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument, which is a cryptocurrency exchange price;
DISPUTE*	means any dispute or difference between the parties arising out of, relating to or in connection with this Agreement or transactions under this Agreement, including any dispute or difference as to the formation, validity, existence or termination of this Agreement;
ERROR	has the meaning given in clause 4 of the Client Agreement;
EVENT OF DEFAULT	means an event described in clause 20 of the Client Agreement;

EXCHANGE RATE	means the exchange rate we may reasonably offer to you from time to time having regard to the applicable prevailing Interbank Rates and the spread that is available to you from us via the Trading Platform or on request;
EXPIRY DATE	means the day on which the Margin FX Contract, CFD or other Product expires (if applicable);
FINANCING BENEFIT	means a benefit you may receive where you have a Cash CFD or Cryptocurrency CFD Position held overnight and which is described in sections 9.3 and 9.4;
FINANCING CHARGE	means a payment you may be required to make where you have a Cash CFD or Cryptocurrency CFD Position held overnight and which is described in sections 9.3 and 9.4;
FORCE MAJEURE EVENT	means the definition given in clause 27 of the Client Agreement;
FREE EQUITY	is your Total Equity less your Total Margin Requirement;
FCA	means the Financial Conduct Authority;
FUTURES CFDs	means a CFD whose price fluctuates by reference to the fluctuations in the value of an Underlying Instrument, (being which is a futures contract) and that may incur an overnight Rollover Benefit or Rollover Charge;
FSG*	means our financial services guide, including any supplementary and replacement financial services guide, as replaced or amended from time to time;
INDEX	means a stock exchange or other index which is, or forms part of or is referenced by, an Underlying Instrument;
INDICES CASH CFD	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument, which is a cash index futures contract;
INDICES CFD	means a CFD whose price fluctuates by reference to the fluctuations in the value of an Underlying Instrument, (being an Index);
INDICES FUTURE CFD	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument, which is an equity index futures contract;
INITIAL MARGIN	means, Margin payable on the opening of a Position being such percentage of the Contract Value as specified by us, and as amended by us under clause 8.1 of the Client Agreement from time to time;
INSOLVENCY EVENT*	means any of the following: (a) you are dying, or ceasing to be of full legal capacity or otherwise becoming incapable of managing your own affairs for any reason; (b) you become, or you take any step that could result in you becoming, an insolvent under administration; (c) an administrator is appointed to you; (d) any of the following occurs: (i) a Controller or analogous person is appointed to you or any of your property; (ii) an application is being made to a court for an order to appoint a Controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to you or any of your property; or

	(iii) an appointment of the kind referred to in (ii) is being made (whether or not following a resolution of application); (e) the holder of a security interest or any agent on its behalf, appoints a Controller or takes possession of any of your property; (f) you fail to comply with a statutory demand; (g) an application is being made to a court for an order for your winding up; (h) an order is being made, or the passing of a resolution for your winding up; (i) you: (i) suspend payment of your debts, cease (or threaten to cease) to carry on all or a material part of your business, stating that you are unable to pay your debts or being or becoming otherwise insolvent; or (ii) are unable to pay your debts or otherwise are insolvent; (j) you take any step towards entering into a compromise or arrangement with, or assignment for the benefit of, any of your members or creditors; (k) a court or other authority enforces any judgment or order against you for the payment of money or the recovery of any property; or (l) any analogous event under the laws of any applicable jurisdiction, (m) unless this takes place as part of a solvent, amalgamation, merger or consolidation that has been approved by us;
INTERBANK RATE*	means the mid Interbank Rate calculated by us with reference to the bid and offer prices for the Underlying Instrument most recently quoted by any one or more third party banks;
INTRODUCING BROKER*	means an independent entity that refers clients to us, including pursuant to an introducing broker agreement;
LIMITED TRADING HOURS	means the ability of the client to trade Margin FX Contracts and CFDs (where available) as are designated by us from time to time under this Agreement only during such hours as the relevant exchange is open;
LIQUIDATION LEVEL	means the minimum Free Equity balance before we will commence closing out Positions, as discussed at section 8.15;
LONG PARTY	means, in relation to a Product, the party that has notionally taken a long position in respect of the relevant Underlying Instrument, for example, as shown in section 9.3;
LOSS	includes any loss, damage, liability or obligation, compensation, fine, penalty, charge, payment, cost or expense (including any legal costs and expenses on a full indemnity basis) however it arises and whether it is present or future, fixed or unascertained, actual or contingent;
LOT	means one standard Contract Unit;
MARGIN	means the amount that you must have in your Account to enter into a Margin FX Contract, CFD or other Position with us;
MARGIN CALL	means a demand for additional funds to be deposited into your Account to meet your Total Margin Requirement because of adverse price movements in your open Positions or a change in Margin Requirement;

MARGIN FX CONTRACT	means a Contract between you and us for the taking of Positions in a foreign currency;
MARGIN PERCENTAGE*	means such percentage of the Contract Value as specified by us in the Product Schedule;
MARGIN REQUIREMENT	is the amount of Margin you are required to have in your Account from time to time in order to enter into a Margin FX Contract or CFD, or to maintain your Position/s;
MARKET ORDER	means an order placed to open or close a Margin FX Contract or CFD at our current price;
MATURITY DATE*	means, in respect of an NDF, the date on which the NDF is to be closed out (unless terminated earlier);
MINIMUM TICK INCREMENT	represents the minimum possible price change between two successive transaction prices permitted by us. The Minimum Tick Increment can represent either an upward or downward movement in price;
MINIMUM TRADING SIZE	means such minimum Contract quantity or Contract value as we may specify on our Website from time to time for any type of Margin FX Contract or CFD;
NDF*	means a non-deliverable forward contract in respect of a currency pair offered under this Agreement;
NEXT SERIAL FUTURES CONTRACT	means a contract of the same series as the futures contract, which is the Underlying Instrument of a CFD, but with the Expiry Date being the next occurring Expiry Date in the relevant series;
OPENING VALUE*	means in relation to a Position, the Contract Value as at the time of opening the Position;
OTHER CFD's	means Cryptocurrency CFD's, Commodity Cash CFD's, Commodity Futures CFD's, Indices Cash CFD's and Indices Futures CFD's
PDS	means our product disclosure statement, including a supplementary and replacement product disclosure statement;
PERSONAL INFORMATION	means information or an opinion about an identified individual, or an individual who is reasonably identifiable: (a) whether the information or opinion is true or not; and (b) whether the information or opinion is recorded in a material form or not.
POSITION	means the long or short Position you have taken in your Margin FX Contract, CFD or other Product with us;
PRIVACY POLICY	our privacy policy as set out on our Website, amended from time to time;
PRO ACCOUNT	means an Account where commissions are charged on transactions executed;
PRODUCT	means a product offered by us under this PDS and described in the Product Schedule;
PRODUCT SCHEDULE	means the Product Schedule published on our Website;

RELATED BODY CORPORATE	means any entity that is either a holding company, parent, subsidiary or affiliate of AxiCorp Limited and includes AxiCorp Financial Services Pty Ltd (ACN 127 606 348) and its controlled entities;
REPORT*	means any daily statement, monthly statement or other report we provide to you;
ROLLOVER BENEFIT	means a benefit you may receive on Future CFD Positions held when the Underlying Instrument is changed to the Next Serial Futures Contract; and which are described in the relevant parts of the Product Schedule;
ROLLOVER CHARGE	means a charge you may have to pay on Future CFD Positions held when the Underlying Instrument is changed to the Next Serial Futures Contract; and which is described in the relevant parts of the Product Schedule;
SERVICES	means the services provided by us under the Client Agreement;
SETTLEMENT DATE*	means such settlement date following the Closing Date or Maturity Date (if applicable) as we may reasonably determine in accordance with practice in the relevant market and notify to you at the time of entering into a Position;
SHORT PARTY	means in relation to a Product, the party that has notionally taken a short Position in respect of the Underlying Instrument, for example, as shown in section 9.3;
STANDARD ACCOUNT	means an Account where no commissions are charged on transactions executed and transaction fees are incorporated into the bid-offer spread for each product;
STANDARD MARGIN RATE	means such percentage of the Contract Value as specified by us in the Product Schedule;
SWAP CHARGE	means a payment you may be required to make where you have a Margin FX Contract or Bullion Spot CFD Position held overnight and which is described in sections 9.3 and 9.4;
SWAP BENEFIT	means a benefit you may receive where you have a Margin FX Contract or Bullion Spot CFD Position held overnight, and which is described in section 9.3 and 9.4;
TOTAL EQUITY	the way your Total Equity is calculated is described in section 3.14
TOTAL MARGIN REQUIREMENT	means the sum of your Margin Requirements for all your open Positions;
TRADING DAY	means in the case of Positions over an Underlying Instrument which is traded on, or references, an Underlying Market, a day on which the Underlying Market is open for trading in the ordinary course (and if there is more than one Underlying Market, a day on which all applicable Underlying Markets are open for trading in the ordinary course);
TRADING PLATFORM	means the trading platform we make available to you via an internet or WAP service, and/or electronic routing service, including any software, by which you may trade with us online. This includes the Client Portal of the back-office accounting system through which we will report Confirmation statements, etc;
UNDERLYING INSTRUMENT	means the underlying asset, security, currency pair, Commodity, futures contract, cryptocurrency, or index, the reference to which the value of a Margin FX Contract or CFD is determined;
UNDERLYING MARKET	means the underlying market in which the Underlying Instrument is traded;

VALUATION TIME*	means, in respect of a Position: (a) the time the Position is opened; (b) the Close of Business on each Trading Day the Position is open (other than the Trading Day the Position is closed); and the time the Position is closed;
VARIATION MARGIN	means the unrealised profit or loss on an open Position as calculated by us and reported either in the Trading Platform or on a Statement;
WEBSITE	means the internet address www.axitrader.com/uk and includes the Trading Platform;
WE/US	means AxiCorp Limited trading as AxiTrader.
YOU	means the Client.